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Chunghwa Chemical Synthesis & Biotech Co., Ltd.



2025 Annual Report

(Translation)

Chunghwa Chemical Synthesis & Biotech Co., Ltd.

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CPA name: Lin, Po-Chuan, Hsieh, Wei-Li

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

VI. The Company's website http://www.ccsb.com.tw

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One. Report to Shareholders

Ladies and gentlemen, our cherished shareholders:

The summary of the company's 2025 business dynamics will be presented to all shareholders, and we look forward to your review and feedback.

I. The 2025 Business Report:

(I) Implementation results of the business plan

CCSB’s consolidated operating revenue for 2025 was NT$804,878 thousand. The main raw material, RAPA, has proven to be not only an immunosuppressive drug raw material but also an intermediate for Everolimus and a drug coating for cardiovascular stents. The Company has worked with major international medical device manufacturers for many years. Several of its customers have entered late-stage clinical trials and are preparing to launch their cardiovascular stents. Future demand is anticipated. At present, the increase in Rapamycin sales is mainly due to medical device customers building up inventory in preparation for launch.

Everolimus, an immunosuppressant and anti-cancer drug, was approved by the FDA through the Company’s U.S. customer in June 2020, granting 180-day market exclusivity. In 2021, besides the existing low-dose generic drug Afinitor (2.5 mg, 5.0 mg, and 7.5 mg), the customer also marketed the high-dose (10 mg) product in 2021. Due to the launch of several U.S. clients’ preparations made with the Company’s API, Everolimus, the demand from these customers increased tremendously. The Company has been active in producing its own intermediates while at the same time seeking other raw material suppliers in order to continuously fulfill U.S. clients’ demand and improve its market share. This product has become the major force driving the revenue and profit growth in recent years.

In response to European clients’ optimistic view about the market growth of the anti-fungal infection product Caspofungin, the Company increased the capacity of existing production lines to lower cost. Provides customers with more competitive APIs to enhance their market competitiveness. Backed with both enlarged capacity and competitive price in addition to a triple-digit growth of customer demand in this year, ongoing growth momentum is anticipated in the future.

The Company is also engaged in the manufacture of the immunosuppressive drug Tacrolimus. With the continued expansion of the fermentation production line and increased production investment, coupled with competitive advantages in production capacity and price, continuous cultivation of the Japanese market has driven increased Tacrolimus orders from customers, which is expected to result in significant revenue growth for the Company.

Triglyceride - fish oil active pharmaceutical ingredient ethyl icosapentate (EPAE). In 2024, the annual production capacity of the product was further increased and the unit cost was reduced through the continuous optimization of the EPAE process and the introduction of a continuous process (MCFE). The increase in production capacity has been sufficient to meet customer market demand, and customers have also accumulated a significant amount of inventory. As a result, overall demand has slowed this year.

The Company underwent a factory inspection by the TFDA and 16 customer audits in 2025, and passed all of them. The customers that performed the audit were from the U.S., Europe, Japan, India, and other countries. Our Company, nevertheless, still adheres to the cGMP implementation and manufacturing specifications by strictly implementing the cGMP system operation as officially accredited by and consistent with the

requirements of the United States, European Union (EU) and Japan. Our implementation under such policy will be helpful to the Company to continually develop the global markets dominated in Europe, the United States and Japan.

2025 Consolidated Sales Analysis Table Unit: NT$ thousand

Products / Sales	Biotechnology products	Non-biotechnology products	Labor revenue	Total	Ratio of Turnover Accounted
Domestic sales	55,253	23,178	24,502	102,933	13%
Export sales	517,771	184,174	-	701,945	87%
Total	573,024	207,352	24,502	804,878	100%
Ratio of Turnover Accounted	71%	26%	3%	100%	-

(II) Consolidated budget implementation status: This is not applicable as the Company does not disclose to the public its financial forecast.

(III) Consolidated financial revenue/expenditure and profitability analysis:

1. Consolidated financial balance:

Unit: NT$ thousands; loss per share in NT$.

Item	Amount
Operating revenues	804,878
Gross operating loss	(8,864)
Operating loss	(319,538)
Interest revenue	3,784
Interest expenses	16,731
Net loss before tax	(255,677)
Net loss after tax	(243,847)
Loss per share	(4.39)

2. Consolidated profitability analysis:

Unit: %; loss per share in NT$.

Item	Ratio
ROA	(5.07)
Return on equity	(7.56)
Ratio of pre-tax net income to paid-in capital	(33.24)
Net profit margin	(30.29)
Loss per share	(4.39)

(IV) R&D progress:

1. Synthesis research institute:
   (1) Completed the scale-up of new process for producing Plecanatide, a drug for the treatment of chronic idiopathic constipation.
   (2) Completed the manufacturing process enlargement for Selumetinib Sulfate, an API for treating neurofibromatosis, reaching a purity of over 99%.
   (3) Completed the process scale-up of Semaglutide, an API for treating diabetes and weight management, to 1 kg level, achieving a purity of over 99%.

(4) Developed a process for Tenapanor, a pharmaceutical ingredient for treating hyperphosphatemia in chronic kidney disease dialysis patients and constipation-predominant irritable bowel syndrome.

2. Biotechnology research institute:
   (1) Completed the development of an experimental process to improve the quality of Dalbavancin raw material, a dermatological antibacterial drug, ensuring its nitrosamine impurity levels are below the regulatory standard (1 ppm).
   (2) Completed process of Semaglutide fermentation intermediate, a weight loss drug, and the yield and quality met specifications.
   (3) Completed scale-up laboratory process development for the Semaglutide side chain. The yield and quality met the standards.
   (4) Completed laboratory process development of the multiple sclerosis raw material Ozanimod Free Base, meeting the customer's requirements.
   (5) Complete the laboratory process scale-up and 6-month stability testing of the cancer drug Trilaciclib raw material. The quality met the specifications and apply for the US DMF.

II. Summary of business plan 2026:

(I) Operating principles and important production and marketing policies:

1. Developing international market and new customers
   (1) Promote capacity enhancement and process optimization of immunosuppressive drugs to increase output, reduce production costs, and strengthen competitiveness. Following its Paragraph IV launch in the U.S., the Company has continued to deepen its development of new customers there and expand its customer base for Paragraph III products. Additionally, the Company has capitalized on policy opportunities offered by various governments to encourage generic drug development and reduce medical expenditure, actively expanding into Europe, Japan, and emerging markets through independent development and partnerships with strategic agents in those countries.
   (2) On Everolimus, we have obtained the FDA inspection and registration license (ANDA approval) from our American customer. The currently existing Paragraph IV customers have been listed in the US market one after another, driving the growth of orders in 2024. In response to the completion of process optimization in 2025, the resulting efficiencies expanded market share and helped increase product sales while maintaining a relatively stable gross profit.
   (3) The expanded fermentation production line for Tacrolimus was completed in 2022 and has been put into production. At the end of 2023, we obtained the export drug license and GMP certificate for the new bacteria. As customers' products have encountered bottlenecks in end consumer sales, the demand for raw materials has slowed down. We continue to develop the Japanese market, and our customer has increased its orders for Tacrolimus old fungus, which is expected to drive significant revenue growth.
   (4) As a result of market factors, the time schedule for bulk pharmaceuticals (BPC) for fish oil to launch market in the United States is advanced ahead of schedule from 2030 to 2021. This fact led to an increase in purchase orders. The EPAE market in the United States is 590 metric tons minimum. In an attempt to satisfy potential follow-up orders, we have satisfactorily completed a continuous manufacturing process (MCFE) to boost annual output and minimize unit costs to, in turn, pep up the competitive edge of our products. In the long run, we shall continue to improve the process to reduce the cost of EPAE. Although clients are facing challenges in competing with newer generic drug manufacturers, which has led to a temporary decrease in demand for EPAE, continued efforts to expand

market share are expected to drive demand higher this year.

(5) In response to the increased demand from many of our European customers for the anti-fungal infection product Caspofungin, we have expanded the process production line and added synthesis and purification equipment. The new production line has been completed, which will significantly boost our revenue. In addition to existing customers in the Middle East and Europe, we will improve the development of the market in China. In addition, with the production capacity of the new production line in place, we expect to increase our market competitiveness and develop more new customers in potential markets such as the United States, Central and South America.

2. Domestic & foreign OEM business and technology development contracts

CCSB established a joint venture company (PharmaSinoTech Co., Ltd.) with Pharmaron-Sundia, a globally trusted drug research, development, and manufacturing service company (CRDMO), to strengthen Taiwan's API production capacity and expand into the global market.

Through this partnership, CCSB's existing GMP manufacturing capability and long-term regulatory compliance record have been integrated with Pharmaron-Sundia's strengths in early drug development and global customer service. This integration extends from early development through commercial scale production, providing end-to-end API integrated solutions.

With its industry-leading R&D and production capabilities, Pharmaron-Sundia has served more than 1,500 customers worldwide each year. Building on this solid foundation, CCSB creates greater value for global customers through highly integrated solutions.

3. Product Development Strategies

(1) Potential new product topics and R&D

- Enhance the R&D and mass production technology for peptide APIs and enter the peptide drug market.
- Integration of fermentation and synthesis technologies delivers semi-fermentation products and purification technologies to meet market demand for oral GLP-1 product.
- Develop a high-active drug technology platform and supply new APIs that challenge Paragraph IV.
- Develop customer-oriented and core technology-based products and vigorously explore cooperation with international pharmaceutical counterparts in the development of products to boost the chances of success in the new products.
- Develop Paragraph III products with definite market demand and firm customer base. Such efforts would be helpful to improve the opportunities for the early entry of R&D products ahead of schedule.
- Patent examination and patent non-infringement studies, along with the development of new crystal forms and innovative manufacturing processes, have helped improve product competitiveness.

(2) Optimize the current product process, reduce the manufacturing costs, and increase the product competitiveness and market share in the global generic drug market.

- The research & development of innovative production technology, the introduction toward continuous production (MCFE) processes through cross-industry cooperation to enhance production efficiency, minimize manufacturing costs and eventually help soften the cutthroat competition in prices in the market.

- Continuously monitor of the manufacturing costs to eliminate the potential process bottlenecks and enhance production technology. Through process amplification, expansion of production lines and new equipment investment, the Company would provide high-quality and competitively priced products and would, in turn, help boost market share.

4. Maintain the International Competitiveness and Advantages of the API Industry

(1) The company will continue to strengthen and implement cGMP execution and pass the official cGMP inspection of domestic and foreign customers and products from importing countries.

(2) Towards efforts to enhance trustworthiness and satisfaction to customers at home and abroad, set up the Cenra API Solutions brand name into the international community and in turn set up a solid foundation.

(II) Sales Volume Forecast and Supporting Basis

The company's sales forecast is based on the marketing layout, the internationalization of products, and the sales forecast plan to actively develop the CDMO/CMO revenue growth. With our bulk pharmaceuticals (BPC) and OEM products, we anticipate to hit aggregate total sales volume of 143 metric tons in 2026.

III. Future development strategies:

(I) We continuously enhance our research and development energy and adjust research and development strategies to develop high-price, high-tech threshold with few competitors and high-margin products to boost the production efficiency and revenue efficiency at the current venues.

(II) Differentiate from counterparts that also specialize in synthesized chemicals or fermented products taking advantage of unique fermentation and chemical synthesis technologies of the Company to multiply new products developed and enhance competitive advantages on the global market and to strengthen niche products of the Company, Everolimus, Tacrolimus, Ethyl Icosapentate, and Caspofungin. Optimize processes to increase the throughput and bring down the cost and accordingly boost the Company's presence on the global market.

(III) The company will develop unique key technologies to develop special products, such as high-growth products such as anti-cancer, high potency and peptide drugs, to support the development of new customers and enhance the niche and appeal of product differentiation.

(IV) To develop CDMO/CMO business, by rallying to participate in domestic, foreign major drug makers' new drug R&D plans, through which to enter into early stage joint R&D relation, such as pre-clinical and various clinical stages' intermediary, products' trial, manufacturing process development and related work, in anticipation to form a strategic alliance with major pharmaceutical plants, for joint growth.

(V) Ensure regulatory compliance, enhance the factory inspection of ingredients and API intermediate suppliers, ensure the compliance by upstream suppliers, compliance with the latest requirements by other countries' pharmaceutical supervision authorities and sufficient supply of ingredients, and sustain the quality of our products.

(VI) To continue developing solvent recall technology amid environmental protection demands becoming ever stringent, by inducting various management systems and mechanism, voluntarily executing waste reduction, reduced discharge process, lowering the operating cost, and exerting the company's environmentally friendly social stewardship.

(VII) The demand for generic drugs on the emerging markets is increasing each day; the market is flourishing. The Company proactively works with distributors in China, the Asia Pacific Region, and East Europe to explore potential customers for niche products and to seek more distribution opportunities.

(VIII) In response to the global trend of "Net-zero Emissions", the Company launched the carbon inventory in order to layout an adaptation strategy to climate change that meets the Company's needs and allows the Company to set and actualize its sustainable development goal of net-zero emissions.

IV. Impacts from the External Competition, Legal Environment, and Overall Business Environment:

CCSB's raw materials are primarily exported, making the Company particularly sensitive to the USD exchange rate. Exchange rate stability significantly impacts CCSB's revenue and profitability. According to the World Economic Outlook report released by the International Monetary Fund (IMF), the global growth rate in 2025 is 3.2%, indicating steady economic performance. The report indicated that recent trade agreements signed between the United States and several major economies have resulted in tariff rates lower than anticipated. The global economy has also benefited from private companies' flexible strategies, including proactive importing and swift supply chain adjustments, as well as fiscal stimulus measures implemented by Europe and China, a weaker U.S. dollar, and the surge in artificial intelligence (AI) investments. Particularly, the U.S. economy has remained strong, while the Eurozone has also seen slight growth, primarily due to Germany's fiscal expansion and Spain's continued strong momentum.

Looking ahead to 2026, the international political and economic outlooks are positive, driven by optimistic expectations for AI and technology investments and the continued decline in global inflation. The U.S. market has benefited from large-scale investments in artificial intelligence (AI) infrastructure and a relaxed financial environment. The economic growth rate in China and emerging markets is as expected, primarily due to the U.S.-China trade truce and domestic stimulus policies. However, the IMF warns that if China does not shift to structural growth driven by domestic demand, it faces protectionism risks. Overall, the IMF views the global economy in 2026 as exhibiting "fragile resilience." Technology-driven investment and fiscal policy have continued to support economic growth, and the IMF now forecasts a slight increase in the global economic growth rate for 2026 to 3.3%, compared to 2025.

As predicted by IQVIA, in 2027, with expiring patents and rising supply of generic pharmaceuticals along with significant growth in the emerging markets, the pharmaceutical market values of the entire world shall come up to US$1.9 trillion value. The pharmaceutical markets of developed nations would grow up to hit US$1.4 trillion, including the generic pharmaceutical markets with output values ranging from US$485 billion to US$545 billion, including non-original brand generic pharmaceuticals in the developed countries anticipated to grow up to 5%–8%, with the output values ranging from US$150 billion to US$160 billion. The unbranded generic pharmaceuticals are anticipated to range from US$105 billion to US$115 billion. The United States, Canada, Japan among other nations have launched legislation into incentives toward more generic pharmaceuticals to control pharmaceutical prices and to evaluate pharmaceutical efficacy by means of pharmacoeconomics. For pharmaceuticals, they adopt big data for pharmaceuticals to regulate pharmaceutical prices and upgrade insurance programs to minimize government expenditures on National Health Insurance and to, in turn, assure rationality of pharmaceutical prices. Thanks to support with multiple policies, the generic pharmaceutical markets have been growing at continued paces.

Among them, the generic pharmaceutical annual report data revealed by US FDA indicates that only 694 generic pharmaceuticals were approved in 2024 and 689 generic pharmaceuticals were approved in 2025 by FDA amidst its verification process. The FDA report underlines that sales of generic pharmaceuticals in the United States would help lower

overall medical treatment expenditures, help boost competitive edge for the products and, in turn, minimize medical treatment costs thereby facilitate more patients into practical use.

IQVIA pointed out that amidst the impact of the global inflation, the generic pharmaceuticals in the United States virtually offset the growth in patent-expiring pharmaceuticals because of the low prices. As a result, the generic pharmaceutical market in the United States is anticipated to grow by US$7 billion to hit US$17 billion in 2027. The European market is to grow by US$12 billion to hit US$26 billion. On the other hand, nevertheless, the major bulk pharmaceutical chemicals, or Active Pharmaceutical Ingredient (API) come from India and China. Amidst the impact by coronavirus pandemic (COVID-19), inflation, geopolitics and war, the supply chains of generic pharmaceuticals become unstable and the raw material costs rise, bringing added uncertainties in the growth of generic pharmaceutical markets.

At present, countries are actively developing Biosimilars industries to enhance relevant analytical technologies and improve health insurance mechanisms, but the regulatory system, investment costs and technical thresholds of the biosimilar industry are relatively high, resulting in a slower development of the biosimilar industry. On the contrary, small molecule scientific drugs have the advantages of mass production process, mature regulations and high acceptance of patient medication, high penetration rate and low price... and other characteristics. Therefore, the chemical raw materials (APIs) of small molecules and peptide, which we focus on, have a place in the generic drug market.

The company's cGMP system has been officially inspected by the United States, Europe and Japan many times. We have been one of the major suppliers of high-tech companies in the United States, Europe and Japan, although we face low-cost competition in the market from Chinese and Indian API manufacturers. With the increasingly strict inspection of the US and EU pharmaceutical authorities and the increasingly stringent requirements for cGMP requirements, the quality requirements of APIs have established a new milestone. The company faced with the improvement of pharmaceutical quality thresholds in advanced countries, it is also an opportunity for Chunghwa Chemical Synthesis & Biotech Co. Ltd who has a strong cGMP foundation. We will strive to enhance our competitiveness, deepen our research and development technology, and develop high-tech raw materials with market potential. In the harsh competition environment of the internal and external markets, we strive to break through and grow steadily.

We wish you all shareholders

May I wish you all good health and good luck.

Chairwoman Wang Hsieh, I-Chen

Two. Corporate Governance

I. Background information of the Director, President, Vice Presidents, Assistant Vice Presidents and heads of various departments and branches:

(I) Director:

1. Directors Information:

March 30, 2026; Unit: Shares

Title (Note 1)	Nationality and Registry	Name	Gender Age	Date elected	Term	Date first elected	Shareholding as of elected date		Current shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in The Company and in other companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or other department heads			Remarks
							Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
Chairman	Republic of China	China Chemical & Pharmaceutical Co., Ltd.	-	2025.05.29	3 years	1998.05.12	1,575,064	27.82%	1,575,064	28.05%	0	0%	0	0%	-	Note 3	None	None	None	None
	Republic of China	China Chemical & Pharmaceutical Co., Ltd. representative: Wang Hsieh, I-Chen	Female 51–60 years old	2025.05.29	3 years	2020.11.09	0	0%	347	0%	2,456,179	3.19%	320,000	0.42%	Department of Philosophy and Department of Business Management, Fu Jen Catholic University Chairman of Cenra Inc.	Note 4	Vice Chairman	Wang, Hou-Kai	irst degre	None
Vice Chairman	Republic of China	China Chemical & Pharmaceutical Co., Ltd.	-	2025.05.29	3 years	1998.05.12	1,575,064	27.82%	1,575,064	28.05%	0	0%	0	0%	-	Note 3	None	None	None	None
	Republic of China	China Chemical & Pharmaceutical Co., Ltd. representative: Wang, Hou-Kai	Male 31–40 years old	2025.05.29	3 years	2022.05.25	0	0%	0	0%	0	0%	0	0%	Bachelor of Science, Leonard N. Stern School of Business, New York University Chairman, CEO of Cenra Inc. Private Equity Investment Manager, KKR & Co. Private Equity Investment Manager, Baring Private Equity Asia, M&A Analyst of Healthcare Industry, Lazard Frères & Co.	Note 5	Chairman	Wang Hsieh, I-Chen	First degree	None
Director	Republic of China	Wang Ming-Ning Memorial Foundation	-	2025.05.29	3 years	2016.05.31	1,691,982	2.18%	1,691,982	2.20%	0	0%	0	0%	-	Note 6	None	None	None	None
	Republic of China	Wang Ming-Ning Memorial Foundation representative: Wang, Hou-Jie	Male 31–40 years old	2025.05.29	3 years	2020.01.17	0	0%	1,026,600	1.33%	0	0%	0	0%	Department of Psychology, University of Southern California Director of Cenra Inc.	Note 7	None	None	None	None
Director	Republic of China	Wang Ming-Ning Memorial Foundation	-	2025.05.29	3 years	2016.05.31	1,691,982	2.18%	1,691,982	2.20%	0	0%	0	0%	-	Note 6	None	None	None	None

Title (Note 1)	Nationality and Registry	Name	Gender Age	Date elected	Term	Date first elected	Shareholding as of elected date		Current shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in The Company and in other companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or other department heads			Remarks
							Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
	Republic of China	Wang Ming-Ning Memorial Foundation representative: Wu, Shih-Hsuan (Note 2)	Male 51–60 years old	2025.05.29	3 years	2025.05.29	0	0%	0	0%	0	0%	0	0%	Master of Statistics in the College of Law and Business of National Chung Hsing University (now Taipei University) Director, COO of China Chemical & Pharmaceutical Co., Ltd Assistant President of Hon Hai Precision Industry Co., Ltd., Director of Lite-On Technology Corporation	Note 8	None	None	None	None
Independent Director	Republic of China	Wang, Kuo-Chiang	Male 61–70 years old	2025.05.29	3 years	2010.06.08	0	0%	0	0%	0	0%	0	0%	Master's Degree from the NCTU Executive Master of Business Administration Bachelor of Accounting, National Chung Tsing University (Now National Taipei University) Acting President of Dafeng Cable Co., Ltd. President of Taiwan Digital Broadband Cable TV Co., Ltd. Assistant Professor of National Taipei University of Technology	Note 9	None	None	None	None
Independent Director	Republic of China	Kuan, Arthur	Male 31–40 years old	2025.05.29	3 years	2022.05.25	0	0%	0	0%	0	0%	0	0%	M.S., Biological Technology, John Hopkins University, University of Pennsylvania Biology B.A., Chief Executive Officer and Chairman, CG Oncology (Eternal Facial Biotechnology Co., Ltd.)	Note 10	None	None	None	None
Independent Director	Republic of China	Lee, Ming-Jye (Note 2)	Female 61–70 years old	2025.05.29	3 years	2025.05.29	0	0%	0	0%	0	0%	0	0%	Master of Business Administration, Master of Information Management, University of Pittsburgh, USA Vice President of the Young Women's Christian Association, Director and finance	Note 11	None	None	None	None

Title (Note 1)	Nationality and Registry	Name	Gender Age	Date elected	Term	Date first elected	Shareholding as of elected date		Current shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in The Company and in other companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or other department heads			Remarks
							Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
															officer of the Taipei Young Women's Christian Association, Director of Investment Operation Management Department of Fidelity Investments (HK) Ltd., Senior Manager of Jardine Fleming (HK) Ltd.					

Note 1: Where the Company's chairman and president or personnel of the equivalent positions (the highest managerial officers) are the same persons, as spouse or blood relatives within the first degree of kinship to each other, the Company should clarify the reasons, rationale, necessity and countermeasures: not applicable. Such fact is virtually nonexistent.

Note 2: At the shareholders' meeting on May 29, 2025, the directors were re-elected. Director – Representative of Wang Min-Ning Memorial Foundation (Huang, Chung-Hsin) and Independent Director Chang, Chih-Hsien were removed from their positions on May 29, 2025; Director – Representative of Wang Min-Ning Memorial Foundation (Wu, Shih-Hsuan) and Independent Director Lee, Ming-Jye assumed office on May 29, 2025.

Note 3: Director of Tairung Development Co., Ltd.
Director, Supervisor of Chunghwa Senior Care Co., Ltd.
Director of Sino-Japan Chemical Co., Ltd.

Note 4: Chairman of Cenra Inc. (Wang Ming-Ning Memorial Foundation legal representative)
Chairman of China Chemical & Pharmaceutical Co., Ltd. (Cenra Inc. legal representative)
Chairman of Chunghwa Yuming Healthcare Co., Ltd. (Cenra Inc. legal representative)
Chairman of Chunghwa Senior Care Co., Ltd. (China Chemical & Pharmaceutical Co., Ltd. legal representative)
Chairman, President of Tairung Development Co., Ltd.
Chairman of HU-YU Co., Ltd.
Chairman of Majiade Enterprises Co., Ltd.
Supervisor of Sela Holdings Inc.
Director of Suzhou Chung-Hwa Chemical Pharmaceutical Industrial Co., Ltd.
Chairman of Wang Ming-Ning Memorial Foundation Chairman

Note 5: Chairman of Sela Holdings Inc. Chairman
Chairman, Hsin Wang Investment Co., Ltd. (juristic person representative of Cenra)
Chairman, CEO of Cenra Inc. (Sela Holdings Inc. legal representative)
Director of Sino-Japan Chemical Co., Ltd. (China Chemical & Pharmaceutical Co., Ltd. legal representative)
Director, President of China Chemical & Pharmaceutical Co., Ltd. (Cenra Inc. legal representative)
Director of Chunghwa Yuming Healthcare Co., Ltd. (Cenra Inc. legal representative)
Director of Chunghwa Senior Care Co., Ltd. (China Chemical & Pharmaceutical Co., Ltd. legal representative)
Director of Tairung Development Co., Ltd. (China Chemical & Pharmaceutical Co., Ltd. legal representative)
Supervisor of Majiade Enterprises Co., Ltd.
Director of Suzhou Chung-Hwa Chemical Pharmaceutical Industrial Co., Ltd.
Director of Wang Ming-Ning Memorial Foundation Chairman

Note 6: Director of Cenra Inc.

Note 7: Director of Cenra Inc.
Director of Tairung Development Co., Ltd.
Director and President of Suzhou Chung-Hwa Chemical Pharmaceutical Industrial Co., Ltd.
Executive Director of Shanghai Yuhou Trading Co., Ltd. (formerly known as Beifu (Shanghai) Trading Co., Ltd.)

Note 8: Director, COO of China Chemical & Pharmaceutical Co., Ltd. (Cenra Inc. legal representative)
Director of Chunghwa Yuming Healthcare Co., Ltd. (Cenra Inc. legal representative)
Supervisor of Tairung Development Co., Ltd.
Director of Suzhou Chung-Hwa Chemical Pharmaceutical Industrial Co., Ltd.
Vice President of Operational Performance/Strategic Procurement, Cenra Inc.

Note 9: Chairman of Lien Chieh Management and Consultation Co., Ltd.
Independent Director, Convener of Compensation and Remuneration Committee, and Convener of Audit Committee, Partner Tech Corp.
Independent Director, Convener of Compensation and Remuneration Committee, and Convener of Audit Committee, Hill Source Holdings Limited (KY Company)
Independent Director, Convener of Compensation and Remuneration Committee, and Convener of Audit Committee, Otobrite Electronics Inc.
Assistant Professor of National Yang Ming Chiao Tung University

Note 10: Chief Executive Officer and Chairman, CG Oncology (Eternal Facial Biotechnology Co., Ltd.)

Note 11: Vice President of the Young Women's Christian Association,

2. List of directors who are also legal person shareholder representatives with the shareholding ratio of exceeding 10% or rank as top ten among the shareholders:

(1) Corporate shareholders' main shareholders:

March 30, 2026

Name of corporate shareholder	Corporate shareholders' main shareholders	Shareholding percentage
China Chemical & Pharmaceutical Co., Ltd.	Cenra Inc.	100%
Wang Ming-Ning Memorial Foundation (Note 1)	Wang Huang, Li-Hui (deceased), Wang, Shiun-Sheng, Wang, Hsun-Hui (deceased) Wang, Shiun-Sheng	91.88%
	China Chemical & Pharmaceutical Co., Ltd.	3.63%
	Chunghwa Chemical Synthesis & Biotech Co., Ltd.	2.03%
	Wang, Chih-Chuan (deceased)	0.73%
	Wang, Shiun-Sheng	0.35%
	Wang Sung, Chiung-Ying (deceased)	0.25%
	Wang, Shiun-Sheng (deceased)	0.18%
	Wang Huang, Li-Hui (deceased)	0.12%
	Chen Wang, Hsiang-Yu	0.07%
	Wei, Fu-Chuan	0.02%

Note 1: Where a juristic person shareholder is not in an organization as a company, the aforementioned shareholder titles and shareholding ratios would be just the names of investors or donors and their investment or donation ratios.

(2) The main shareholders if the main shareholders of the corporate shareholders are the corporation:

March 30, 2026

Name of corporate shareholder	Corporate shareholders' main shareholders	Shareholding percentage
Cenra Inc.	Chunghwa Chemical Synthesis & Biotech Co., Ltd.	14.04%
	Sela Holdings Inc.	4.38%
	Wang Ming-Ning Memorial Foundation	3.48%
	Yuanta Commercial Bank Trust Property Account	3.13%
	Kuan Enterprise Limited	3.13%
	Wang, Hou-Jie	2.44%
	Jiezhe Investment Co., Ltd.	2.17%
	SPDR(R) Index Emerging Markets as commissioned by Standard Chartered Bank Limited.	2.09%
	Majiade Enterprises Co., Ltd.	1.83%
	Wang, Shiun-Sheng	1.58%
China Chemical & Pharmaceutical Co., Ltd.	Cenra Inc.	100%
Chunghwa Chemical Synthesis & Biotech Co., Ltd.	China Chemical & Pharmaceutical Co., Ltd.	28.05%
	Wang, Shiun-Sheng	3.19%
	Wang Ming-Ning Memorial Foundation	2.20%
	Hsieh, Chia-Ying	1.56%
	Wang, Hou-Jie	1.33%
	Wang, Shiun-Sheng	1.30%
	Lin, Kuei-Mei	1.29%
	Yuanta Commercial Bank entrusted with the custody of CCSB employee trust account	1.24%
	Ko, Ching-Hui	1.08%
	Wang, Hou-Che	0.99%

3. Disclosure of information regarding professional qualifications for directors and independence of independent directors:

Criteria / Name	Professional qualifications and experience	Independence situation	Number of positions as an Independent Director in other public listed companies
Chairman: China Chemical & Pharmaceutical Co., Ltd. Representative: Wang Hsieh, I-Chen	● With more than 5 years of experience required for commercial and corporate affairs. ● Currently the Chairman of Cenra Inc. (representative of Mr. Wang Min-Ning's Memorial Foundation); Chairman of China Chemical & Pharmaceutical (representative of Cenra Inc.); Chairman of Chunghwa Yuming Healthcare Co., Ltd. (Cenra Inc. legal representative) Chairman of Chunghwa Senior Care (juristic person representative of China Chemical & Pharm); Chairman and President of Tairung Development Co., Ltd.; Chairman of Hu Yu Co., Ltd.; Chairman of Markart Enterprise Co., Ltd.; Supervisor of Sela Holdings Co., Ltd.; Director of Suzhou China Chemical Pharmaceutical Co., Ltd.; and Chairman of Wang Min-Ning Memorial Foundation. ● Does not meet any descriptions stated in Article 30 of The Company Act.	● Directors, supervisors or employees of other company (ies) with a majority of director seats or voting powers not with the Company. ● Not an owner, partner, Director, Supervisor, Manager or spouse to the owner, partner, Director, Supervisor, Manager of a professional, sole proprietor, partnership, company or institution providing audit service for the Company or its affiliates, or who has received remunerations of less than NT$500,000 in accumulation over the last 2 years.	None
Vice Chairman: China Chemical & Pharmaceutical Co., Ltd. Representative: Wang, Hou-Kai	● With more than 5 years of experience required for commercial and corporate affairs. ● Currently the Chairman of Sela Holdings Inc.; Chairman of Providence Investments Co., Ltd. (representative of Cenra); Director and CEO of Cenra (representative of Sela Holdings Inc.); Director of Sino-Japan Chemical Co., Ltd. (representative of China Chemical & Pharmaceutical Co., Ltd.); Director and President of China Chemical & Pharmaceutical Co., Ltd. (representative of Cenra); Director of Cenra+ Health (representative of Cenra); Director of Chunghwa Senior Care (representative of China Chemical & Pharmaceutical Co., Ltd.). Director of TAIRUNG ENTERPRISE CO., LTD. (representative of China Chemical & Pharmaceutical); supervisor of Majiade Enterprises Co., Ltd.; Suzhou Chung-Hwa Chemical & Pharmaceutical Industrial CO., LTD.; director of Wang Ming-Ning Memorial Foundation; ● Having served with KKR & Co. as the Investment Manager for Private Placement Equity; served with Baring Private Equity Asia as	● Does not hold more than 1% of the company's outstanding shares in his/her own name or under the name of spouse, underage children, or any other person; nor is any party listed herein one of the ten largest natural person shareholders of the company. ● Directors, supervisors or employees of other company (ies) with a majority of director seats or voting powers not with the Company. ● Not an owner, partner, Director, Supervisor, Manager or spouse to the owner, partner, Director, Supervisor, Manager of a professional, sole proprietor, partnership, company or institution providing audit service for the Company or its affiliates, or who has received remunerations of less than NT$500,000 in accumulation over the last 2 years.	None

Name \ Criteria	Professional qualifications and experience	Independence situation	Number of positions as an Independent Director in other public listed companies
	the Investment Manager for Private Placement Equity and served with Lazard Frères & Co., as the analytical specialist of merger/acquisition (M&A) for medical healthcare businesses. ● Does not meet any descriptions stated in Article 30 of The Company Act.		
Director: Wang Ming-Ning Memorial Foundation Representative: Wang, Hou-Jie	● With more than 5 years of experience required for commercial and corporate affairs. ● Currently the Chairman of Cenra Inc., Director of TAIRUNG ENTERPRISE CO., LTD.; Director and President of Suzhou Chung-Hwa Chemical Pharmaceutical Industrial Co., Ltd.; Executive Director of Shanghai Yuhou Trading Co., Ltd. (formerly known as Beifu (Shanghai) Trading Co., Ltd.); ● Does not meet any descriptions stated in Article 30 of The Company Act.	● Directors, supervisors or employees of other company (ies) with a majority of director seats or voting powers not with the Company. ● Not an owner, partner, Director, Supervisor, Manager or spouse to the owner, partner, Director, Supervisor, Manager of a professional, sole proprietor, partnership, company or institution providing audit service for the Company or its affiliates, or who has received remunerations of less than NT$500,000 in accumulation over the last 2 years. ● Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	None
Director: Wang Ming-Ning Memorial Foundation Representative: Wu, Shih-Hsuan (Note 1)	● With more than 5 years of experience required for commercial and corporate affairs. ● Currently a director and COO of China Chemical & Pharmaceutical Co., Ltd. (representative of Cenra); a director of Cenra+ Healthcare (juristic person representative of Cenra); a supervisor of Tairung Enterprise Co., Ltd.; a director of Suzhou China Chemical Pharmaceutical Co., Ltd.; and Vice President of Operational Performance/Strategic Procurement of Cenra. ● Assistant President of Hon Hai Precision Industry Co., Ltd., Director of Lite-On Technology Corporation. ● Does not meet any descriptions stated in Article 30 of The Company Act.	● Does not hold more than 1% of the company's outstanding shares in his/her own name or under the name of spouse, underage children, or any other person; nor is any party listed herein one of the ten largest natural person shareholders of the company. ● Directors, supervisors or employees of other company (ies) with a majority of director seats or voting powers not with the Company. ● Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	None

Note 1: At the shareholders' meeting on May 29, 2025, the directors were re-elected. Director – Representative of Wang Min-Ning Memorial Foundation (Huang, Chung-Hsin) and Independent Director Chang, Chih-Hsien were removed from their positions on May 29, 2025; Director – Representative of Wang Min-Ning Memorial Foundation (Wu, Shih-Hsuan) and Independent Director Lee, Ming-Jye assumed office on May 29, 2025.

Name \ Criteria	Professional qualifications and experience	Independence situation (Note)	Number of positions as an Independent Director in other public listed companies
Independent Director: Wang, Kuo-Chiang	● Graduated from National Yang Ming Chiao Tung University with a master's degree in senior executive management and from National Chung Hsing University (now National Taipei University) with a bachelor's degree in accounting. ● With more than 5 years of experience required for commercial, financial, accounting and corporate affairs. ● Currently Chairman of Linkage Management Consulting Co., Ltd.; Independent Director, convener of the remuneration committee, and convener of the audit committee of Partner Tech Corporation; Independent Director, convener of the remuneration committee, and convener of the audit committee of Feng Yuan Group Co., Ltd. (KY company); Independent Director, convener of the remuneration committee, and convener of the audit committee of Optronix Technology Co., Ltd.; Adjunct Assistant Professor of National Yang Ming Chiao Tung University. ● Having served with PricewaterhouseCoopers Taiwan as a senior auditor, served with Da Feng Cable Television Co., Ltd. as the agent president; having served with Taiwan Digital Broadband Cable Television Co., Ltd. as its president; and served with National Taipei University of Technology as the Adjunct Assistant Professor. ● As an officially licensed internal auditor of the Republic of China. ● Does not meet any descriptions stated in Article 30 of The Company Act.	● (1) Not employed by the company or any of its affiliated companies. ● (2) Not a director or supervisor of the Company or its affiliates ● (3) Does not hold more than 1% of the company's outstanding shares in his/her own name or under the name of spouse, underage children, or any other person; nor is any party listed herein one of the ten largest natural person shareholders of the company. ● Not a spouse, relative within the second degree of kinship or lineal relative within the third degree of kinship, of any of the managers stated in preceding paragraph (1) or the persons in preceding paragraph (2) and (3). ● The directors, supervisors or employees of juristic person shareholders serving as the directors or supervisors of the Company; holding over 5% of the total outstanding shares not directly, ranking among the top five (5) in terms of shareholding or duly appointed under Subparagraph 2, Paragraph 1, Article 27 of the Company Act. ● Directors, supervisors or employees of other company (ies) with a majority of director seats or voting powers not with the Company. ● Not as a director (council member), supervisor (controller) or employee of other company or institution as a same person or the spouse thereof of the Company's chairman, president	3
Independent Director: Kuan, Arthur	● Graduated from Johns Hopkins University with an M.S. in biotechnology and from the University of Pennsylvania with a B.A. in biology ● With more than 5 years of experience required for commercial and corporate affairs. ● Currently the Chief Executive Officer and Chairman, CG Oncology (Eternal Facial Biotechnology Co., Ltd.) ● Does not meet any descriptions stated in Article 30 of The Company Act.		None

Name \ Criteria	Professional qualifications and experience	Independence situation (Note)	Number of positions as an Independent Director in other public listed companies
Independent Director: Lee, Ming-Jye (Note 1)	● Master of Business Administration, Master of Information Management, University of Pittsburgh, USA ● With more than 5 years of experience required for commercial and corporate affairs. ● Currently the Vice President of the Young Women's Christian Association, ● Currently the Director and finance officer of the Taipei Young Women's Christian Association, Director of Investment Operation Management Department of Fidelity Investments (HK) Ltd., Senior Manager of Jardine Fleming (HK) Ltd. ● Does not meet any descriptions stated in Article 30 of The Company Act.	or equivalent job position. ● Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any company or institution that has financial or business relationship with the company. ● Not an owner, partner, Director, Supervisor, Manager or spouse to the owner, partner, Director, Supervisor, Manager of a professional, sole proprietor, partnership, company or institution providing audit service for the Company or its affiliates, or who has received remunerations of less than NT$500,000 in accumulation over the last 2 years. ● Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. ● Not elected as a government or corporate representative according to Article 27 of The Company Act.	None

Note 1: At the shareholders' meeting on May 29, 2025, the directors were re-elected. Director – Representative of Wang Min-Ning Memorial Foundation (Huang, Chung-Hsin) and Independent Director Chang, Chih-Hsien were removed from their positions on May 29, 2025; Director – Representative of Wang Min-Ning Memorial Foundation (Wu, Shih-Hsuan) and Independent Director Lee, Ming-Jye assumed office on May 29, 2025.

Note 2: The Company already obtained the Independence Declaration from each independent director according to the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and confirmed that all meet the eligibility criterion of independence meet regulatory requirements.

4. Diversification and Independence of Board of Directors:
   (1) Diversification of Board of Directors:
      A. Board of Directors Diversification Policy:

The Company has adopted the “Procedures for Election of Directors and Supervisors” and “Best Practice and Principle for Corporate Governance” and taken diversity into consideration in determining the composition of the board of directors. To implement the diversity of the board of directors of the Company, the directors of the Company are based on professionalism and dedication. As expressly provided for in Article 20 of the Company's “Corporate Governance Best-Practice Principles” (The overall capabilities required for the Board of Directors): The Board of Directors shall be organized in a diversified, comprehensive and multifaceted manner. The directors concurrently serving as the Company's managerial officers shall not exceed one-third of the total number of director seats. Besides, toward the board of directors’ operations, operating style and requirements in development, the Company should work out diversified, comprehensive and multifaceted policies which should include standards/criteria of the two major aspects below:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: Professional background (such as, law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience.

The members of the Board are disciplined with the kinds of knowledge, skills, and education necessary for their performance of professed duties. The Board shall be capable of performing the following for achieving the goal of corporate governance:

1. Operating judgment.
2. Accounting and financial analysis.
3. Management capability.
4. Crisis management capabilities.
5. Industry knowledge.
6. International market viewpoint.
7. Leadership capability.
8. Decision-making ability.

      B. Goals of Board of Directors and Their Fulfillment:

CCSB’s current Board of Directors has three independent directors, representing 43% of the total. The ages of the directors are distributed as follows: two directors are between 61 and 70 years old, two are between 51 and 60 years old, and three are between 31 and 40 years old. Currently, no directors on the board also serve as employees of CCSB. Among the directors, Wang, Kuo-Chiang holds an internal auditor license; Kuan, Arthur specializes in biotechnology, investment, and business management; and Lee, Ming-Jye specializes in supervising international affairs development, human resources, and organizational governance. The directors collectively possess extensive experience and expertise in finance, business, management, media, biotechnology, and securities investment, contributing to board diversity.

CCSB prioritizes diversity and gender equality in its Board of Directors. Currently, two of the seven directors are female,

representing 29%. Before the election of the next (24th) term of directors, the Company plans to identify female director candidates and allocate seats to ensure that women hold at least one-third of the total board positions, in compliance with the FSC's policies and the growing trend toward gender diversity on boards.

The composition diversity of the Board of Directors is as follows:

Diversified core projects / Name of director	Basic composition									Industrial experience							Professional skills				
	Gender	R.O.C.	As an employee	Age			Service tenure of independent directors			Pharmaceutical biotechnology	Mass media.	Technology	Securities	Accounting audit	Investment	International organization	Financial Accounting	Risk Management	operating strategy	Securities	International affairs development
				31–40 years old	51–60 years old	61–70 years old	3 years	6 - 9 years	Over 9 years												
Wang Hsieh, I-Chen	Female	V	-		V					V								V	V		
Wang, Hou-Kai	Male	V	-	V						V					V		V	V	V		
Wang, Hou-Jie	Male	V	-	V						V								V	V		
Wu, Shih-Hsuan	Male	V	-		V					V		V					V	V	V		
Wang, Kuo-Chiang	Male	V	-			V			V		V	V	V	V			V	V	V	V	
Kuan, Arthur	Male	V	-	V				V		V					V			V	V		V
Lee, Ming-Jye	Female	V	-			V	V								V	V	V	V	V		

(2) Independence of Board of Directors:

The Company has enacted a sound system to select directors. All directors have been selected through open and impartial procedures, completely satisfactory to the Company's "Articles of Incorporation", "Regulations Governing Director Election", "Corporate Governance Best-Practice Principles", "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and "Article 14-2 of Securities and Exchange Act". The current Board of Directors consists of three seats as independent director (43%) and four non-independent directors (57%). Among all boards of directors members, no director concurrently serves as an employee and among the total of seven director seats and those in spouse or within blood relatives within the second degree of kinship are no more than two, completely satisfactory to the requirements set forth under Paragraphs 3 and 4 of Article 26-3 of Securities and Exchange Act. The Company's directors prove completely independent in exercising their responsibilities and authority.

Here at the Company, the Board of Directors guides the Company in its strategies, supervise the management and assume the

responsibility toward the Company and its shareholders, and toward such tasks in arrangement of a variety of duties regarding corporate governance system. The Company's Board of Directors proves to have faithfully exercise responsibilities and authority in accordance with laws and ordinances concerned, Articles of Incorporation and decisions resolved in the shareholders' meeting. The Company's Board of Directors highlights the functions in independent operation and transparency. The directors and independent directors are individual entities and exercise their respective duties completely independently. The independent directors, three seats in total, faithfully comply with laws and ordinances concerned and team up with the Audit Committee to review the Company's existent or potential issues in control and, accordingly, substantially dominate the Company's internal control system to assure effective enforcement, sound appointment of certified public accountants and appropriate preparation of financial statements.

(II) Information of the President, Vice President, associated director, and supervisor of the various units and branches:

March 30, 2026; Unit: Shares

Title (Note 1)	Nationality	Name	Gender,	Date elected	Shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or kin within the second pillar under the Civil Code and who is a manager			Remarks
					Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
President (Note 2)	Republic of China	Hsiao, Wen-Yu	Male	2025.10.01	0	0%	5,000	0%	0	0%	Bachelor of Science in Biotechnology and Chemistry, Utah State University, USA Assistant Vice President of Sales & Business Development, Bora Pharmaceuticals Group	None	None	None	None	None
Vice President of Business Department	Republic of China	Chen, Ying-Chi	Male	2020.07.01	12,000	0.02%	0	0%	0	0%	Master of Microbiology and Immunology, Yangming University Aalto University School of Business EMBA COO of PHARMAPORTS,LLC	Chairman of PHARMAPORTS,LLC (CCSB incorporated entity representative) and BioDuro-Cenra Biotech CO., LTD.	None	None	None	None
Assistant Vice President of R&D Department	Republic of China	Tung,Yen Shih	Male	12024.07.04	15,000	0.02%	0	0%	0	0%	Master from Department of Chemistry, National Tsing Hua University Manager, Production Technology Department, Chunghwa Chemical Synthesis & Biotech Co. Ltd.	None	None	None	None	None
Assistant President of Biotechnology Institution	Republic of China	Mai, Jin-Cheng	Male	2019.07.01	0	0%	0	0%	0	0%	Master from Department of Chemistry, National Taiwan University Chairman, Synthetic Biotechnology Institution of China	None	None	None	None	None

Title (Note 1)	Nationality	Name	Gender,	Date elected	Shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or kin within the second pillar under the Civil Code and who is a manager			Remarks
					Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
											Chemical and Pharmaceutical Co., Ltd.					
Assistant Vice President of Quality Assurance Department	Republic of China	Wang, Wen-Ping	Male	2019.07.01	854	0%	0	0%	0	0%	Ph. D. from Institute of Chemical Engineering, University of Massachusetts Manager of Quality Assurance Department, China Chemical and Pharmaceutical Co., Ltd.	None	None	None	None	None
Chief Auditor	Republic of China	Hung, Chao-Sheng	Male	2020.07.01	10,330	0.01%	0	0%	0	0%	Master form the Department of business Administration, Chung Yuan Christian University Manager of Information Department, China Chemical and Pharmaceutical Co., Ltd.	None	None	None	None	None
Manager of Finance Department and Head of Corporate Governance	Republic of China	Wang, Kuan-Chieh	Male	2018.11.20	0	0%	0	0%	0	0%	MBA in Accounting of Chinese Culture University Manager of Finance Department, China Chemical and Pharmaceutical Co., Ltd.	None	None	None	None	None

Note 1: Where the Company's chairman and president or personnel of the equivalent positions (the highest managerial officers) are the same persons, as spouse or blood relatives within the first degree of kinship to each other, the Company should clarify the reasons, rationale, necessity and countermeasures: not applicable. Such fact is virtually non-existent.

Note 2: CCSB’s former president, Wei, Ching-Peng retired on September 30, 2025. The new President, Hsiao, Wen-Yu assumed his position on October 1, 2025.

II. Remuneration paid to Directors, the President, and the Vice President in the latest year

(I) Remuneration paid during the most recent fiscal year to Directors, Presidents, and Assistant Presidents

1. Remuneration of directors and independent directors

Unit: NT$ thousand December 31, 2025

Title	Name	Directors' remuneration								The sum of A, B, C, and D as a percentage of after-tax net profit (%)		Remuneration as an employee								The sum of A, B, C, D, E, F and G in proportion to Earnings (%)		Payment received from an investee or parent company beyond a subsidiary
		Remuneration (A)		Pension (B)		Remuneration to directors (C)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc (E)		Pension (F)		Remuneration to employees (G)						
																The Company		All companies contained in the financial report				
		The Company	All companies contained in the financial report	The Company	All companies contained in the financial report	The Company	All companies contained in the financial report	The Company	All companies contained in the financial report	The Company	All companies contained in the financial report	The Company	All companies contained in the financial report	The Company	All companies contained in the financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies contained in the financial report	
Chairman	China Chemical & Pharmaceutical Co., Ltd. representative: Wang Hsieh, I-Chen	3,444	3,444	0	0	0	0	1,262	1,262	4,706 (1.93%)	4,706 (1.93%)	0	0	0	0	0	0	0	0	4,706 (1.93%)	4,706 (1.93%)	0
Vice Chairman	China Chemical & Pharmaceutical Co., Ltd. representative: Wang, Hou-Kai	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Director	Wang Ming-Ning Memorial Foundation representative: Wang, Hou-Jie	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Director	Wang Ming-Ning Memorial Foundation representative: Huang, Chung-Hsin (Note 1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Director	Wang Ming-Ning Memorial Foundation representative: Wu, Shih-Hsuan (Note 1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Independent Director	Wang, Kuo-Chiang	552	552	0	0	0	0			622 (0.26%)	622 (0.26%)	0	0	0	0	0	0	0	0	622 (0.26%)	622 (0.26%)	0
Independent Director	Kuan, Arthur	552	552	0	0	0	0			601 (0.25%)	601 (0.25%)	0	0	0	0	0	0	0	0	601 (0.25%)	601 (0.25%)	0
Independent Director	Chang, Chih-Hsien (Note 1)	230	230	0	0	0	0			258 (0.11%)	258 (0.11%)	0	0	0	0	0	0	0	0	258 (0.11%)	258 (0.11%)	0
Independent Director	Lee, Ming-Jye (Note 1)	322	322	0	0	0	0			357 (0.15%)	357 (0.15%)	0	0	0	0	0	0	0	0	357 (0.15%)	357 (0.15%)	0

1. Please describe the policy, systems, standards and structure of remuneration of independent directors; also, describe the relationship with the amount of remuneration according to the responsibilities, risks and invested time:
   In the Company, the remuneration to the independent directors has been duly granted in accordance with the "Regulations Governing Salaries and Remuneration Granted to the Directors and Functional Committee Members", "Board of Directors Performance Evaluation Guidelines and Procedure" and Article 32 of the Articles of Incorporation, as duly reviewed by the Remuneration Committee, with consideration of the results of the Company's performance, their participation levels to the Company's business operation and their contribution values to the Company The rationality and impartiality are linked up with the income, with reference to the levels prevalent in the firms and companies in the same industry before the proposals were submitted to and resolved in the board of directors.
2. Besides those disclosed in the above Table, remuneration paid to directors in the most recent year for having provided services to all companies covered in the financial statement (such as working as a consultant who is not an employee at the parent company/all affiliates/reinvested businesses included in the financial statements): None.

Note 1: At the shareholder meeting on May 29, 2025, the directors were fully re-elected. Director – Representative of Wang Min-Ning Memorial Foundation (Huang, Chung-Hsin) and Independent Director Chang, Chih-Hsien were removed from office on May 29, 2025; Director – Representative of Wang Min-Ning Memorial Foundation (Wu, Shih-Hsuan) and Independent Director Lee, Ming-Jye assumed office on May 29, 2025.

2. Remuneration to the President and Vice President

Unit: NT$ thousand December 31, 2025

Title	Name	Salary (A)		Pension (B) (Note 2)		Bonuses and allowances etc (C)		Remuneration to employees (D)				The sum of A, B, C, and D as a percentage of after-tax net profit (%)		Payment received from an investee or parent company beyond a subsidiary
		The Company	All companies contained in the financial report	The Company	All companies contained in the financial report	The Company	All companies contained in the financial report	The Company		All companies contained in the financial report		The Company	All companies contained in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Wei, Ching-Peng (Note 1)	4,230	4,230	2,209	2,209	734	734	0	0	0	0	7,173 (2.94%)	7,173 (2.94%)	0
President	Hsiao, Wen-Yu (Note 1)	1,110	1,110	0	0	0	0	0	0	0	0	1,110 (0.46%)	1,110 (0.46%)	0
Vice President of Business Department	Chen, Ying-Chi	2,520	2,520	108	108	286	286	0	0	0	0	2,914 (1.20%)	2,914 (1.20%)	0

Note 1: Wei, Ching-Peng, the former president of CCSB, retired on September 30, 2025. The new President, Hsiao, Wen-Yu assumed his position on October 1, 2025.

Note 2: The pension allocation for 2025 totaled NT$189 thousand; the actual severance pay was NT$2,128 thousand.

3. Remuneration of the top five highest-paid

Unit: NT$ thousand December 31, 2025

Title	Name	Salary (A)		Pension (B) (Note 2)		Bonuses and allowances etc (C)		Remuneration to employees (D)				The sum of A, B, C, and D as a percentage of after-tax net profit (%)		Payment received from an investee or parent company beyond a subsidiary
		The Company	All companies contained in the financial report	The Company	All companies contained in the financial report	The Company	All companies contained in the financial report	The Company		All companies contained in the financial report		The Company	All companies contained in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Wei, Ching-Peng (Note 1)	4,230	4,230	2,209	2,209	734	734	0	0	0	0	7,173 (2.94%)	7,173 (2.94%)	0
President	Hsiao, Wen-Yu (Note 1)	1,110	1,110	0	0	0	0	0	0	0	0	1,110 (0.46%)	1,110 (0.46%)	0
Vice President of Business Department	Chen, Ying-Chi	2,520	2,520	108	108	286	286	0	0	0	0	2,914 (1.20%)	2,914 (1.20%)	0
Assistant Vice President of Quality Assurance Department	Wang, Wen-Ping	2,148	2,148	108	108	36	36	0	0	0	0	2,292 (0.94%)	2,292 (0.94%)	0
Assistant President of Biotechnology Institution	Mai, Jin-Cheng	2,106	2,106	0	0	36	36	0	0	0	0	2,142 (0.88%)	2,142 (0.88%)	0
Chief Auditor	Hung, Chao-Sheng	1,874	1,874	108	108	36	36	0	0	0	0	2,018 (0.83%)	2,018 (0.83%)	0

Note 1: Wei, Ching-Peng, the former president of CCSB, retired on September 30, 2025. The new President, Hsiao, Wen-Yu assumed his position on October 1, 2025.

Note 2: The pension allocation for 2025 totaled NT$405 thousand; the actual severance pay was NT$2,128 thousand.

(II) Name of the managers received remuneration and the distribution of remuneration:

December 31, 2025; Unit: NT$ in thousand

	Title	Name	Stock amount	Cash amount	Total	As a percentage of net profit after tax (%)
Manager	President	Hsiao, Wen-Yu (Note 1)	0	0	0	0
	Vice President of Business Department	Chen, Ying-Chi				
	Assistant Vice President of R&D Department	Tung,Yen Shih				
	Assistant President of Biotechnology Institution	Mai, Jin-Cheng				
	Assistant Vice President of Quality Assurance Department	Wang, Wen-Ping				
	Chief Auditor	Hung, Chao-Sheng				
	Manager of Finance Department and Head of Corporate Governance	Wang, Kuan-Chieh				

Note 1: Wei, Ching-Peng, the former president of CCSB, retired on September 30, 2025. The new President, Hsiao, Wen-Yu assumed his position on October 1, 2025.

(III) Respectively compare and specify the analysis results for the ratios of the net incomes for all of the company's total renumeration amounts paid to the company directors, Presidents, and Vice Presidents in the last 2 years as listed in the individual or separate financial reports; and specify the relevance between the payment renumeration policies, standards and combinations, renumeration setting procedures, operating performances, and future risks:

1. Ratio analysis for the last two years

Year / Item	2024				2025			
	Total amount of remunerations		Post-tax equity ratio (%)		Total renumeration (thousand dollars)		Post-tax equity ratio (%)	
	The Company	Consolidated Statement, all Company	The Company	Consolidated Statement, all Company	The Company	Consolidated Statement, all Company	The Company	Consolidated Statement, all Company
Director	19,929	19,929	37.58	37.58	17,741	17,741	(7.27)	(7.27)
Presidents and Vice Presidents								

Note: The Company allocates remuneration for directors and employees in accordance with its Articles of Incorporation; however, when the Company has accumulated losses, an amount

is reserved in advance to compensate for the losses. The loss in 2025 led to a relative decrease in the total remuneration paid to the directors, president, and vice presidents.

2. The company's policies, standards, and portfolios for remuneration; procedures for setting remuneration; and business performance and future risks:

   (1) Remuneration payment policy, criteria, and combination:

      A. The remuneration to directors is based on Article 20 of the Articles of Incorporation. Rewards to directors for duties fulfilled are based on the involvement and devotion of each director and are decided by the Board of Directors with reference to the common practice in the industry. In addition, with profits for the year, the Company will allocate no more than 3% of such profits as required by Article 32 of the Articles of Incorporation to be the remuneration to directors. The Company gives the reasonable remuneration according to the "Board Directors and Functional Committee Member Compensation and Remuneration Payment Regulations", the "Board of Directors Performance Evaluation Guidelines and Procedure", and having taken into consideration the corporate operational accomplishments, the future operational risk and developmental trends of the industry, and based on the extent of involvement and the value of contribution to the corporate operation.
      B. Remuneration to managers includes the respective work allowances specified under the "Employee Compensation Payment Regulations". Related bonuses are approved also depending on the Company's annual operational performance, financial status, operational outlook, and personal performance at work. In addition, in cases of profits for the year, 1% to 15% will be set aside to be the remuneration to employees as required by Clause 32 of the Articles of Incorporation. The Company approves the bonuses for managers and the remuneration to employees according to the results of the performance evaluation conducted according to the "Annual Bonus Distribution Regulations" and the "Employee Remuneration Distribution Regulations". Manager performance evaluation items include I. Financial Indicators: based on the operational accomplishments of the Company and with reference to the goal fulfillment rate of managers and II. Non-financial indicators: the practice of core values of the Company and the operational management capabilities; the remuneration for the operational performance is calculated and the remuneration system is adequately reflected upon from time to time reflective of the actual operational condition and applicable laws and regulations.

   (2) Procedure for deciding the remuneration:

      A. In order to evaluate the compensation and remuneration for directors and managers periodically, the results of evaluations performed under the Company's "Board Directors and Functional Committee Member Compensation and Remuneration Payment Regulations", the "Board of Directors Performance Evaluation Guidelines and Procedure," and applicable "Employee Compensation Payment Regulations," "Annual Bonus Distribution Regulations," and "Employee Remuneration Distribution Regulations" for managers and employees as well as the Company's operational performance are followed and the defined compensation and remuneration are brought forth to the Board of Directors for discussion and approval.
      B. Related performance evaluations and the compensation and remuneration legitimacy of directors and managers of the Company have been periodically evaluated and approved by the Compensation and Remuneration Committee and the Board of Directors each year. Besides personal performance fulfillment rate and contribution to the Company, the overall operational performance of

the Company, the future risks of the industry, and the developmental trends are referred to and the remuneration system is adequately reflected upon according to the actual operational status and applicable laws and regulations from time to time in order to give reasonable compensation and to seek a balance between sustainable operation and risk control of the Company. The actual amount released to be the remuneration to directors and managers is reviewed by the Compensation and Remuneration Nomination Committee and brought forth to the Board of Directors to be finalized.

(3) Correlation with operational performance and future risks:

A. The payment criteria and the system relevant to the Company's remuneration policy are reflected upon primarily taking into consideration the overall operational outlook of the Company and the payment criteria are approved reflective of the performance fulfillment rate and contribution in order to enhance the efficacy of the Board of Directors and the management team. In addition, with reference to the compensation and remuneration criteria in the industry, it is ensured that the compensation and remuneration to the management of the Company are competitive so that outstanding management talent may be retained.

B. All the Company's manager performance goals are combined with risk control in order to ensure that possible risks within the scope of responsibility can be managed and prevented against and respective human resources and related compensation and remuneration policies are combined according to the ratings given on the basis of actual performance. Important decisions are made by the management of the Company after respective risk factors are weighed. The related decision-making performance is reflected in the Company's profitability. The compensation and remuneration of the management has to do with the performance in risk control.

C. In addition, to strengthen long-term value creation and corporate sustainable development, CCSB plans to link the incentive system to sustainability performance indicators (ESG). Specifically, key indicators such as environment (Environmental), society (Social), and corporate governance (Governance) will be incorporated into the manager performance appraisal system, and performance against these indicators will serve as an important basis for variable remuneration, such as performance bonuses and long-term incentive measures. The relevant indicators include, but are not limited to, environmental management effectiveness, regulatory compliance, talent development and retention, occupational safety, corporate governance, and risk management, ensuring that the management team balances the pursuit of financial performance with sustainable operations and stakeholder values.

In summary, CCSB regularly reviews future operational risks, environmental protection, sustainability, and the relevant laws and regulations, and adjusts its remuneration system accordingly. It guides management to balance current performance with long-term risk control through a well-designed mix of short- and long-term incentive mechanisms, thereby achieving sustainable operations and effective risk management.

III. Company Corporate Governance Operational Status:

(I) Board of Directors Operational Status:

The Board of Directors meetings were held 10 times (A) in the most recent year (2025), and the director attendance records are as follows:

Title	Name	Actual Attendance (B)	Proxy Attendance	Percentage of actual attendance (%) [B/A]	Remarks
Chairman	China Chemical & Pharmaceutical Co., Ltd. representative: Wang Hsieh, I-Chen	10	0	100%	Re-elected on May 29, 2025
Vice Chairman	China Chemical & Pharmaceutical Co., Ltd. representative: Wang, Hou-Kai	10	0	100%	Re-elected on May 29, 2025
Director	Wang Ming-Ning Memorial Foundation representative: Wang, Hou-Jie	10	0	100%	Re-elected on May 29, 2025
Director	The Mr. Wang Min-ning Memorial Foundation representative: Huang, Chung-hsin	3	1	75%	Discharged from the post upon re-election on May 29, 2025 (4 meetings should be attended)
Director	Wang Ming-Ning Memorial Foundation representative: Wu, Shih-Hsuan	6	0	100%	Newly appointed to the post upon re-election on May 29, 2025 (6 meetings should be attended)
Independent Director	Wang, Kuo-Chiang	10	0	100%	Re-elected on May 29, 2025
Independent Director	Kuan, Arthur	7	3	70%	Re-elected on May 29, 2025
Independent Director	Chang, Chih-Hsien	4	0	100%	Discharged from the post upon re-election on May 29, 2025 (4 meetings should be attended)
Independent Director	Lee, Ming-Jye	5	1	83%	Newly appointed to the post upon re-election on May 29, 2025 (6 meetings should be attended)

Other remarks:

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

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

Board of Directors	Details of the relevant agendas and the subsequent
2025.03.06 (20th Meeting of the 22nd Board of Directors)	1. The evaluation of the certified public accountants in independence and the appointments thereof.
	2. The "2024 Internal Control System Statement" Submission Case.
	3. Partial amendments to the “Articles of Incorporation”.
	4. A motion to amend the internal control system and Enforcement Rules of Implementation for Internal Audit toward salary cycle.
	5. Intended Private Placement for Issuance of Common Stock Shares or Domestic Convertible Corporate Bonds (Including Secured or Unsecured Convertible Corporate Bonds)
	Independent director opinions: None.
	Independent director opinions handled by the company: None.
	Resolution results: All attending directors passed the resolution.
2025.04.14 (21st Meeting of the 22nd Board of Directors)	1. The proposal to conduct stock repurchase In order to protect the Company's credit and shareholders' equity.
	Independent director opinions: None.
	Independent director opinions handled by the company: None.
	Resolution results: All attending directors passed the resolution.
2025.08.07 (3rd Meeting of the 23rd Board of Directors)	1. Replacement of the certified public accountants in response to an adjustment of the internal organization in the CPA firm.
	2. Cancellation of CCSB’s first treasury stock buyback and establishment of the capital reduction record date.
	Independent director opinions: None.
	Independent director opinions handled by the company: None.
	Resolution results: All attending directors passed the resolution.
2025.12.23 (6th Meeting of the 23rd Board of Directors)	1. A motion regarding the plan to pay off the performance evaluation incentive bonus for Year 2025.
	Independent director opinions: None.
	Independent director opinions handled by the company: None.
	Resolution results: All attending directors passed the resolution.

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

II. With respect to the avoidance of conflicting interest agendas, describe the names of directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions:

(I) On December 23, 2025 the company held (6th Meeting of the 23rd) Board of Directors Meeting: Discussions on the proposed for 2025 year-end performance review bonus. Amidst the discussion process for the case, the legal person director representative Wang Hsieh, I-Chen, chairwoman of the board and Wang, Hou-Kai director of Pan Asia Chemical Corporation took the initiative in avoidance from conflict of interests in accordance with Articles 178 and 206 of the Company Act as the issues amidst discussion would involve interests of their own or the juristic person so represented. They did not participate in the discussion and resolving process. The motion was approved as presented by other directors present in the meeting.

III. The Exchange-listed and/or OTC-listed companies should disclose the information of the intervals, period, scope of evaluation, method and contents of evaluation of self-evaluation (or peer evaluation) and shall fill up the performance of implementation by the Board of Directors in the evaluation.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Evaluation performed once a year	January 1 to December 31, 2025	Evaluation of performance by the Board of Directors, individual Board of Directors members, Audit Committee and Remuneration Nomination Committee.	Performance evaluation was duly conducted with questionnaire survey sheets on the "Evaluation by Directors about Operation by the Board of Directors," "Participation and Evaluation by Directors," "Evaluation by Committee members about Operations by the Audit Committee," "Evaluation by Committee members about Operation by the Remuneration Nomination Committee."	(1) Evaluation on performance by the board of directors: The level of their participation in the Company's operations, the promotion of the quality of decision-making of the board of directors, the composition and structure of the board of directors, the selection and refresher and higher education program of directors and internal control system. (2) The participation and evaluation of directors: Their mastery of Company goals and tasks, recognition and awareness of directors' responsibilities, participation in the Company's operations, internal relationship management and communication, professional and refresher and higher education programs for directors and internal control system. (3) Evaluation on the operations by the Audit Committee: participation level in the Company's operations, awareness of audit committee responsibilities, improvement of audit committee decision-making quality, audit committee composition and selection of members, internal control

				system. (4) Evaluation on operation by the Remuneration Nomination Committee: participation level in the Company's operations, awareness of Remuneration Nomination Committee responsibilities, improvement of Remuneration Nomination Committee decision-making quality, Remuneration Nomination Committee composition and selection of members, internal control system.
One evaluation was conducted by either independent professional institution(s) or external teams of scholars and experts every three years	January 1 to December 31, 2025	Board of Directors	The external professional independent institution (i.e., Taiwan Investor Relations Institute) was retained to conduct evaluation by means of questionnaires and on-the-spot interview (including online) and to issue the report on performance evaluation by the Board of Directors	(1) The composition and professional development of the Board of Directors (2) Board of Directors' quality in policymaking process. (3) Efficiency of performance by the Board of Directors (4) Internal control and risk management (5) Five major aspects regarding the level of the Board of Directors participating in the corporate social responsibility, etc.

Descriptions on evaluation over performance by the Board of Directors in 2025:

(I) Internal evaluation:

In the Company, the unit assigned to take charge of the meeting affairs completed the performance evaluation for the breakdown for 2025 in December 2025. The results of the evaluation indicate that the Board of Directors scored 97.77 points～98.51 points. The results of the performance evaluation for the board of directors in 2025, the Company's Board of Directors, Audit Committee, Remuneration Nomination Committee were rated as excellent. The evaluation results were approved by the Remuneration and Nomination Committee at the meeting (3rd meeting of the 6th term) on March 5, 2026, and were subsequently submitted to the Board of Directors at the meeting (6th meeting of the 23rd term) on the same day.

Comprehensive comments and suggestions from the directors' questionnaire:

1. Board of Directors: [98.16 points]; The directors have been diligent in their duties and in protecting the rights and interests of the Company as expected.
2. Director participation: [98.51 points]; The directors fulfilled their duties, safeguarded the Company’s highest interests, and met expectations.
3. Audit Committee operations: [97.88 points]; The committee members diligently fulfilled their duties to protect the Company’s rights and interests.
4. Remuneration and Nomination Committee operations: [97.77 points]; All committee members fulfilled their duties and protected the Company’s rights and interests.

(II) External assessment: 2025 assessment has already been completed.

On May 21, 2025, the Company commissioned “Taiwan Investor Relations Institute” to conduct external evaluation of the performance by the Board of Directors in 2025 (period covered within the evaluation: January 1, 2025–December 31, 2025), The said Institute and the team members in charge of evaluation were absolutely independent in attribute without any business transaction with the Company at all. The evaluation aimed at five major aspects, i.e., the composition and professional development of the Board of Directors, quality of policymaking process by the Board, efficiency of operation by the Board, internal control and risk management and extent of the Board’s participation in corporate social responsibility. The evaluation was conducted by means of questionnaires and on-the-spot interview (including online). The Board of Directors Evaluation Report was duly worked out on December 31, 2025. The Company has submitted the relevant overall evaluation, recommendations, and improvement plans to the Remuneration and Nomination Committee on March 5, 2026 (3rd meeting of the 6th session) and to the Board of Directors on March 5, 2026 (6th meeting of the 23rd session).

1. Overall comments:

   The Board of Directors is composed of diverse and professional members, with an appropriate proportion of independent directors, who can effectively play supervisory and checks-and-balances roles.

   The Board of Directors maintained high overall attendance and effective communication. It has actively overseen financial reporting, internal controls, and sustainability issues, strengthening governance effectiveness through its functional committees and systematic operations. Overall, the Board of Directors operates with maturity and stability.

2. Proposals and plans for improvement:

Proposals upon the evaluation report			The Company's plans for improvement
1	Plan for the next Board of Directors to have at least one-third representation of each gender to strengthen diversity in governance.	It is recommended that the next Board of Directors plan in advance for the election of female directors and the allocation of board seats, striving to achieve a goal of at least one-third representation from each gender. This will further strengthen the board’s structure and enhance corporate governance.	The Company plans to identify female director candidates and determine their representation on the Board of Directors before the next (24th session) election, to ensure that they account for at least one-third of total seats, in compliance with the FSC’s policy objectives and the trend toward gender diversity on the board.
2	Incorporate ESG indicators into senior executive compensation to strengthen sustainable governance.	It is recommended that ESG-related indicators be included in the senior executive compensation system and regularly disclosed to enhance information transparency and demonstrate the Company’s commitment to sustainable governance.	Continue to strengthen the alignment between senior management compensation and the Company’s long-term performance, integrating business objectives with sustainability principles.

IV. Assessment of the objectives and implementation status in the area of strengthening the powers of the Board of Directors (such as setting of an audit committee and improvement of information transparency, etc.) for the current and most recent years:

(I) To further heighten transparency of information, the Company, starting from December 2014, promulgates its corporate social responsibility report in each and every year (renamed into "Sustainable Development Report" in coordination with Corporate Governance 3.0—Sustainable Development Blueprints" starting from 2021.) The company's website has "Investor Section", "Sustainable Development" and "Stakeholder Section", and regularly updates financial information and related important news.

(II) In an attempt to implement thoroughly corporate governance and heighten function of the Board of Directors, the Company already completed enactment of Regulations Governing Evaluation of Performance by the Board of Directors on June 24, 2019 and started evaluation of performance by the Board of Directors in 2019. The said Regulations exceptional stipulate that the Board of Directors shall conduct and complete performance evaluation forward the Board of Directors, the Board members, Audit Committee and Remuneration Nomination Committee once per annum as the minimum. Further in every three years, one more evaluation shall be carried out by an external independent institution or external experts and scholars. The very results for the Board of Directors in internal and external performance evaluation shall be completed before the end of the first quarter of the ensuing year.

(III) On December 23, 2025, the Board of Directors of CCSB resolved to expand the functions of the original "Remuneration Committee" to include those of a "Nomination Committee" and to rename it the "Remuneration and Nomination Committee" in order to further strengthen the board's functions and governance mechanisms.

(IV) In order to protect the directors and managers from risk exposure in the performance of business, the Company has purchased "D&O insurance " for directors and officers every year and regularly reviews the contents of the insurance policy to ensure that the insurance compensation amount and coverage meet the needs.

(V) The Chairman of the board does not concurrently serve as the Company's manager. The responsibilities and powers are clearly divided to improve the checks and balances practice.

V. The attendance status of independent directors during the various Board of Directors meetings in 2025.
○: Personal attendance; ＃: Delegation attendance: ＊: Absent

2025	2025.01.21	2025.03.06	2025.04.14	2025.05.06	2025.05.29	2025.06.23	2025.08.07	2025.09.26	2025.11.11	2025.23.23
Wang, Kuo-Chiang	○	○	○	○	○	○	○	○	○	○
Kuan, Arthur	○	＃	＃	○	○	○	○	○	＃	○
Chang, Chih-Hsien (Discharged upon reelection on May 29, 2025)	○	○	○	○	-	-	-	-	-	-
Lee, Ming-Jye (Newly elected upon reelection on May 29, 2025)	-	-	-	-	○	○	○	＃	○	○

(II) The operation of the Auditing Committee:

The Auditing Committee has convened for 4 times (A) in the latest year (2025) (A). The attendance of the independent directors is shown below:

Title	Name	Actual Attendance (B)	Proxy Attendance	Percentage of actual attendance (%) [B/A]	Remarks
Independent Director (Convener)	Wang, Kuo-Chiang	4	0	100%	Re-elected on May 29, 2025
Independent Director	Kuan, Arthur	2	2	50%	Re-elected on May 29, 2025
Independent Director	Chang, Chih-Hsien	2	0	100%	Discharged from the post upon re-election on May 29, 2025 (2 meetings should be attended)
Independent Director	Lee, Ming-Jye	2	0	100%	Newly appointed to the post upon re-election on May 29, 2025 (2 meetings should be attended)

Other remarks:

I. When the Audit Committee is found with one of the following conditions, the date of the Audit Committee meeting, session No., details of proposals, adverse opinions, qualified opinions, or major suggestions from independent directors, decisions made by the Audit Committee, and how the Company addressed opinions from the Audit Committee shall be specified.

(I) On issues stated in Article 14-5 of the Securities and Exchange Act:

Audit Committee	Details of the relevant agendas and the subsequent
2025.03.06 (12th Meeting of the 3rd Board of Directors)	1. 2024 Business Report and Financial Statements.
	2. The evaluation of the certified public accountants in independence and the appointments thereof.
	3. The "2024 Internal Control System Statement" Submission Case.
	4 A motion to amend the internal control system and Enforcement Rules of Implementation for Internal Audit toward salary cycle.
	5. Intended Private Placement for Issuance of Common Stock Shares or Domestic Convertible Corporate Bonds (Including Secured or Unsecured Convertible Corporate Bonds)
	Suggestions or oppositions from independent directors: None.
	The resolution reached by the Audit Committee: Approved with the consent of the Committee members.
	Acts to be taken by the Company in response to the opinions heard in the Audit Committee: Approved with the consent of all the attending directors.
2025.08.07 (1st meeting of the 4th term)	1. Replacement of the certified public accountants in response to an adjustment of the internal organization in the CPA firm.
	Suggestions or oppositions from independent directors: None.
	The resolution reached by the Audit Committee: Approved with the consent of the Committee members.
	Acts to be taken by the Company in response to the opinions heard in the Audit Committee: Approved with the consent of all the attending directors.

(II) In addition to the aforementioned motions, other motions without approval by the Auditing

Committee but passed by the Board with 2/3 of the Directors: none.

II. With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions: none.

III. Performance of communications by and between independent directors, internal audit head and Certified Public Accountant(s) (should include the Company's financial, business operation affairs, issued, methods and outcomes of communications among them).

(I) The Company set up the Audit Committee on May 31, 2016 to replace the supervisor system. The Audit Committee consists of all independent directors.
After the Audit Report and Follow-up Report are submitted to the Chairman for approval, the Internal Audit Officer emails them on a monthly basis to each independent director to be reviewed. The Internal Audit Officer also periodically communicates with Audit Committee members (that is, independent directors) the audit operation and internal control status and present the internal audit results and follow up on the implementation status during each quarterly meeting of the Audit Committee. In case of any special circumstance, it will be reported to the Audit Committee members in real time, too. The communications with the company's audit committee and the internal audit supervisor went well.

(II) In normal times, the Audit Officer and the CPA may contact independent directors directly as needed; the communication has been going on well.

(III) Independent directors and the Internal Audit Officer and the CPA shall meet at least once a year; the CPAs are to present the audit or review results of financial statements in the meeting and audit the audit method concerning the internal control system and matters to be communicated as required by other applicable laws and regulations. The Audit Officer is to clarify the implementation status of the Audit Plan and how deficiencies are corrected. Status of communications between the independent directors and the head of internal audit during the most recent year:

Date	Nature of the meeting	Attendee	Topic and Matter Being Communicated	Communication Outcome and Suggestions
2025.12.23	Board of Directors Pre-meeting (Symposiums)	Independent Director Wang, Kuo-Chiang Independent Director Lee, Ming-Jye Independent Director Kuan, Arthur CPA, Lin, Po-Chuan Chief Internal Auditor Hung, Chao-Sheng	1. Explanation and communication of this Company's consolidated and individual financial reports, pre-audit programs, risk evaluation and response, and related matters, and key audit matters for 2025. 2. Description and communication of the audit methods for the internal audit of 2025. 3. Clarification and communication of the role and responsibilities and independence of the chief CPA 4. Quality management system and Audit Quality Indicators (AQI) of accounting firm. 5. Description of regulation updates. 6. Clarification of how the Audit Plan is implemented and how deficiencies are corrected.	The proposal was approved as in unanimously; no opinions were expressed in the current meeting.

IV. The annual work focus of the Audit Committee:

(I) The Audit Committee of the Company consists of three independent directors. The Audit Committee is to assist the Board of Directors in fulfilling the quality and integrity of the Company in supervising

the accounting, auditing, financial reporting process and financial control.

The Audit Committee held 4 meetings in 2025, and the matters under consideration mainly include:

- Financial statement audit and accounting policies and procedures;
- Internal control system and related policies and procedures;
- Material assets or derivative transactions.
- Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies
- Raising, issuing or privately offering securities with the nature of equity shares issued by a company;
- Legal Compliance;
- The independence, appointment, dismissal or remuneration of certifying certified public accountant;
- Appointment and dismissal of financial, accounting or internal audit supervisors.

(II) Review of financial reports

1. Review and verification of the consolidated financial statements of 1st~3rd Quarter, 2025.
2. Audited of the 2025 financial statements:

The board of directors submitted the company's 2025 business report, financial statements (consolidated and individual financial statements) and Earnings Distribution. The above business report, financial statements (including individual and consolidated financial statements) and the surplus distribution proposal were checked by the Audit Committee and it is considered that there is no discrepancy.

(III) The company will assess the effectiveness of the internal control system.

The Audit Committee evaluates the effectiveness of the company's internal control system policies and procedures (including financial, operational, risk management, information and communication security, outsourcing, compliance, etc.) and reviews the company's audit department and certifying certified public accountant, as well as management's regular Reports, including risk management and compliance. The Audit Committee believes that the company's risk management and internal control systems are effective and that the company has adopted the necessary controls to monitor and correct violations.

(IV) Appointment of certifying certified public accountant

In order to ensure the independence and competency of the accounting firm, the Audit Committee evaluates the accounting firm every year. The Company takes further reference to the disclosure frameworks of Audit Quality Indicators (AQIs) promulgated by the Financial Supervisory Commission on August 19, 2021. Certified public accountants were requested to provide information related to "Audit Quality Indicators (AQI)." The frameworks were disclosed based on the "Audit Quality Indicators (AQI)." The contents include professionalism, independence, quality control, supervision and innovation capability, five major aspects coupled with 13 indicators to work out the independence and eligibility related evaluation procedures. The same was submitted to the Audit Committee and Board of Directors for verification. The result of evaluation conducted in the latest year, i.e., the evaluation conducted by the Audit Committee in its 4th meeting of the 3rd session and by the Board of Directors in the 7th meeting of the 23rd session on March 5, 2026 indicates that both Certified Public Accountant Po-Chuan Lin and Certified Public Accountant Hsieh, Wei-Li of PricewaterhouseCoopers Taiwan prove well consistent with the requirements in independence and eligibility.

(V) Operation report in the current year

Audit Committee	Details of the relevant agendas and the subsequent
2025.03.06 (12th Meeting of the 3rd Board of Directors)	1. 2024 Business Report and Financial Statements.
	2. Distribution of 2024 earnings.
	3. The evaluation of the certified public accountants in independence and the appointments thereof.
	4. The "2024 Internal Control System Statement" Submission Case.
	5. A motion to amend the internal control system and Enforcement Rules of Implementation for Internal Audit toward salary cycle.
	6. Status of private placement of securities
	7. Intended Private Placement for Issuance of Common Stock Shares or Domestic Convertible Corporate Bonds (Including Secured or Unsecured Convertible Corporate Bonds)
	The resolution reached by the Audit Committee: Approved with the consent of the Committee members.
	Acts to be taken by the Company in response to the opinions heard in the Audit Committee: Approved with the consent of all the attending directors.
2025.05.06 (13th meeting of the 3rd term)	1. The proposal for the consolidated financial statements of the 2025 Q1.
	The resolution reached by the Audit Committee: Approved with the consent of the Committee members.
	Acts to be taken by the Company in response to the opinions heard in the Audit Committee: Approved with the consent of all the attending directors.
2025.08.07 (1st meeting of the 4th term)	1. Replacement of the certified public accountants in response to an adjustment of the internal organization in the CPA firm.
	2. The proposal for the consolidated financial statements of the 2025 Q2.
	The resolution reached by the Audit Committee: Approved with the consent of the Committee members.
	Acts to be taken by the Company in response to the opinions heard in the Audit Committee: Approved with the consent of all the attending directors.
2025.11.11 (2nd meeting of the 4th term)	1. The proposal for the consolidated financial statements of the 2025 Q3.
	2. The 2026 audit plan.
	3. Amendments to the "Procedures for the Preparation and Verification of Sustainability Report".
	The resolution reached by the Audit Committee: Approved with the consent of the Committee members.
	Acts to be taken by the Company in response to the opinions heard in the Audit Committee: Approved with the consent of all the attending directors.

(III) How The Company's actual governance differs from The Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies and why:

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
I. Will the Company based on the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" set up and disclose the Company's corporate governance best-practice principles?	V		The Company has established its "Best Practice Principles for Corporate Governance", which was adopted by the Board of Directors on November 12, 2014 (the 19th Meeting of the 10th Board of Meeting), and on June 28, 2022 (the 22nd Meeting of the 2nd Board of Meeting) the board of directors passed the latest revision and it was disclosed on the Market Observation Post System and the Company website.	No significant difference
II. Shareholding structure and shareholders' equity				No significant difference
(I) Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	V		(I) The company has established a spokesperson, acting spokesperson, and stock affairs dedicated personnel to deal with the shareholder proposal related issues. If the case involved a legal question or dispute, an attorney will be retained to handle the case.	
(II) Will the Company possess the list of the Company's main shareholders and the list of the ultimate controllers of the major shareholders?	V		(II) The company has established a stock undertaker responsible for handling and mastering the major shareholders and ultimate controllers based on the shareholders registration provided by the stock agency, and regularly report to the directors, managers, and major shareholders holding over 10% of company shares regarding any share related anomalies.	
(III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties?	V		(III) All company affiliates operate independently. The company has established the "Affiliate Transaction Management Operation Procedure" to standardize matters involving inbound and outbound goods, property transactions, fund lending, and endorsements between company affiliates. In terms of management for subsidiaries, the internal control system has also established the "Subsidiary Supervision Method" in order to include the subsidiaries within the scope of internal audit and provide relevant control.	
(IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed	V		(IV) The company has established the "Internal major information processing and management procedures for preventing insider trading," which provided that the directors, managers, and employees shall implement tasks as good managers under the principle of good faith. The directors, managers, and	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
information to trade securities?			employees shall not disclose any major internal information to any third parties; and shall not seek or collect major unpublished company information that is not related to his/her tasks. The same shall apply to major unpublished company information that was not obtained due to the execution of job duties. From time to time, the company conducts educational propaganda for directors and managers on the “Internal major information processing and management procedures for preventing insider trading” and related laws and regulations, and educates new servants on pre-service training. The "Operating Procedures in Management of Major Internal Information and Prevention of Insider Trading" were revised on May 9, 2023, adding relevant regulations to prevent insider trading (insiders are not allowed to trade their stocks during the closed period of thirty days before the announcement of the annual financial report and fifteen days before the announcement of each quarterly financial report). The Procedures have been placed on the Company's internal platform and website available for access by employees and external personnel. As of December 31, 2025, implementation of insider trading prevention: 1. There were 2 training sessions for newly hired employees, with a total of 6 hours available for a total of 2 participants. The training was named "Prevention of Insider Trading" and covered topics including: Material information confidentiality, Prohibition and prevention of insider trading, basic concepts, laws and regulations, essential elements, legal effects, recognition process, descriptions of transaction cases, and handling of violations regarding insider trading. 2. On December 23, 2025, a 30-minute education and promotion course was held for a total of 15 current directors, managers, and employees. The course was called "2025 Insider Trading Prevention Promotion Course", which included "Analysis of Insider Trading Regulations; Common Questions About Insider Trading Supervision and Practice; and Discussion on Internal Control and Insider Trading Prevention and Common Deficiencies". The course also reminded insiders that they should not trade their stocks during the closed period before the announcement of the financial report. In addition, relevant information about this promotion course has been placed on the company's internal network platform for managers and employees who were not present on the day of the course to refer to at any time. 3. The Company has sent emails on February 3, April 14, July 21, and October 22, 2025 to remind insiders that they are prohibited from trading the Company's shares during the financial report close period. e following shows the details of the education and training courses and official document notion on prevention of insider trading between 2022 and 2025:	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	

Date	Content	Promotion Method	Participants
2025/07/29	Pre-service training course for employees - Prevention of insider trading	Education and training for new hires	Employee
2025/01/17	Common examples of violations of the Securities and Exchange Act in reporting changes in insider shareholdings	Promotion through forwarding official documents	Insider
2025/04/02	Common examples of violations of the Securities and Exchange Act in reporting changes in insider shareholdings	Promotion through forwarding official documents	Insider
2025/04/14	During the period of the Company's repurchase of treasury stocks, insiders are prohibited from selling them.	Email reminders	Insider
2025/04/16	Common violations by listed companies when repurchasing their own shares (repurchasing treasury stocks)	Promotion through forwarding official documents	Insider
2025/07/04	Common examples of violations of the Securities and Exchange Act in reporting changes in insider shareholdings	Promotion through forwarding official documents	Insider
2025/10/14	Common examples of violations of the Securities and Exchange Act in reporting changes in insider shareholdings	Promotion through forwarding official	Insider

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Actual governance</th><th rowspan="2">Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>III. The constitution and obligations of the board of directors
(I) Has the Board of Directors developed diversification policies, substantial management goals and enforced them?
(II) Will the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?
(III) Has the Company formulated “The Procedures for the Company’s Board Performance Evaluation” and evaluation method, conducted a</td><td>V
V
V</td><td></td><td>
<table>
<tr><td></td><td></td><td>documents</td><td></td></tr>
<tr><td>2025/02/03</td><td>During the closed period (30 days) before the financial report is announced, trading of company stocks is prohibited</td><td>Email reminders</td><td>Insider</td></tr>
<tr><td>2025/04/14</td><td>During the closed period (15 days) before the financial report is announced, trading of company stocks is prohibited</td><td>Email reminders</td><td>Insider</td></tr>
<tr><td>2025/07/21</td><td>During the closed period (15 days) before the financial report is announced, trading of company stocks is prohibited</td><td>Email reminders</td><td>Insider</td></tr>
<tr><td>2025/10/22</td><td>During the closed period (15 days) before the financial report is announced, trading of company stocks is prohibited</td><td>Email reminders</td><td>Insider</td></tr>
<tr><td>2025/12/23</td><td>2025 Insider Trading Prevention Publicity Conference Courses</td><td>Education and training courses (30-minute)</td><td>Insider and employees (a total of 15 people)</td></tr>
</table>
(I) Refer to related contents of 4. Diversification and Independence of Board of Directors on Pages 16-17.
(II) CCSB has lawfully established a Remuneration Committee and an Audit Committee. On December 23, 2025, the Board of Directors resolved to expand the responsibilities of the original “Remuneration Committee” to include those of a “Nomination Committee” and to rename it the “Remuneration and Nomination Committee,” further strengthening the board’s functions and governance practices.
(III) The Company's Board of Directors duly resolved on June 24, 2019 “Regulations & Procedures for the Board of Directors in Self-Evaluation or Evaluation by Peers” which, as duly resolved in the Board of Directors on November 9, 2020, were renamed into “Regulations & Procedures for the Board of Directors in Performance Evaluation”, expressly requiring that the Company's Board of Directors shall conduct performance evaluation toward the Board of Directors, member directors, Audit</td><td>No significant difference.</td></tr>
</table>

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
performance evaluation annually and regularly, reported the results of the performance evaluation to the Board of Directors, and applied it for reference in determining individual director's remuneration and nomination for renewal?			Committee and Remuneration Nomination Committee once per annum as the minimum; and evaluation by external professional & independent institution(s) or external experts and scholars once in every three years as the minimum. The very results for the Board of Directors in internal and external performance evaluation shall be completed before the end of the first quarter of the ensuing year. The results of the performance evaluation for the Board of Directors would function as the reference grounds for selection and nomination of directors. The results of the performance evaluation for the individual directors would function as the reference grounds for their salaries and remuneration. The items for measurements among the performance evaluation for the Company's Board of Directors include five major aspects as enumerated below: 1. Level of their participation in the Company's business operation. 2. Performance in upgrading the Board of Directors' quality in policymaking process. 3. Composition and structure of the Board of Directors. 4. Election and refresher and higher education program for directors. 5. Internal control. The items for measurements among the performance evaluation for the Board of Directors members include five major aspects as enumerated below: 1. Mastery of the Company's targets and missions. 2. Awareness of the directors' responsibilities and powers. 3. Level of their participation in the Company's business operation. 4. Management and communications of internal relationship. 5. The directors' expertise and continued refresher and higher education programs 6. Internal control. The items for measurements among the performance evaluation for the functional committees include five major aspects as enumerated below as the minimum: 1. Level of their participation in the Company's business operation. 2. Awareness of the responsibilities and powers of the functional committees. 3. Performance in upgrading the policymaking quality of the functional committees. 4. Composition of the functional committees and selection of the members 5. Internal control. Descriptions on evaluation over performance by the Board of Directors in 2025: A. Internal evaluation:	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			In the Company, the unit assigned to take charge of the meeting affairs completed the performance evaluation for the breakdown for 2025 in December 2025. The evaluation results scored between 97.77 and 98.51. According to the 2025 board performance evaluation results, the operations of CCSB's Board of Directors, Audit Committee, and Remuneration and Nomination Committee were determined to be good. The evaluation results were approved by the Remuneration and Nomination Committee during its 3rd meeting of the 6th session on March 5, 2026, then subsequently submitted to the 6th meeting of the 23rd session of the board held on the same day. In an attempt to enhance the level of corporate governance, the Company will continuously strengthen based on the evaluation results of the performance by the Board of Directors in 2025 to augment the effectiveness of corporate governance. Comprehensive comments and suggestions from the directors' questionnaire: 1. Board of Directors: [98.16 points]; The directors have been diligent in their duties and in protecting the rights and interests of the Company as expected. 2. Director participation: [98.51 points]; The directors fulfilled their duties, safeguarded the Company's highest interests, and met expectations. 3. Audit Committee operations: [97.88 points]; The committee members diligently fulfilled their duties to protect the Company's rights and interests. 4. Remuneration and Nomination Committee operations: [97.77 points]; All committee members fulfilled their duties and protected the Company's rights and interests. B. External assessment: 2025 assessment has already been completed. On May 21, 2025, the Company commissioned "Taiwan Investor Relations Institute" to conduct external evaluation of the performance by the Board of Directors in 2025 (period covered within the evaluation: January 1, 2025–December 31, 2025), The said Institute and the team members in charge of evaluation were absolutely independent in attribute without any business transaction with the Company at all. The evaluation aimed at five major aspects, i.e., the composition and professional development of the Board of Directors, quality of policymaking process by the Board, efficiency of operation by the Board, internal control and risk management and extent of the Board's participation in corporate social responsibility. The evaluation was conducted by means of questionnaires and on-the-spot interview (including online). The Board of Directors Evaluation Report was duly worked out on December 31, 2025. The Company has submitted the relevant overall evaluation, recommendations, and improvement plans to the Remuneration and Nomination Committee on March 5, 2026 (3rd meeting of the 6th session) and to the Board of	

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Actual governance</th><th rowspan="2">Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>((IV) Will the Company have the independence of the public accountant evaluated regularly?</td><td>V</td><td></td><td>Directors on March 5, 2026 (6th meeting of the 23rd session).
1. Overall comments:
The Board of Directors is composed of diverse and professional members, with an appropriate proportion of independent directors, who can effectively play supervisory and checks-and-balances roles. The Board of Directors maintained high overall attendance and effective communication. It has actively overseen financial reporting, internal controls, and sustainability issues, strengthening governance effectiveness through its functional committees and systematic operations. Overall, the Board of Directors operates with maturity and stability.
2. Proposals and plans for improvement:
<table>
<tr><th colspan="3">Proposals upon the evaluation report</th><th>The Company's plans for improvement</th></tr>
<tr><td>1</td><td>Plan for the next Board of Directors to have at least one-third representation of each gender to strengthen diversity in governance.</td><td>It is recommended that the next Board of Directors plan in advance for the election of female directors and the allocation of board seats, striving to achieve a goal of at least one-third representation from each gender. This will further strengthen the board’s structure and enhance corporate governance.</td><td>The Company plans to identify female director candidates and determine their representation on the Board of Directors before the next (24th session) election, to ensure that they account for at least one-third of total seats, in compliance with the FSC’s policy objectives and the trend toward gender diversity on the board.</td></tr>
<tr><td>2</td><td>Incorporate ESG indicators into senior executive compensation to strengthen sustainable governance.</td><td>It is recommended that ESG-related indicators be included in the senior executive compensation system and regularly disclosed to enhance information transparency and demonstrate the Company’s commitment to sustainable governance.</td><td>Continue to strengthen the alignment between senior management compensation and the Company’s long-term performance, integrating business objectives with sustainability principles.</td></tr>
</table>
(IV) The company regularly reviews the independence and suitability of the CPAs each year to check whether the CPAs may be a director, a shareholder, or a paid employee of the company; and ensure that the CPAs are not stakeholders (Note 1). In addition, a CPA must avoid undertaking matters</td><td>No significant difference</td></tr>
</table>

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			whereby the CPA is directly or indirectly a stakeholder of. The rotation of the CPAs shall also comply with the relevant regulations. The Company takes reference to the disclosure frameworks of Audit Quality Indicators (AQIs) promulgated by the Financial Supervisory Commission on August 19, 2021. We requested the certified public accountants to provide “Audit Quality Indicators (AQI)” related information. Moreover, we disclosed the frameworks based on the “Audit Quality Indicators (AQI)” with contents including professionalism, independence, quality control, supervision and innovation capability, five major aspects coupled with 13 indicators to work out the independence and eligibility related evaluation procedures (Note 2). In turn, we submitted the same to the Audit Committee and Board of Directors to check and verify the Company's certified public accountants in independence and eligibility to make sure that the Company retained certified public accountants and the CPA firm would be above the par as averaged in the peers. Further in the most recent three years, the Company has continually introduced digital auditing instruments to further upgrade the auditing quality. The result of evaluation conducted in the latest year, i.e., the evaluation conducted by the Audit Committee in its 4th meeting of the 3rd session and by the Board of Directors in the 7th meeting of the 23rd session on March 5, 2026 indicates that both Certified Public Accountant Po-Chuan Lin and Certified Public Accountant Hsieh, Wei-Li of PricewaterhouseCoopers Taiwan prove well consistent with the requirements in independence and eligibility.	
IV. Have the Exchange-listed and/or OTC-listed companies staffed eligible corporate governance staff in an appropriate number and appointed the corporate governance head to take charge of corporate governance related affairs (including but not limited to the support to provide the supporting data required for the directors and supervisors in the implementation of business affairs to help directors and supervisors in law compliance and in handling issues linked up with the Board of Directors and	V		The Company's board of directors passed a resolution on November 9, 2020 that the incumbent manager of the Department of Finance should concurrently serve as the "Corporate Governance Head." Such manager of the Department of Finance should have accumulated hands-on management experiences accumulated in finance, stock affairs and meeting agenda in a public offering company finance for three (3) years minimum. Such "Corporate Governance Head" shall assume the major responsibilities and powers to take charge of issues related to the board of directors and the shareholders meeting according to law, work out minutes of the board meeting and shareholders’ meeting, provide directors with the information required to perform their business and assist the directors in complying with the laws and regulations, office affairs and continued refresher and higher education programs. During year 2025, the “Corporate Governance Head” implemented the duties as enumerated below: 1. Assist all directors in performing their duties, provide them with information required by them and schedule annual continuing education for each and every director: (1) Keep all board of directors members informed on a regular basis of the updates of the latest laws and regulations on corporate governance.	No significant difference

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
shareholders' meeting according to law, production of the minutes of the Board of Directors' Meeting and shareholders' meeting)?			(2) Review and provide company information required by directors and maintain communication and exchanges between directors and department heads. (3) Where independent directors are supposed to regularly look into the Company's financial affairs with the internal audit supervisor or certified accountants and assist them and schedule the relevant meetings. (4) Assist each and every director to formulate annual refresher plans and arrange courses in accordance with the Company's industry characteristics, directors' academic credentials and hands-on career experiences background, 2. Assist the board of directors, Audit Committee and shareholder meeting in agenda procedures in the compliance issues: (1) Report to the board of directors and the Audit Committee about the Company's corporate governance operation status, check and make sure whether the Company's shareholders meeting and the board of directors meeting are convened in a manner in compliance with relevant laws and regulations and corporate governance rules. (2) Assist and remind all directors about the laws and regulations they are required to abide by when executing their business or making board resolutions. Whenever the board of directors adopts illegal resolutions, put forward advise forthwith. (3) Check and review the key information regarding decisions resolved in the board of directors released to ensure the legality and accuracy of such information to, in turn, ensure the symmetry of investor transaction information. 3. Secure sound investor relations: arrange directors to interchange and communicate with key shareholders or institutional investors as necessary so that investors can be kept informed of sufficient information to evaluate and determine the Company's rational capital market value and ensure that shareholders' rights are well safeguarded. 4. Draw up the agenda of the board of directors; serve notices about a board meeting to the directors and provide them with meeting materials seven (7) days prior to the date scheduled for the meeting and further serve advance reminders whenever an issue calls for avoidance of interests and complete the board meeting minutes and serve the minutes within twenty (20) days after the meeting. 5. Draw up the agenda of the Audit Committee; serve notices about a board meeting to the Audit Committee members and provide them with meeting materials seven (7) days prior to the date scheduled for the meeting and further serve advance reminders whenever an issue calls for	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>avoidance of interests and complete the board meeting minutes and serve the minutes within twenty (20) days after the meeting.
6. Take charge of the pre-registration of the date for the shareholders meeting, prepare the notices of the shareholders meeting, the meeting handbook and the minutes of the meeting within the statutory time limit; and take charge of the Company's change registration upon amendment to Articles of Incorporation or reelection of directors.
7. 2025 continuing education of the Corporate Governance Officer is as follows:
<table>
<tr><th colspan="2">Training date</th><th rowspan="2">Organizer</th><th rowspan="2">Course name</th><th rowspan="2">Training hours</th><th rowspan="2">Total continuing education hours of the year</th></tr>
<tr><th>Start</th><th>End</th></tr>
<tr><td>2025.08.29</td><td>2025.08.29</td><td>Securities and Futures Development Foundation</td><td>Sustainability policy and reporting obligations</td><td>3</td><td rowspan="4">12</td></tr>
<tr><td>2025.08.29</td><td>2025.08.29</td><td>Securities and Futures Development Foundation</td><td>How do directors and supervisors oversee the Company’s establishment and implementation of a sound risk management system?</td><td>3</td></tr>
<tr><td>2025.11.11</td><td>2025.11.11</td><td>Corporate Governance Association in Taiwan</td><td>Strategy and Execution – Reshaping Business Models and Case Studies</td><td>3</td></tr>
<tr><td>2025.12.23</td><td>2025.12.23</td><td>Corporate Governance Association in Taiwan</td><td>Embracing AI and Sustainability – Executive Compensation Management and Talent Cultivation</td><td>3</td></tr>
</table></td><td></td></tr>
</table>

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
V. Has the Company established a communication channel with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and responded appropriately to the important corporate social responsibilities concerned by the stakeholders?	V		Inside the company: Establish regular labor-management meetings, employee suggestion boxes, and company website for employees to provide suggestions; and retain dedicated personnel to handle such suggestions. Outside the company: The company shall establish a spokesperson system, website, etc., and a channel of communicate for the stakeholders. The Company has set up through its own website the special zone for interested parties and sustainable development readily accessible to the interested parties and general public and to disclose the issues which the interested parties would be concerned about and the communications information for interested parties. It is hoped that through such efforts, the transparency, timeliness and interactivity will be strengthened to help the Company better understand the issues of concern to stakeholders and respond appropriately. In each and every year, the Company duly issues sustainable development report to disclose the key tasks upon the sustainable development The key issues within the concern of the interested parties (stakeholders) and methods of communications are shown through Table (Note 3). The performance of communications with interested parties (stakeholders) is reported to the board of directors on a regular basis every year. The performance in communications was reported to the board of directors on August 7, 2025 (The 3rd meeting of the 23rd Board of Meeting) and December 23, 2025 (6th Meeting of the 23rd Board of Meeting) for Year 2025.	No significant difference
VI. Has the Company commissioned a professional stock service agent to handle shareholders affairs?	V		The company has commissioned "Yuanta Securities Financial Services Company Stock Agency" as the professional stock agency to undertake the various stock related matters of the company.	No significant difference
VII. Disclosure of information				
(I) Does the Company have a website setup and the financial business and corporate governance information disclosed?	V		(I) The Company periodically updates its website (http://www.ccsb.com.tw) with the latest financial affairs, business information, including major information, stock affairs information, revenue statistics, financial statements, corporate governance, etc. for the shareholders' and the general public reference.	No significant difference
(II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing	V		(II) In addition to disclosing the financial, business, and other major information in the Market Observation Post System; the company has also commissioned dedicated personnel to collect and disclose the company information and established a spokesperson and acting spokesperson that is responsible for external communication.	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)? (III) Has the Company announced and declared its financial report within 2 months after the end of the fiscal year, and announced and declared the quarterly financial report of Q1, Q2, and Q3 and the monthly business report before the deadline?		V	(III) The Company currently files the financial statements for the first, second, and third quarters and monthly operational reports in a timely manner as required by the "Professional Duties to Be Fulfilled by Issuers of Listed Securities" yet does not announce and file annual financial statements within two months after the end of a fiscal year.	
VIII. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?	V		1. Employee rights: The company has complied with the Labor Standard Act, Occupational Safety and Health Act, and other relevant regulations to protect the employees' rights as well as establish a good relationship and mutual trust with the employees. The company has also held regular labor-management conferences to facilitate communications and harmonious labor relations. 2. Worker care: The company recognizes contributions from diverse talents, and has conducted a series of technical, professional, and management training courses for different category employees. The company has also promoted the various welfare measures in hopes to fully take care of its employees and enrich the employees' bodies, minds, and spirits. They include: Establish a staff welfare committee and actively promote various employee benefit plans; irregularly organize and invite employees and their family members to participate in the company's sports and family events, employee tourism trips, and other activities; hold end-of-year dinner parties; and provide employee group insurance to protect the employees' interests and labor safety. 3. Investor relations: To firmly safeguard shareholders' equity and enable the public investors to become well aware of the Company's business performance, the Company has duly disclosed relevant information through the Market Observation Post System (MOPS) as required in real time and further set up the "Special Zone	No significant difference

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			for Investors" through the Company's website to update a variety of financial and business information on a regular basis readily accessible to investors. Moreover, through convening shareholders' meeting, juristic person explanation meeting, spokesman and acting spokesperson mechanism, the Company puts forth maximum possible efforts for sound communications with investors. 4. Supplier relations: The Company has maintained very close and sound ties with key suppliers and conducted supplier evaluation on a regular basis. 5. The Rights of Stakeholders: The company has established a Stakeholders area in its website and created the handling window for the Investors area. In addition to the spokesperson and the acting spokesperson, the company has also established the Stock Handling Unit to undertake the stock related problems and suggestions from the company's shareholders and stakeholders. If a legal issue is involved, the company will employed attorneys to handle the matter and protect the interests of the stakeholders. 6. Director training status: The company has provided the relevant legal information to the directors and managers as well as the professional knowledge training course information to the relevant units on an irregular basis. The company's directors have completed the advance study hours as required by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" in 2025 and the information is disclosed in the Market Observation Post System. 7. Risk management policies and risk assessment standards: The Company conducts very strict control in terms or risk management. According to law, the Company has duly enacted very stern internal control system. The Company's internal auditors would audit the performance in implementation and submit reports either on a regular basis or from time to time on a nonscheduled basis. In the financial aspect, the Company adopts rational hedging measures against the exchange rate fluctuation to minimize potential risks and check and verify the financial structures in real time to prevent potential too high risks. 8. Customer policy implementation: Through the Quality Assurance Division and Business Department, the Company renders customer complaint and grievance services and after-sales services, rendering relevant services and guarantees toward customers in transactions. 9. Status of director liability insurance purchased by the company: Since August in 2016, the company has continued to ensure all directors have liability insurance to	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			protect shareholders' equity; in 2025 liability insurance has been renewed (including the amount of insurance, coverage and insurance rates) and reported on August 7, 2025 (3rd Meeting of the 23rd Board of Meeting) to the Board of Directors.	

IX. Please describe the improvement performed according to the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange in recent years, and propose the matters with priority for improvement and the respective measures.

Corporate governance evaluation results improvement status:

Evaluation Indicator Items	Rectification
Has the Company established concrete measures to enhance corporate value, reported them to the Board of Directors, and disclosed the relevant information in the Market Observation Post System's "Corporate Value Enhancement Plan Section?"	CCSB's specific measures for corporate value were submitted to the Board of Directors on December 23, 2025 (6th meeting of the 23rd term). The relevant information has been disclosed in the Market Observation Post System's "Corporate Value Enhancement Plan Section."
Does the Company disclose greenhouse gas Scope 3 categories and their annual emissions for the past year?	The Company's annual greenhouse gas emissions (Scope 3) in 2023 and 2024 have been disclosed in the 2024 Annual Report and 2024 Sustainability Report. We have obtained a verification certificate from a third-party verification agency "TUV-NORD" for the annual greenhouse gas emissions in 2024 and placed it on the company's website for employees and external personnel to refer to at any time.
Does the Company have a nomination committee consisting of at least three directors, with more than half of its members being independent directors, and with an independent director serving as the convener and chair of meetings? Does it disclose the committee's composition, responsibilities, and operations?	On December 23, 2025, CCSB's Board of Directors resolved to expand the functions of the original "Remuneration Committee" to include those of a "Nomination Committee" and to rename it the "Remuneration and Nomination Committee" in order to further strengthen the board's functions and governance mechanisms. The committee consists of three independent directors, and its composition and operation have been disclosed on the Market Observation Post System. The responsibilities have been disclosed on the corporate website and in the annual report.

The corporate governance evaluation results that have not been improved as well as the top priority items and measures to be improved:

Evaluation Indicator Items	Top priority items and measures to be improved
Does the Board of Directors include at least one director of a different gender? [Additional bonus criteria: If each gender holds more than one-third of the seats on the Board of Directors, an additional point will be awarded to the total score.]	CCSB currently has two female directors, but this represents less than one-third of the Board of Directors. The Company plans to identify female director candidates and determine their representation on the Board of Directors before the next (24th session) election, to ensure that they account for at least one-third of total seats, in compliance with the FSC's policy objectives and the trend toward gender diversity on the board.

Note 1: CPA independence assessment criteria:

Assessment items	Assessment results	Independence
Have a direct or significant indirect financial interest relationship with the Company.	No	Yes
Have financing or guarantee activities with the Company or the Company's directors.	No	Yes
Have a close business relationship or a potential employment relationship with the Company.	No	Yes
CPAs and members of the audit service team are currently serving or have served in the last two years as the Company's directors, supervisors or managers, or the positions that directly and significantly influence the audit.	No	Yes
Provide the Company with non-audit services that may directly affect the audit work	No	Yes
Mediate the trading of stocks or other securities issued by the Company.	No	Yes
Has acted as a counsel of the Company or represented the Company in coordinating matters relating to conflicts with a third party.	No	Yes
Have a family relationship with the Company’s directors, managers, or persons who have significant influence on the audit.	No	Yes

Note 2: Evaluation process upon the independence and eligibility of the certified public accountants (With reference to Audit Quality Indicators AQIs)

I. Aspect I: Professionalism

AQIs indicators	Key points of measurements	Information levels	Assessment items	Assessment results	
				Yes	No
Auditing experiences (1-1)	Have the senior auditors possessed adequate auditing experiences to carry out the auditing tasks?	CPA firm	Whether the hands-on experiences in auditing of the certified public accountants are adequate when compared with peers in the same industry	V	
			Whether the hands-on experiences in auditing of the certified public accountants with case quality control recheck (EQCR) are adequate when compared with peers in the same industry	V	
			Whether the hands-on experiences in auditing of the staff above the managerial officer level (excluding certified public accountant) are adequate when compared with peers in the same industry	V	
		Individual cases	Whether the hands-on experiences in auditing of Certified Public Accountants Lin, Po-Chuan and Hsieh, Wei-Li are adequate.	V	
			Whether the hands-on experiences in auditing of case quality control certified public accountants in (EQCR) are adequate.	V	
			Whether the hands-on experiences in auditing of auditors in the auditing team above the managerial officer level (excluding certified public accountant) are adequate.	V	
Training hours (1-2)	Have the certified public accountants and senior auditors accepted adequate educational & training programs in each and every to continually acquire professional expertise and skills	CPA firm	Are the training hours for certified public accountants adequate when compared with peers in the same industry	V	
			Are the training hours for auditors in the auditing team above the managerial officer level (excluding certified public accountant) adequate when compared with peers in the same industry	V	

Turnover rate (1-3)	Has the CPA firm maintained adequate senior human resources	CPA firm	Is the turnover rate of the auditors above the managerial officer level appropriate when compared with peers in the same industry	V	
Professional support (1-4)	Does the CPA firm hold adequate professionals (e.g., evaluating personnel) to back up the auditing team	CPA firm	Is the percentage of the professionals to back up the auditors of the Auditing Department is adequate when compared with peers in the same industry	V	
			Is the percentage of the professionals devoted to the TSEC/TPEx listed company cases is adequate when compared with peers in the same industry	V	

II. Aspect II: Quality control

AQIs indicators	Key points of measurements	Information levels	Assessment items	Assessment results	
				Yes	No
Workload upon the certified public accountants (2-1)	Is the workload upon the certified public accountants excessively too heavy?	CPA firm	Is the number of public companies where the certified public accountants serve as the principal auditor is adequate when compared with peers in the same industry	V	
			Is the percentage of workhours available from the certified public accountants appropriate when compared with peers in the same industry	V	
		Individual cases	Is the number of public companies where Certified Public Accountants Lin, Po-Chuan, Hsieh, Wei-Li serve as the principal auditors appropriate	V	
			Is the percentage of workhours available from Certified Public Accountants Lin, Po-Chuan, Hsieh, Wei-Li appropriate	V	
Dedication into auditing (2-2)	Is the auditing performance dedicated by the auditing team members in various phases appropriate	CPA firm	Is the percentage of auditing hours of the certified public accountants, managerial officers and auditors during the planning phase is appropriate when compared with peers in the same industry	V	
			Is the percentage of auditing hours of the certified public accountants, managerial officers and auditors during the implementation phase appropriate when compared with peers in the same industry	V	
		Individual cases	Is the percentage of auditing hours of the certified public accountants, managerial officers and auditors during the planning phase is appropriate	V	
			Is the percentage of auditing hours of the certified public accountants, managerial officers and auditors during the implementation phase appropriate	V	
EQCR Performance in rechecking (2-3)	Did EQCR certified public accountants devote adequate workhours to recheck the audit cases	CPA firm	Is the percentage of workhours dedicated by EQCR certified public accountants into recheck adequate when compared with peers in the same industry	V	
		Individual cases	Is the percentage of workhours dedicated by EQCR certified public accountants into recheck adequate	V	
Capability to back up quality control (2-4)	Was the CPA firm staffed with adequate human resources on quality control to back up the auditing team?	CPA firm	Would the quality control personnel to the number of full timers adequate when compared with peers in the same industry	V	
			Was the percentage of quality control personnel to back up the Auditing Department adequate when compared with peers in the same industry	V	

III. Aspect III: Independence

AQIs indicators	Key points of measurements	Information levels	Assessment items	Assessment results	
				Yes	No
Non-auditing service fees (3-1)	Does the percentage of non-auditing service fees adversely affect independence?	Individual cases	Is the percentage of non-auditing service fees in the audit cases appropriate?	V	
Customer familiarity level (3-2)	Did the number of years accumulated in the CPA firm in the auditing cases toward financial statements affect the independence	Individual cases	Is the number of years accumulated in the CPA firm in the auditing cases toward financial statements appropriate	V	

IV. Aspect IV: Supervision

AQIs indicators	Key points of measurements	Information levels	Assessment items	Assessment results	
				Yes	No
Faults in the external examinations and the penalty so imposed thereupon (4-1)	Have the quality control and auditing cases in the CPA firm been duly carried out exactly according to laws and ordinances concerned	CPA firm	Examination by the Financial Supervisory Commission upon the CPA firm: Is the number of faults in quality control performance appropriate when compared with peers in the same industry	V	
			Examination by the Financial Supervisory Commission upon the CPA firm: Is the average number of auditing cases appropriate when compared with peers in the same industry	V	
			Examination by PCAOB of the United States upon the CPA firm: Is the average number of faults in auditing cases appropriate when compared with peers in the same industry	V	
			Are cases of disciplines upon the certified public accountants and cases of penalty imposed thereupon in accordance with Article 37 of the Securities and Exchange Act appropriate	V	
		Individual cases	Number of faults amidst the examination by the Financial Supervisory Commission upon the CPA firm: Whether the average number of faults found upon Principal Certified Public Accountant Lin, Po-Chuan and Deputy Independent Certified Public Accountant Hsieh, Wei-Li is appropriate.	V	
Improvements in response to letters issued by the competent authority(ies) (4-2)	Have the quality control and auditing cases in the CPA firm been duly carried out exactly according to laws and ordinances concerned	CPA firm	Percentage of improvements in response to letters issued by the competent authority(ies): Is the CPA firm appropriate when compared with peers in the same industry	V	
		Individual cases	Percentage of improvements in response to letters issued by the competent authority(ies): Were Certified Public Accountants Lin, Po-Chuan and Hsieh, Wei-Li appropriate.	V	

V. Aspect V: Capability of innovation

AQIs indicators	Key points of measurements	Information levels	Assessment items	Assessment results	
				Yes	No
Planning and initiatives in innovation (5-1)	Commitments by the CPA firm to heighten auditing quality: Including the capability and planning of the CPA firm.	CPA firm	Has the CPA firm indicated the initiatives or plans linked up with upgrade of the auditing quality having been adopted or mapped out over the past three (3) years (including the measures to be adopted, time schedule, budget and time as well as such resourced anticipated to be invested and the benefits anticipated therefrom).	V	

Note 3: The key issues, communication methods and performance within the concern of the interested parties (stakeholders) and methods of communications are shown through Table (Note 3). The performance of communications with interested parties (stakeholders) is reported to the board of directors on a regular basis every year. The performance in communications was reported to the board of directors on August 7, 2025 (The 3rd meeting of the 23rd Board of Meeting) and December 23, 2025 (6th Meeting of the 23rd Board of Meeting) for Year 2025.

The interested party	Communication Channel/Format	Communication Frequency	Concerned Topics	Performance in communications
Investors	1. Annual Shareholders' Meeting 2. Company Website and Market Observation Post System 3. Investor Hotline 4. Investor Conference	1. Once a Year 2. Irregularly, Anytime 3. Irregularly, Anytime 4. Two Times a Year	Social welfare Waste Management Corporate Governance: Customer Health and Safety Supply Chain Management Hazardous substance management	1. Through the shareholders' meetings, juristic person explanation meetings and Market Observation Post System (MOPS), the Company pro-actively reports to the shareholders and investors about the updates regarding the Company's business performance and financial condition. 2. The Company keeps shareholders and investors closely informed through the methods of communications with the Company via the Special Zone of Investors and Special Zone for Interested Parties (Stakeholders) who may inquire with the Company all the time. 3. The Company convened the shareholders' regular meeting on May 29, 2025 to report to investors about the Company's business performance. 4. The Company convened two investor conference (earnings call) in 2025, on March 27 and August 25 respectively.
Employee	1. Labor Conference 2. Employee Welfare Committee 3. President Mailbox 4. Company Bulletin Board 5. Company Website	1. Four Times a Year 2. At Least Once a Quarter 3. Irregularly 4. Irregularly 5. Irregularly	Customer Health and Safety Hazardous substance management Occupational Health and Hygiene Employment	1. In 2025, the Company convened four labor-management conferences on March 24, June 17, September 18 and December 23, respectively. 2. Under the thoughtful policy to intensify health services at workplaces and to upgrade the quality of employee health, the Company has, in accordance with Article 3 of "Regulations Governing Protection over Labor Health", staffed full-time nursing specialist and contracted doctor, one in number each. Besides, the Company also has the Nursing Care Office to render services as necessary. 3. For the entire year 2025, no employee grievance case was ever recorded.
Supplier	1. Supplier Visit and Certification Audit 2. Supplier Satisfaction Survey 3. Telephone or Email Communication	1. Irregularly 2. Irregularly 3. Irregularly	Waste Management Occupational Health and Hygiene Legal Compliance Hazardous substance management	1. The efforts to support suppliers in verification through quality management system to firmly control the use of raw materials and materiel to, in turn, assure that the provided products would satisfy the required standards/criteria. 2. On a regular basis every year, we'd visit key suppliers. In 2025, we conducted surveys and visits to 5 suppliers.
Customer	1. Customer Visit and Certification Audit 2. Corporate Website, Telephone, and	1. Irregularly 2. Irregularly	Occupational Health and Hygiene Employment	1. The Company underwent a factory inspection by the TFDA and 16 customer audits in 2025, and passed all of them. The customers that performed the audit were from the U.S.,

The interested party	Communication Channel/Format	Communication Frequency	Concerned Topics	Performance in communications
	Email Communication		Talent Cultivation and Development	Europe, Japan, India, and other countries. 2. Participation in exhibitions in 2025: DCAT: 2025/3/17~2025/3/20. CPhI China: 2025/6/24~2025/6/26. CPhI Worldwide: 2025/10/28~2025/10/30. 3. All customer feedback is processed and responded to in a timely manner.
Government Agencies	1. Participation in the Various Policy and Regulation Related Seminars, Forums, Advocacies, and Training Courses 2. Market Observation Post System 3. On-site Plant Audit 4. Official Document and Telephone Communications	1. Irregularly 2. Released According to Regulations 3. Irregularly 4. Irregularly	Waste Management Legal Compliance	1. We declared a variety of information in real time as required by law. 2. From time to time on a non-scheduled basis, we participated in the forums, publicity and dissemination programs and seminars under the auspices of competent authority(ies).
Bank	1. Document Exchanges and Telephone Communications 2. Personal Visits 3. Company Website	1. Irregularly 2. Irregularly 3. Irregularly	Economic Performance Business integrity	The Company carried out business visits and information exchanges with correspondent banks frequently.
Nearby Communities and Social Welfare Groups (Note: Our company's surrounding community is Shulin District, New Taipei City)	1. Visit the neighborhood or township chief nearby the plant, care for the community residents, and implement the community affinity work. 2. Charitable Events	1. Irregularly 2. Irregularly	Social welfare Corporate Governance: Legal Compliance Business integrity Customer Health and Safety	The following social welfare projects were carried out in 2025: 1. Donation of 96 sets of the Green series shower gel to the 5th Forest Fire Brigade of the Fire Department of the New Taipei City Government in the amount of NT$9,600. 2. For the Shulin District's meal delivery charity event for elderly people living alone, we donated healthy frozen meals worth NT$86,241. 3. Changshou Park in Shulin District hosted a charitable activity event for people of all ages. The total value of donated items amounted to NT$32,793. 4. Shulin District held the charitable activity event, "Good Sleep for Lonely Seniors" and raised NT$28,231 in donations. 5. Sponsored a natural ecology study camp for environmental volunteer workers and residents of Dongshanli in Shulin District, New Taipei City, with a contribution of NT$30,000. 6. Sponsored scholarships and grants for New Taipei City Shulin Elementary School's All-Age Friendly Children's Charity Festival, totaling NT$36,000. 7. Participated in seven charitable vehicle events, donating a total of NT$60,863 in goods and materials. (Visited remote

The interested party	Communication Channel/Format	Communication Frequency	Concerned Topics	Performance in communications
				areas to care for disadvantaged groups and alleviate the plight of insufficient local public welfare resources) 8. After the employees of the Company participated in the public welfare activities, they were certified by the organizer for a total of 397 hours of volunteer work. 9. Fire and toxic chemical disaster prevention drills are conducted every six months. Held twice in 2025: On May 9, 2025 and on November 28, 2025.

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

1. Information of the Remuneration Nomination Committee members:

March 30, 2026

Identity \ Criteria / Name		Professional qualifications and experience	Independence situation	Number of other public companies where the members are also the members of the remuneration committee of these companies
Independent Director (Convener)	Wang, Kuo-Chiang	Refer to related contents of 3. Disclosure of Professionalism of Directors and Supervisors and Independence of Independent Directors on Pages 14-15.		3
Independent Director	Kuan, Arthur			None
Independent Director	Lee, Ming-Jye (Note 1)			None

Note 1: Overall re-election by the shareholders' meeting was held on May 29, 2025. Independent director Chang, Chih-Hsien was discharged from the post on May 29, 2025 and Independent Director Lee, Ming-Jye was newly appointed to the post on May 29, 2025.

2. Remuneration Nomination Committee Operating Status Information:
   (1) The Remuneration Nomination Committee of the Company is consisted of 3 persons.
   (2) Current term of office: May 29, 2025 to May 28, 2028. The most recent (2025) Remuneration Nomination Committee has held 3 meetings (A), and the member qualifications and attendance records are as follows:

Title	Name	Actual attendance (B)	Proxy Attendance	Percentage of actual attendance (%) (B/A)	Remarks
Convener	Wang, Kuo-Chiang	3	0	100%	Re-elected on May 29, 2025
Members	Kuan, Arthur	3	0	100%	Re-elected on May 29, 2025
Members	Chang, Chih-Hsien	1	0	100%	Discharged from the post upon re-election on May 29, 2025 (1 meetings should be attended)
Members	Lee, Ming-Jye	1	1	50%	Newly appointed to the post upon re-election on May 29, 2025 (2 meetings should be attended)

Other remarks:

I. Situation where the Board of Directors does not adopt or amend the salary Remuneration Nomination Committee's recommendation: None.

II. A member has objected or showed reservations against the resolution passed by the Remuneration Nomination Committee in the record: None.

III. Matters in connection with the official powers of the Remuneration Nomination Committee:

1. The Remuneration Nomination Committee faithfully exercises due diligence as a bona fide administrator to perform the following functions and powers and submits its suggestions to the board of directors for discussion:
   (1) The Committee will establish and periodically review the annual and long-term performance goals

for the directors, and managerial officers of this Corporation and the policies, systems, standards, and structure for their compensation.

(2) Periodically evaluate and prescribe the remuneration of directors, and managerial officers.

(3) Establish selection criteria for board members and senior managers, including their composition and qualifications, and select and review candidates for board members and senior managers.

(4) Plan and conduct performance evaluations for the Board of Directors, functional committees, directors, and senior managers.

2. Where performing the aforementioned functions and powers, the Remuneration Nomination Committee faithfully complies with the following principles:

(1) On the performance evaluation and remuneration toward the directors and managers, the Remuneration Nomination Committee shall refer to the general level of payment in the counterpart firms in the same industry, taking into account the relevant rationality in connection with personal performance, the Company's operating conditions as well as future risks.

(2) The Committee shall not lure directors and managers to engage in behavior that exceed the Company's risk tolerance in pursuit of remuneration.

(3) Regarding the ratio of the short-term performance of directors and ranking managers and the payment time of partial variable salary compensation, the Committee shall take into account the characteristics of the industry and the attribute of the Company's business.

(4) Based on CCSB's scale and business needs, the Company seeks qualified directors and senior managers. Candidates are evaluated based on criteria including business management, crisis management, industry knowledge, and international market perspectives to foster diversity within the Board of Directors and management team.

(5) When nominating independent director candidates, companies should consider the nominees' qualifications, expertise, integrity, and any concurrent positions they hold. These candidates must meet the independent director standards established by the Taiwan Stock Exchange.

IV. The operation of the Remuneration Nomination Committee:

Date	Agenda	Resolution	The Company's handling in response to the opinions of the Remuneration Nomination Committee
2025.03.06 (9th meeting of the 5th term)	1. The 2024 Management Personnel Remuneration Discussion Case.	Passed unanimously by all members of the Committee in full.	Duly resolved and passed in the Board of Directors in its 22nd meeting of the 20th session and duly put into enforcement exactly as resolved.
	2. Proposal on the remuneration of directors in 2024.	Passed unanimously by all members of the Committee in full.	Duly resolved and passed in the Board of Directors in its 20th meeting of the 22nd session. Exactly as resolved, the Company duly completed the declaration to the competent authority within the specified time limit as required.
2025.09.26 (1st meeting of the 6th term)	Proposal for the new president salary remuneration.	Passed unanimously by all members of the Committee in full.	Duly resolved and passed in the Board of Directors in its 4th meeting of the 23rd session and duly put into enforcement exactly as resolved.
2025.12.23 (2nd meeting of the 6th term)	1. The Regular Review for the Director and Manager Remuneration Methods and Payment Standards.	Passed unanimously by all members of the Committee in full.	Duly resolved and passed in the Board of Directors in its 6th meeting of the 23rd session and duly put into enforcement exactly as resolved.
	2. A motion regarding the plan to pay off the performance evaluation incentive bonus for Year 2025.	Passed unanimously by all members of the Committee in full.	Duly resolved and passed in the Board of Directors in its 6th meeting of the 23rd session and duly put into enforcement exactly as resolved.

	3. Proposal to change the name of the "Remuneration Committee" and amend the "Remuneration Committee Charter."	Passed unanimously by all members of the Committee in full.	Duly resolved and passed in the Board of Directors in its 6th meeting of the 23rd session and duly put into enforcement exactly as resolved.

3. Information of members of the Nomination Committee and its operational status:
   Please refer to the previous page (iv) for details on the composition, responsibilities, and operation of the Remuneration Committee.
   On December 23, 2025, the Board of Directors resolved to expand the functions of the original “Remuneration Committee” to include those of a “Nomination Committee” and to rename it the “Remuneration and Nomination Committee” in order to further strengthen the board’s functions and governance mechanisms.

(V) Promotion of sustainable development and its implementation status and deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons:

Action Item	Implementation Status			Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
I. Does the Company have the governance framework in place to help promote sustainable developments and have a unit that specializes (or is involved) in promoting sustainable developments and have the Board of Directors to empower high-ranking management to take care of it and report the progress to the Board of Directors?	V		(I) The Company established the "CSR Committee" in 2014, and in December 2021, it was renamed the "Sustainability Committee" in conjunction with legislative amendments. It is the highest-level sustainable development decision-making center within the Company, and is chaired by the chairman. The committee is divided into teams responsible for corporate governance, customer care, employee care, sustainable environment, social welfare and implementation according to functions. Its members are composed of personnel from the Office of the President, finance and accounting, human resources, management, sales, procurement, quality assurance, manufacturing and safety and health units. According to the "Sustainable Development Best-Practice Principles" approved by the board, the Company integrates company resources to promote and review the status of compliance with sustainability laws and regulations and the effectiveness of implementation. The implementation status of sustainable development and future work plans are reported to the board twice a year. The contents of the report include sustainability issues and response action plans and implementation results, corporate governance, product responsibility, sustainable environment, employee care, and social welfare, etc. The board of directors listens to the reports, evaluates the progress and implementation of strategies and provides suggestions, and urges the management team to make adjustments when necessary. The Company already reported to the Board of Directors on August 7, 2025 (in its 3rd meeting of the 23rd session) and December 23 (in its 6th meeting of the 23rd session). (II) The Company's sustainable development and corporate governance structure:	No significant difference

Action Item	Implementation Status			Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			 1. Description of duties of each task team: (1) Corporate governance Responsible for promoting corporate governance and providing suggestions for improvement including governance structure, code of conduct, board of directors, remuneration nomination committee, audit committee, internal control system, risk management and continuous management. (2) Customer care Responsible for marketing communication, maintaining customer privacy, product and service labeling and health and safety of customers. (3) Employee care Responsible for building a friendly work environment, hiring, training and caring of employees and physical and mental wellbeing of foreign workers. (4) Sustainability Responsible for promoting sustainability initiatives and environmental protection measures and providing suggestions for improvement, including environmental management system, green products and processes, energy and resources management, water resources management and wastewater management, greenhouse gas inventory, inventory of other air pollutants, waste management, supplier management and violations of environmental laws.	

<table>
<tr><th rowspan="2">Action Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>(5) Social welfare
Responsible for promoting social welfare programs and providing suggestions for improvement, community participation and social welfare.
(6) Implementation
Responsible for the coordination of internal project teams and publication of sustainable reports.</td><td></td></tr>
<tr><td>II. Has the Company conducted risk evaluation based on significant principles toward the environments, society linked up with the Company's business operations and corporate governance issues and, in turn, enacted relevant risk management policies or strategies?</td><td>V</td><td></td><td>(I) The information disclosed covers the Company’s performance in sustainable development from January to December 2025. Based on the relevance of its own businesses and the impact level of major topics, the boundary of risk assessment is within the Company, excluding re-investment enterprises.
(II) In accordance with the materiality principles and materiality analysis process in the sustainability report, the Company’s Sustainable Development Committee members shall identify corporate governance (including legal compliance and economics), environment and social aspects, and other major issues through the portals of communication and exchange with interested parties. According to the evaluated risks, the risk management policies or strategies and implementation are as follows:
<table>
<tr><th>Significant issues</th><th>Items for risk assessment</th><th>Risk management policies or strategies and the implementation results thereof</th></tr>
<tr><td>Corporate Governance</td><td>Law compliance and economy</td><td>1. Here at the Company, the incumbent Manager of Finance concurrently serves as the “Head of Corporate Governance”, taking charge of all corporate governance related affairs to heighten information transparency and law compliance. Besides, the Company sets up the Audit Office under the Board of Directors to implement thoroughly the internal control system and, in turn, assure that the entire personnel and business operation of the Company will be well satisfactory to laws and ordinances concerned.
2. The Company conducts one self-evaluation toward the overall Board of Directors, all individual directors and the functional committees at the first quarter every year. The</td></tr>
</table></td><td>No significant difference</td></tr>
</table>

Action Item	Implementation Status						Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No				Summary description	
						Company further conducts a third party assessment through a commissioned external institution in every three years. The results of evaluation so carried out have been disclosed through the Company's website. 3. To collect information on laws and regulations prevalent at home and abroad and changes thereof to work out the right countermeasures in real time. 4. Here at the Company, greenhouse gas emissions have not been included in the regulated implementation and thus there is no need to disclose relevant information on a regular basis. The Company, nevertheless, still pro-actively conducts its own greenhouse gas inventory each year and continues to pay attention to changes in domestic and foreign laws and regulations to make sure of the trends and respond accordingly before it becomes too late. The 2024 greenhouse gas report was completed in April 2025, verified by the third-party organization TUV-NORD in May 2025, and received the TUV-NORD verification certificate in July 2025. The certificate was uploaded to the company’s website for the reference of employees and external personnel at any time. 5. The Company, as an excellent API manufacturer, has successively passed cGMP API Plant, cGMP biotechnology factory, cGMP pilot factory and has further passed official inspections verification in Taiwan, the United States, the European Union and Japan and the Company's cGMP plant equipment has been checked and approved by many manufacturer audit processes. The Company's products well satisfy standards/criteria prevalent in the international community. As of December 31, 2025, 29 products have completed the API master file DMF for registration by the U.S. Food and Drug	

Action Item	Implementation Status					Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description			
					Administration. 6. Strategies to diversify procurement risks. The Company mainly maintains two or more suppliers for the key raw materials in order to diversify procurement risks. On a regular basis, we assess the best inventory plan, evaluate raw materials inventory all the time and avoid supply being affected by extreme climate conditions to carry out process safety management and ensure safety operation. 7. All properties of the Company have been well insured to prevent a potential impairment in case of larceny or disaster to assure absolute asset safety.	
			Environment	1. Stringent water resources.	1. To strengthen water resources management and reuse and further strengthen water supply system management. A.CCSB has installed 6 sets of solvent-phase vacuum pump water recovery systems. In 2025, these systems achieved a daily water-saving capacity of approximately 170 tons at full load, effectively conserving water resources. B. In 2025, 6 sets of non-solvent phase vacuum pumps were replaced with cooling water recycling and reuse systems. The daily water saving capacity of full-load operation is about 173 tons, which can effectively save water resources.	
				2. Inadequate power supply.	2. To replace and renew outdated equipment, improve operating efficiency and promote various energy-saving projects, e.g., replace old equipment, install inverters to replace water-saving, low-power consumption and energy-saving equipment and the like.	
				3. Rising greenhouse gas emission.	3. In 2025, exactly in accordance with the established energy management system, the Company, as always, continually promoted energy-saving and carbon-reduction policies and a variety of energy-saving plans. We set the energy goal of	

Action Item	Implementation Status					Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description			
					reducing electricity consumption by more than 1% year by year. The energy-saving measures promoted in 2025 saved 324,266 kWh of electricity, reduced carbon emissions by 160,511 kg, and achieved an electricity saving rate of 2.28%.	
			Society	1. Industrial security and emergency countermeasures mechanism 2. Negative response from interested parties (stakeholders) 3. Workplace safety and employee health	1. The efforts to strengthen the education of work safety awareness. On a regular basis, the Company holds two fire drills and poisonous substance disaster prevention drills every year to cultivate the employees' emergency response capacity and minimize occurrence of disasters. The drills were held on May 9 and November 28, 2025, with a total of two sessions and 57 participants. 2. Amidst different types of stakeholders, the Company has duly set up a variety of channels and frequencies for communications, e.g., websites, telephones, e-mails, visits amidst meetings, participation in events to assure proactive communications. 3. The Company spares no effort to provide employees with safe and healthful workplaces. Here at the Company, the Safety & Health Department takes the overall charge to map out and sponsor safety related educational & training programs as well as seminars, including notably firefighting, public safety facilities, overall review upon public safety. On a regular basis every year, the Company sponsors general health examinations and specific operation oriented health examinations. In 2025, a total of 243 incumbent employees received health examinations and 62 employees received specific health examinations (focusing on employees as specific chemical users), with a total of 305 employees provided with sound health examinations. Further pursuant to Article 3 of “Regulations Governing Protection over Labor Health”, the Company	

Action Item	Implementation Status			Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			has staffed one full-time nursing specialist and one contracted doctor stationing at the factories.	
III. Environmental Issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	V		1. In order to effectively reduce energy costs, the Company has set up the goal of reducing power consumption by more than 1% every year in reference to the energy management system. The company also carries out cleaning and recycling of waste according to the "business waste disposal cleaning plan" and follows the environmental regulations of the competent authority to handle all related matters. 2. The Company shall perform independent greenhouse gas inventory every year, track discharge reduction effectiveness and disclose them in the sustainability report of the Company's website (http://www.ccsb.com.tw/chinese/10_csr/02_report.aspx). The 2024 greenhouse gas report was completed in April 2025, verified by the third-party organization TUV-NORD in May 2025, and obtained the TUV-NORD verification certificate in June 2025. In addition, the 2025 greenhouse gas report will be completed in April 2026, and is scheduled to be verified by a third-party agency in the second quarter of 2026. The company will continue to formulate more efficient energy conservation and emission reduction strategies and implement them thoroughly to enhance its ability to maintain a sustainable environment.	No significant difference
(II) Is the Company committed to enhancing energy utilization efficiency and using recycled materials that pose low environmental impacts?	V		1. Adhering the by the goal of resource efficiency and in reference to the energy management system, the goal is to reduce power consumption by more than 1% every year. Energy saving and carbon reduction related work has been promoted. The energy-saving measures promoted in 2025 saved 324,266 kWh of electricity, reduced carbon emissions by 160,511 kg, and achieved an electricity saving rate of 2.28%. 2. The Company implemented waste sorting and set up the recycling area. The Company continues to focus on saving energy and is committed to resource utilization efficiency. Air-conditioning temperature control in summer, paperless process for sign-off, double-sided paper printing, reduced paper use, unplugging unused electrical appliances or equipment, recovery of carbon cartridges for photocopies and printers, use of environmentally friendly carbon, etc., are some examples that aid in energy conservation, carbon emissions reduction, waste reduction and recycling.	No significant difference

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(III) Has the Company evaluated the potential risks and opportunities of climate change on the enterprise's present and future. Have related coping measures been adopted?</td><td>V</td><td></td><td>The Sustainability Committee of the Company is the highest-level decision-making unit for climate change management and is chaired by the Chairman. The committee shall review the climate change strategies and objectives, manage climate change risk and opportunity related actions, inspect implementation status, and discuss future plans. Related risks affecting the sustainable development of the Company shall be identified through daily operations. Relevant management strategies and coping measures shall be formulated in order to reduce risks of operation interruptions. With reference to climate related financial disclosure (TCFD), the Company identifies those major risks and opportunities likely to impact upon the Company's business operations through four core elements as "governance," "strategies," "risk management" and "indicators & targets." In turn, we implement a variety of climate change mitigation and adaptation to continually minimize potential risks, and enhance resilience to create opportunities for sustainable development.
<table>
<tr><th>Governance</th><th>Strategy</th><th>Risk Management</th><th>Index and Goal</th></tr>
<tr><td>1. The "Sustainable Development Committee" set up by the Company assumes the responsibilities to map out corporate sustainable strategies and visions to carry out sustainable development related tasks and management.
2. The</td><td>With reference to TCFD framework and pursuant to items in risks and opportunities, the major items of potential occurrence and impacts, the Company conducts prudential evaluation into the potential impacts upon finance aiming</td><td>Comprehensively consider the impact of climate-related risks and opportunities on corporate image, operations management, products and services, employee safety, etc., and assess the likelihood of occurrence, and adopt corresponding strategies based</td><td>1. Investment into research & development to optimize manufacturing process and, in turn, to boost the efficiency in utilization of resources
2. Circular economic projects to boost reuse of resources.
3. Promotion of energy saving & carbon reduction.
4. Conduct greenhouse gas inventory in-house and introduce ISO 14064-1 greenhouse gas inventory certification in 2023.</td></tr>
</table></td><td>No significant difference</td></tr>
</table>

Action Item	Implementation Status						Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description				
			"Sustainable Development Committee" is chaired by the Company's chairman. The Committee members carry out tasks based on their respective functional planning and reported to the Board of Directors on a regular basis every year. The Board of Directors examines the implementation and performance and urges the managerial teams to proceed with adjustment whenever necessary.	at significant risks and opportunities.	on the degree of risk.	Objective: By then, we shall further cut electricity consumption by over 1% every year. Substantial performance: The energy-saving measures promoted in 2025 saved 324,266 kWh of electricity, reduced carbon emissions by 160,511 kg, and achieved an electricity saving rate of 2.28%.	
(IV) Does the Company count greenhouse gas emissions,	V		1. The Company has issued a sustainability report every year since 2013, disclosing the				No significant

<table>
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<tr><th>Yes</th><th>No</th></tr>
<tr><td>water consumption, and total weight of waste over the last two years, and formulate policies for greenhouse gas reduction, water consumption reduction, or other waste management?</td><td></td><td></td><td>company's active sustainability actions in the fields of environmental protection, corporate governance and social welfare. The contents of such reports would include greenhouse gases emission volume, water consumption and aggregate total weight of waste and garbage over the past 3 to 5 years. The reports would be further disclosed through the Company’s website in the special zone (http://www.ccsb.com.tw/chinese/10_csr/02_report.aspx) of corporate social responsibility (CSR) and the Market Observation Post System (MOPS). The statistics of the Company's greenhouse gas emission volume, water consumption and aggregate total weight of waste and garbage during 2024 and 2025 are as enumerated below:
(1) Greenhouse gas emissions in the last two years (the Company and its subsidiaries in consolidated financial statements):
<table>
<tr><td colspan="2">Year</td><td colspan="2">2024</td><td colspan="2">2025</td></tr>
<tr><td colspan="2">Item (Unit)</td><td>Emission volume (metric tons CO2e)</td><td>Intensity (tons of CO2e/turnover in NT$ million)</td><td>Emission volume (metric tons CO2e)</td><td>Intensity (tons of CO2e/turnover in NT$ million)</td></tr>
<tr><td rowspan="4">The Company</td><td>Scope 1</td><td>3,283.10</td><td rowspan="8">14.177</td><td>3,276.56</td><td rowspan="8">21.127</td></tr>
<tr><td>Scope 2</td><td>7,661.45</td><td>7,029.35</td></tr>
<tr><td>Scope 3</td><td>8,150.79</td><td>6,694.70</td></tr>
<tr><td>Subtotal</td><td>19,095.35</td><td>17,000.61</td></tr>
<tr><td rowspan="4">All subsidiaries contained in the consolidated financial statements</td><td>Scope 1</td><td>-</td><td>-</td></tr>
<tr><td>Scope 2</td><td>6.55</td><td>3.98</td></tr>
<tr><td>Scope 3</td><td>0.08</td><td>0.01</td></tr>
<tr><td>Subtotal</td><td>6.63</td><td>3.99</td></tr>
<tr><td colspan="2">Total</td><td>19,101.98</td><td>17,004.60</td></tr>
</table>
Note: In 2024, the company obtained verification from TUV-NORD, a third-party verification agency.</td><td>difference</td></tr>
</table>

<table>
<tr><th rowspan="2">Action Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>The 2025 data is currently being verified internally and was verified by a third-party verification body in the second quarter of 2026.

(2) Water usage in the recent two years (the Company):
Unit: tons
<table><tr><th>Year</th><th>Water consumption volume</th><th>Water usage per unit product (tons/kg)</th></tr><tr><td>2024</td><td>114,932</td><td>2.54</td></tr><tr><td>2025</td><td>147,336</td><td>3.43</td></tr></table>(3) Waste output in the recent two years (the Company):
Unit: tons
<table><tr><th>Year</th><th>Harmful waste</th><th>Harmless waste</th><th>Output per unit product (tons/kg)</th></tr><tr><td>2024</td><td>1,463</td><td>466</td><td>0.043</td></tr><tr><td>2025</td><td>967</td><td>326</td><td>0.030</td></tr></table>2. The Company formulates the following management policies in line with enterprise management and taking into consideration the friendly environment with love for the earth:

(1) Energy savings and carbon reduction and reduction of greenhouse gas emission volume
The Company adopts low-polluting fuels and uses natural gas boilers in place of heavy oil boilers, and actively promotes various energy saving plans. In 2025, exactly in accordance with the established energy management system, the Company, as always, continually promoted energy-saving and carbon-reduction policies and a variety of energy-saving plans. We set the energy goal of reducing electricity consumption by more than 1% year by year. The company's 2025 energy conservation implementation results and 2026 energy conservation plans are as follows:
A. The results of the annual energy-saving plan implementation 2025:
The energy-saving measures promoted in 2025 are as follows, saving 324,266 kWh of electricity, with an annual electricity saving rate of 2.28%, achieving the set annual</td><td></td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th></tr>
<tr><td></td><td></td><td></td><td>target of "electricity saving rate of more than 1%", and reducing carbon emissions by 160,511 kg: The installation cost for energy-saving LED lighting and air compressor replacements totaled $738,150.
<table>
<tr><th>Item</th><th>Energy-conservation Projects</th></tr>
<tr><td>1</td><td>Zone 05’s 500 W high-intensity lighting was updated to 100 W energy-saving LED lighting, resulting in savings of 15,660 kWh. The installation cost was NT$220,500.</td></tr>
<tr><td>2</td><td>Frequency conversion and load adjustment for the 30 hp exhaust fan in the Zone 12 washing tower has saved 123,525 kWh of power.</td></tr>
<tr><td>3</td><td>Frequency adjustment of Zone 16 50HP exhaust blower S1601 saved 154,111 kWh.</td></tr>
<tr><td>4</td><td>Zone 13 replaced its 15 hp air compressor with a new model, saving 30,970 kWh of electricity. The installation cost was NT$517,650.</td></tr>
</table>
B. Energy conservation plan 2026:
Energy conservation measures:
a. The Safety and Health Department replaced its 15 hp air compressor.
b. Improvement of the Zone 7 fermentation process air system by replacing the old one with a new one which has a 100HP air compressor.
(2) Water conservation:
A. CCSB has installed 6 sets of solvent-phase vacuum pump water recovery systems. In 2025, these systems achieved a daily water-saving capacity of approximately 170 tons when operating at full load, effectively conserving water resources.
B. In 2025, 6 sets of non-solvent phase vacuum pumps were replaced with cooling water recycling and reuse systems. The daily water saving capacity of full-load operation is about 173 tons, which can effectively save water resources.
C. Water conservation plan in Year 2026:
In 2026, we maintained our plant’s water conservation efforts and strengthened outreach to promote water savings, including the use of water-saving toilets.
(3) Decrement of waste:
Implementation of waste sorting and setting up a resource recycling office with continued efforts to aim at saving energy and committing to the utilization efficiency of various</td><td></td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>resources, e.g., the use of double-sided printing to minimize the use of paper, the recycling of toner cartridges for photocopiers and printers, use of environmentally friendly toners and the like to achieve waste reduction and resource recovery goals.
The Company implemented waste sorting and set up the recycling area, and is committed to waste reduction measures such as paperless process for sign-off, double-sided paper printing, reduced paper use, recovery of carbon cartridges for photocopies and printers, use of environmentally friendly carbon, etc.</td><td></td></tr>
<tr><td>IV. Social Issues
(I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?</td><td>V</td><td></td><td>1. The Company has formulated a “Human Rights Policy” to safeguard the basic human rights of employees, shape an environment that fully protects human rights, and recognize and support the UN Universal Declaration of Human Rights, the Global Compact, and the International Labour Conventions. Every year, the Company distributes a "Supplier Code of Conduct" and a "Sustainable Procurement Questionnaire" for suppliers to read and complete. The Company requires cooperative manufacturers to operate without any violations of human rights, so that members of the Company and collaborating partners are treated fairly and with dignity.
The Company’s specific management plans for human rights protection are as follows:
<table>
<tr><th>Item</th><th>Concrete measures of implementation</th></tr>
<tr><td>The policy to provide safe and healthful working ambiance</td><td>1. The Company has set up the Safety and Health Department which is staffed with 1 occupational safety and health administrators responsible for occupational safety and health-related affairs. According to the fire and environmental protection laws, there has been an emergency response group set up in the factory and the necessary emergency rescue equipment is set up with fire protection and poison prevention and emergency drills conducted on a annual basis so that the entire staff of the Company would familiarize themselves with the use of fire protection and escape systems. The drills were held on May 9 and November 28, 2025, with a total of two sessions and 57 participants.
2. Education and training for new hires: To help new hires learn about the environment, understand the Company's regulations and history, pay attention to work safety and know the work of every department, management of chemicals, professional capabilities</td></tr>
</table></td><td>No significant difference</td></tr>
</table>

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	Yes	No	Summary description	
			and requirements, labor laws, safety and health training and cGMP training so they can understand the environment, safety and policies better. Education and training for in-service personnel: In order to enhance the professional and technical capabilities of employees, enhance work efficiency, and pay attention to and improve product quality, the Company proposes an annual education and training plan based on work needs. In addition to conducting employee training based on the chart, internal courses on management and professional skills are provided from time to time. Employees are also sent to external organizations to receive training to strengthen their professional capabilities. The Company has these professional safety and health licenses: Operation supervisor for handling organic solvents, operation supervisor for specific chemicals, operation supervisor for anoxic treatment, forklift operator, high-pressure equipment operator, fire protection manager, security and safety inspectors, first-aid personnel and other specialized licenses. In 2025, 13 people took a retraining course and 1 people were assigned as new trainees. Contractor education training: In conjunction with the provisions in the Occupational Safety and Health Act, the “Contractor Operation Management Guidelines” have been set up. In 2025, education training implemented for contractors entering the factory for operation totaled 17 people. They were also informed of the hazards, prevention of occurrences of work hazards, and maintenance of work environment safety. 3. The existing employees are given a free health check every year, better than what the provisions of the “Occupational Safety and Health Act” require. In 2025, a total of 243 incumbent employees received health examinations and 62 employees received specific health examinations (focusing on employees as specific chemical users), with a total of 305 employees provided with sound health	

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			examinations. 4. In order to strengthen workplace health services and enhance the quality of employee health and in accordance with Article 3 of the "Rules for Labor Health Protection", a nurse and contract physician to regularly provide in-factory services shall be appointed. The service contents include: health consultation, health care, occupational disease prevention, emergency medical disposal, general wound disposal, exceptional workload, human-induced hazard prevention, maternal protection, work resumption assessment, and other health management and health promotion work. 5. Currently, the company has installed two units of AEDs, one in the reception room and the other on the first floor of the research building. 6. Shaping a healthy workplace culture through diverse means such as group sports events and softball games, club activities, and encouraging employees to participate in arts and cultural activities. 7. To provide employees with a safe and comfortable working environment in accordance with the requirements of the "Occupational Safety and Health Act," specialized testing organizations are invited to perform chemical exposure assessment in the product areas every half a year. The most recent testing was evaluation completed in February and August 2025. There were 4 product processes areas and research department, 9 chemicals and 25 testing items. The results were in compliance with the allowable concentration to ensure employees' health. 8. The Company has set up sound fire protection system in accordance with the provisions of the Fire Protection Act, including an alarm system, fire protection water system, escape system, fire extinguisher and the like. In each and every year, the Company invites professional fire technicians to conduct fire	

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	safety inspections in the entire Company premises.
The policy to eliminate employment discrimination and ensure equal job opportunities	The Company has formulated sound "Work Rules" and various regulations and has faithfully abided by labor laws and international norms which are applicable entire staff. In all such aspects as personnel recruitment, assignment, labor conditions, promotion, transfer, rewards and punishments, educational and training programs, welfare, layoff, retirement, severance, performance appraisal and other relevant regulations and operations, the Company assure impartial performance absolutely free of potential discrimination due to ethnic race, social class, language, thoughts, religions, partisanship, origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical and mental disabilities, blood type constellations or previous union memberships into a different treatment.
Ban on the use of child labor	Strictly in accordance with the Company's “Human Rights Policy,” all departments of the Company are banned from hiring any one below sixteen years of age. All successful candidates for employees are strictly checked and verified to prevent a potential fault.
Prohibition of forced work	Strictly in accordance with the Company's “Human Rights Policy” and the “Employee Work Behavior Code,” all employees should abide by those rules and regulations. Under no circumstances shall they get involved in illegal or unethical behaviors. Instead, they shall faithfully comply with the work ethics of dedicated work groups thereby all units are prohibited from engaging in forced labor.
Personal information protection	The Company has established an internal control system for the protection and management of personal information, which regulates the inventory and management of personal information by all units. Personal information shall not be collected, processed, or used at will except for specific purposes.
Freedom of speech and association	1. The Company upholds a sound policy with absolutely no interference with the establishment and participation of trade unions by employees. Where to date there has not been any work

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			union, the Company has not executed any group agreement. In order to establish communication channels and promote labor-management harmony, the Company holds regular labor-management meetings every three months. Labor representatives are directly elected by employees. In addition to protecting their right to speak, they ensure that they are provided with fair working conditions and are not treated differently. In addition, the president's mailbox is set up in the employee cafeteria to encourage employees to express their opinions and suggestions. Employees can also file complaints via "Stakeholders' Area" of the Company's website. The management will conduct investigation and handle issues in accordance with the relevant regulations to protect the interests of the Company and employees. 2. The Company's Welfare Committee has formulated the "Employee Association Activities Establishment and Subsidy Regulations" to provide financial subsidies to encourage colleagues to establish associations to promote exchanges. As of December 31, 2025, employees have established 5 clubs and applied for subsidies from the Welfare Committee.	
			Channels for remedial measures: The Company has stipulated the "Measures for Reporting Cases of Illegal and Unethical or Dishonest Conducts" and “Regulations Governing Prevention and Settlement of Sexual Harassment.” Employees are advised to use the suggestion box set up in the employee restaurant and the report box set up on the Company's website (report@ccsb.com.tw). The Company has assigned a special department to accept and implement investigation and also carry out relevant publicity courses to keep the entire staff informed on the use of such sound channels. The Company upholds the policy to keep the whistleblowers and the contents of the report in strict confidence and to protect whistleblowers absolutely from improper treatment due to the report. Where the investigation results verify the reported misconduct, the offender shall be penalized in accordance with the	

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	"Working Regulations" and the relevant rules and regulations as the actual situations may justify.
Support to employees to maintain work-life balance and take care of the family	1. Efforts to promote employee health and balanced life: The Company encourages employees to organize clubs and organize group family days and athletic meets. Through diversified activities, the Company enhances cross-departmental interaction among employees. Such efforts would not only unite employees' emotions and centripetal force, but also effectively helps employees relieve physical and mental stress. 2. Support to employees for optimum care towards their families: Provide family care leave, antenatal examination leave, maternity leave, paternity leave and long-term leave without pay for childcare. The Company has set up a breastfeeding room and grants female employees with regular time for breastfeeding every day. Through Employee Welfare Committee, the Company provides childbirth subsidy. With the entire costs borne by the Company, the Company has acquired group insurance for the entire staff. The group insurance policy includes life insurance, inpatient medical insurance, accident insurance and accident medical care and such protection.

2. We established "Working Rules" in accordance with Labor Standards Act and International Bill of Human Rights, and policies on salary, vacation, promotion, awards and insurance have been clearly stated.
3. Complied with the "Employment Service Act" provisions to respect employees with various differences. The salary is based on the principle of equal pay for equal work without gender, race, age, ethnicity, or religion differences.
4. Complied with the "Act of Gender Equality in Employment" to formulate the "Sexual Harassment Control Measures."
5. The Company has incorporated the “human rights policies” into the pre-employment training programs for newly hired employees to actively implement a variety of human rights policies,

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			with friendly terms and serious efforts to the entire staff. In 2025, the Company sponsored 2 training program sessions, attended by a total of 2 trainees. Furthermore, the relevant regulations, notably “human right policies,” have been put into the Company’s internal website platforms and the Company website, which are readily accessible to both inside employees and outsiders at all times.	
(II) Has the Company formulated and implemented reasonable employee benefits measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect operating performance or results in employee remuneration?	V		1. The Company recruits newly hired employees by offering wages that are more than the minimum wage level promulgated by the Ministry of Labor and attracts superior talents to join the Company with a competitive overall salary system and very attractive employee welfare measures. Employee remunerations are based on education, job position held, market standards, and personal performance. There shall be no differential treatment with regard to gender, race, religion, political stance, place of birth, the province of family register, disabilities, marital status, etc. Both genders shall be entitled to the remuneration conditions of equal pay for equal work and equal opportunity to job advancement. Due to the industrial characteristics and on-site operational processing requirements, the male employees account for a higher ratio of on-site operators. At the end of 2025, the proportion of female employees was 28%, and the proportion of female supervisors above the manager (assistant manager) level was 22%. 2. The Board of Directors has established a Remuneration and Nomination Committee comprised of three independent directors. The Committee is responsible for establishing and periodically reviewing the policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managers, as well as the selection and performance evaluation of directors and senior management. 3. Pursuant to Article 32 of the Articles of Incorporation, CCSB allocated 1% to 15% of its annual profit as employee remuneration. Of this amount, no less than 10% was allocated as distribution of compensation to entry-level employees. Different assessment systems are formulated for employees based on supervisors and general employees, and year-end assessments are conducted accordingly. Verification and evaluation are achieved through performance goal setting and performance appraisal interviews. In addition, relevant measures such as the Sustainable Development Best-Practice Principles and Work Rules are used to standardize corporate ethics, and the standards of rewards and punishments are clearly defined and included in the evaluation items. The evaluation results are used as the basis for promotions, salary adjustments, rewards and punishments, bonuses and remuneration. The	No significant difference

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			bonus design is combined with the company operating performances, net profit for the current year, and employee assessment and is standardized, so that employees can share results, which effectively motivate them. 4. Employees are the most important assets of the company. The company provides a safe and comfortable office environment. It is a 45-minute flexible working time for the understanding of the hard work of the children and the long-distance commuting. In addition to various group insurance plans and proper health examinations, we take care of our colleagues' health and establish a diverse community to encourage employees to participate actively, so that employees can achieve a balance between work and family, family and self. The employees who have served for one year enjoy 100% ESOP (Employee Stock Ownership Plan) awards in the company. The ESOP help the company's colleagues to achieve long-term savings and accumulated wealth through the "ESOP" to ensure the stability of the future life and enhance employees' sense of belonging to the company. Employees could have the ability to hold company stocks and share business profit. The company uses proper occasions and channels to disseminate the principles that the company would not discriminate against race, class, language, thought, religion, partisanship, place of birth, gender, sexual orientation, age, marriage, appearance, facial features, physical and mental disabilities, or former union members. The company will implement workplace equality, building a happy enterprise, and move towards a society of plural respect. 5. In addition to policies meeting the Labor Standards Act, the Company also provides health examination for employees. An employee welfare committee has also been established to handle benefits and manage benefit payments. The employee benefits are listed as follows: (1) Employees having served with the Company for up to one year in full were granted inventive award with 100% shareholding trust. (2) In addition to having all employees participate in labor insurance and national health insurance according to law, the Company also provides group insurance and periodic health examination. (3) Employees receive days off for weddings, deaths in the family and national holidays based on the requirements of Labor Standards Act, as well as benefit payments. (4) Gifts issued to employees in the month of their birthday. (5) Employees receive holiday bonuses or gifts for Lunar New Year, Labor Day, Dragon Boat Festival and Autumn Festival holidays.	

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	Yes	No	Summary description	
			(6) Employee trips are held or travel subsidies are given out. (7) Breastfeeding rooms for female employees. (8) Meals: Meals have been ordered by the Company, with NT$62 subsidized with Company allowance and NT$28 paid by employees for each meal. (9) Under the thoughtful policy to intensify health services at workplaces and to upgrade the quality of employee health, the Company has, in accordance with Article 3 of "Regulations Governing Protection over Labor Health," staffed a full-time nursing specialist and contracted doctor, one in number each. In addition, the Company has the Nursing Care Office to provide general care and consultation services as necessary.	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	V		1. Here at the Company there is Safety & Health Department which is staffed with one occupational safety & health administrator in charge of occupational safety & health related affairs. The Company has enacted "Emergency Countermeasure Program", "Occupational Safety & Health Work Code", "Occupational Safety & Health Management Plan" and the like to expressly regulate the responsibilities to be assumed by personnel of all levels before and after occurrence of an incident as well as the contents of their respective tasks. The Company strictly requires both employees and contractors to faithfully comply with the aforementioned guidelines to prevent a potential occupation-oriented calamity from occurrence. Pursuant to the requirements set forth under the Fire Services Act and the Environmental Protection Act, the Company has organized an emergency response task force and installed emergency rescue equipment. Every year, the Company carries out a variety of drills, including fire protection, poison calamity prevention, and air-related emergencies, to keep the entire staff familiar with the firefighting and escape equipment and facilities. In 2025, two drills were carried out on May 9 and November 28, respectively, which were attended by a total of 57 participants. 2. Education and training for new hires: To help new hires learn about the environment, understand the Company's regulations and history, pay attention to work safety and know the work of every department, management of chemicals, professional capabilities and requirements, labor laws, occupational safety and health training and cGMP training so they can understand the environment, safety and policies better. Education and training for in-service personnel: In order to enhance the professional and technical capabilities of employees, enhance work efficiency, and pay attention to and improve product quality, the Company proposes an annual education	No significant difference

Action Item	Implementation Status			Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			and training plan based on work needs. In addition to conducting employee training based on the chart, internal courses on management and professional skills are provided from time to time. Employees are also sent to external organizations to receive training to strengthen their professional capabilities. The Company has these professional safety and health licenses: Operation supervisor for handling organic solvents, operation supervisor for specific chemicals, operation supervisor for anoxic treatment, forklift operator, high-pressure equipment operator, fire protection manager, security and safety inspectors, first-aid personnel and other specialized licenses. In 2025, 13 people took a retraining course and 1 people were assigned as new trainees. Contractor education training: In conjunction with the provisions in the Occupational Safety and Health Act, the “Contractor Operation Management Guidelines” have been set up. In 2025, education training implemented for contractors entering the factory for operation totaled 17 people. They were also informed of the hazards, prevention of occurrences of work hazards, and maintenance of work environment safety. 3. The existing employees are given a free health check every year, better than what the provisions of the “Occupational Safety and Health Act” require. In 2025, a total of 243 incumbent employees received health examinations and 62 employees received specific health examinations (focusing on employees as specific chemical users), with a total of 305 employees provided with sound health examinations. 4. In order to strengthen workplace health services and enhance the quality of employee health and in accordance with Article 3 of the “Rules for Labor Health Protection”, a nurse and contract physician dedicated to periodic in-factory services shall be appointed. 5. Established various social clubs, such as corporate softball games, sports day/family day, and numerous clubs (Yoga Club, Slow Softball Club, Table Tennis Club, Golf Club, and Soft Fire Makes Sweet Malt Club). Encouraged employees to participate in arts and cultural activities; through the corporate group's sports games and softball games, club activities and arts and cultural activities, a healthy workplace culture is created. 6. To provide employees with a safe and comfortable working environment in accordance with the requirements of the “Occupational Safety and Health Act,” specialized testing	

Action Item	Implementation Status			Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			organizations are invited to perform chemical exposure assessment in the product areas every half a year. The most recent testing was evaluation completed in February and August 2025. There were 4 product processes areas and research department, 9 chemicals and 25 testing items. The results were in compliance with the allowable concentration to ensure employees' health. 7. The Company has set up sound fire protection system in accordance with the provisions of the Fire Protection Act, including an alarm system, fire protection water system, escape system, fire extinguisher and the like. In each and every year, the Company invites professional fire technicians to conduct fire safety inspections in the entire Company premises. 8. In 2025, there were 5 cases of occupational hazards involving 4 persons, representing 1.5% of the total number of employees at the end of the year. These incidents included 2 occupational hazard cases (1 person) that occurred during commuting and 3 (3 persons) resulting from operational negligence. CCSB has strengthened its traffic safety awareness campaigns and reinforced reminders to colleagues to prioritize traffic safety and consistently wear protective gear while on the job to reduce the occurrence of occupational hazards. 9. No fire incidents occurred in 2025.	
(IV) Does the Company have an effective career capacity development training program established for the employees?	V		1. In order to improve the professional capabilities of employees, the Company has planned comprehensive talent cultivation and development plans for supervisors at all levels, functional employees and new employees, such as: training for new hires, general training, cGMP training, SOP training, professional training and encourage employees to take on-the-job training. Continue to grow through diverse learning methods and cultivate the key capabilities for future career development. Detailed information on talent cultivation and development has been disclosed in Chapter 7.2 Talent Cultivation and Development of the Company's 2024 Sustainability Report. (http://www.ccsb.com.tw/chinese/10_csr/02_report.aspx) 2. The Company improves the quality and competitiveness of employees through education, training and performance evaluation measures. The company uses education and training to cultivate professional skills, knowledge, and attitudes of employees; and uses performance assessments to develop the employee potentials, enable the employees to grow together with company performances, increase company performances, and improve the quality of	No significant difference

Action Item	Implementation Status			Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			employees.	
(V) With product and service related customer health and safety, customer privacy, marketing, labeling, and other issues as the focuses, is the Company abiding by relevant laws and regulations and international standards? Have relevant consumers or customers' rights policies and complaint procedures been formulated?	V		This company is an excellent API plant and has successively passed plant inspections conducted by the cGMP API plants, cGMP biotech plants, and U.S. FDA official plants. The company's cGMP plant equipment has also been recognized by numerous manufacturers and meets the international standards. The Company is a pharmaceutical company of Active Pharmaceutical Ingredients (API). Its major clients include pharmaceutical companies at home and abroad. Customer complaint handling regulations have been set up to provide customers with effective complaint procedures and protect their rights.	No significant difference
(VI) Has the Company formulated a supplier management policy that required suppliers to follow relevant norms on specific issues, such as, environmental protection, occupational safety and health, or labor rights, and their implementation?	V		1. The Company has enacted "Regulations Governing Evaluation of Qualified Manufacturers". Only those manufacturers and suppliers having been granted a pass in the evaluation process would be named onto the List of Qualified Suppliers. Meanwhile, we faithfully safeguard employees' rights & interests with supreme focus on pharmaceutical safety and the environments thereof. With all such key concepts taken into account, we review and verify suppliers under very strict conditions. Amidst the procurement of raw materials, we request all suppliers accompany the raw materials with up-to-date versions of safety & security data of the substances. Besides, the raw materials shall be further posted with conspicuous signs and indications. for the relevant labeling. Moreover, amidst our faithful coordination with the government upon the raw materials subject to control (including poisonous chemicals) to prevent potential harms against human health and environment in case of misuse by negligence, we do not permit a procurement until both parties prove to have held government issued permits for sales and for procurement. We grant very generous support to suppliers to help them satisfactorily pass the verification process for the quality management system. On a regular basis every year, we visit key suppliers to ensure that their products meet the requirements. In 2025, we conducted surveys and visits to 5 suppliers. 2. To ensure supply chain sustainability and work with suppliers to improve corporate social responsibility and reduce the negative impact of the supply chain on the environment – thereby achieving corporate and social well-being – CCSB issues a "Supplier Code of Conduct" to its suppliers annually. The Code of Conduct covers the following areas: I. Labor Human Rights; II. Occupational Health, Safety and Hygiene; III. Sustainable Environmental Protection; IV. Business Ethics; and V. Management System. CCSB continues to promote the concept of sustainable procurement to its cooperative suppliers. In addition to the above, CCSB also issues a "Sustainable Procurement Survey" questionnaire annually and invites	No significant difference

Action Item	Implementation Status			Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			suppliers to respond to questions regarding their agreement with the Company's communicated "Code of Conduct," environmental friendliness, human rights policy, business ethics, talent training, whether they regularly publish CSR/ESG reports, and whether they participate in third-party assessments (e.g., EcoVadis). This survey investigates the level of attention collaborating suppliers have given to these sustainable procurement issues. In addition to ensuring the quality, delivery and price of suppliers' products, we urge our suppliers to jointly fulfill their corporate responsibility for sustainable development, risk management and business continuity plans. If the supplier's actual actions are not in conformity with the information provided, the Company will immediately notify the supplier to make corrections; if the supplier fails to make improvements after being notified, the Company may suspend or terminate the contract at any time. A total of 82 suppliers responded to the "Sustainable Procurement Survey" in 2025. 3. Under the Company's "Sustainable Development Best Practice Principles," where the Company executes a contract with a key supplier, the contents of such contract shall expressly contain the requirements that the supplier shall faithfully comply with the sustainable development policies. Whenever the supplier proves to be in contravention of such policies and causes a significant impact on the environment of the supply source and the society, that contract may be terminated or rescinded forthwith, as covered within the contract.	
V. Does the Company refer to international criteria or guidelines for the preparation of reports, and compile reports on corporate non-financial information, such as, sustainable reports? Did the aforementioned reports obtain the assurance or guarantee opinion of a third-party verification institute?	V		In reference to the core items in the GRI Standards issued by the global Reporting Initiative, GRI, the Company shall voluntarily prepare the sustainability report to disclose the situation of sustainability development promotion. Such information shall be disclosed on the Company website and Market Observation Post System (MOPS). The 2024 Sustainability Report published in 2025 has obtained a limited assurance report from a third party (PricewaterhouseCoopers Taiwa), which was verified in accordance with the Assurance Standards No. 3000.	No significant difference
VI. If the Company has formulated the "Sustainable Development Best Practice Principles" in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please specify the operations and differences with the principles formulated. In reference to the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", the Company approved the "Sustainable Development Best Practice Principles" on December 2014. In March 2022, the renaming of "Corporate Social Responsibility Best Practice Principles" to "Sustainable Development Best Practice Principles" was approved by letter of Tai-Cheng-Chi-Li-Zi No. 11000241731 dated December 7, 2021. This amendment is intended to implement corporate governance, develop a sustainable environment, maintain social welfare, and strengthen the disclosure of sustainable development information. The Company shall inspect the implementation situations according to the best				

Action Item	Implementation Status			Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
practice principles and make improvement accordingly. No major deviations have occurred since implementation.				

VII. Other important information that facilitate an understanding of the situation of sustainable development implementation:

The situation and effectiveness of sustainable development implementation promoted by respective Sustainable Development Committee teams in 2025 are as follows:

1. Corporate Governance:
   (1) The Company has worked out the “Corporate Governance Best-Practice Principles” and disclosed the same onto the Market Observation Post System (MOPS) and the Company's website.
   (2) In an attempt to safeguard shareholders’ interests to keep the public investors well aware of the Company's business performance, the Company has faithfully disclosed the relevant information onto the Market Observation Post System (MOPS) according to law in real time. Moreover, the Company further sets up the “Special Zone of Investors” inside the Company's website to update a variety of equity and financial information readily accessible to investors. The Company has, as well, intensified communications with investors by means of the shareholders’ meeting, investor conference (earnings call) and spokesman mechanism.
2. Sustainable environment:
   (1) Each year, the company has commissioned air pollution and waste water inspection reports according to law, implemented environment protection in accordance with the relevant laws and regulations, and fulfilled its environmental protection responsibility as corporate citizen.
   (2) The Company has actively promoted various energy saving plans. The goal is to reduce power consumption by more than 1% every year. The 2025 energy-saving plan saved 324,266 kilowatt-hours of electricity, reducing carbon emissions by a total of 160,511 kilograms, and the electricity saving rate was 2.28%.
   (3) CCSB has installed 6 sets of solvent-phase vacuum pump water recovery systems and replaced 6 sets of non-solvent-phase vacuum pumps with cooling water recovery and reuse systems. In 2025, the total water-saving capacity from daily full-load operations reached approximately 343 tons, effectively conserving water resources.
   (4) The company has applied the ISO 14064-1 to carry out a greenhouse gas inventory, and thoroughly counted the sources and amounts of greenhouse gas emissions. The 2024 greenhouse gas report was completed in April 2025, verified by the third-party organization TUV-NORD in May 2025, and obtained the TUV-NORD verification certificate in June 2025. In addition, the 2025 greenhouse gas report will be completed in April 2026, and is scheduled to be verified by a third-party agency in the second quarter of 2026. The company will continue to formulate more efficient energy conservation and emission reduction strategies and implement them thoroughly to enhance its ability to maintain a sustainable environment.
3. Social welfare (Our company’s surrounding community is Shulin District, New Taipei City):
   (1) Donation of 96 sets of the Green series shower gel to the 5th Forest Fire Brigade of the Fire Department of the New Taipei City Government in the amount of NT$9,600.
   (2) A charitable activity that delivers meals to solitary elderly residents in Shulin District received a donation of healthy frozen meals worth NT$86,241.
   (3) Changshou Park in Shulin District hosted a charitable activity event for people of all ages. The total value of donated items amounted to NT$32,793.
   (4) Shulin District held the charitable activity event, “Good Sleep for Lonely Seniors” and raised NT$28,231 in donations.
   (5) Sponsored a natural ecology study camp for environmental volunteer workers and residents of Dongshanli in Shulin District, New Taipei City, with a contribution of NT$30,000.
   (6) Sponsored scholarships and grants for New Taipei City Shulin Elementary School’s All-Age Friendly Children's Charity Festival, totaling NT$36,000.
   (7) Participated in seven charitable vehicle events, donating a total of NT$60,863 in goods and materials. (Visited remote areas to care for disadvantaged groups and alleviate the plight of insufficient local public welfare resources)
   (8) After the employees of the Company participated in the public welfare activities, they were certified by the organizer for a total of 397 hours of volunteer work.

Action Item	Implementation Status			Deviation and causes of deviation from the Sustainable Development Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
4. Employee care: (1) We maintain a friendly work environment in accordance with the requirements of "Labor Standards Act", "Act of Gender Equality in Employment" and "Sexual Harassment Prevention Act". (2) To enhance employees' professional and technical capabilities and improve work efficiency and product quality, the Company provides an Annual Education and Training Planning Chart. In addition to conducting employee training based on the chart, internal courses on management and professional skills are provided from time to time. Employees are also sent to external organizations to receive training to strengthen their professional capabilities. (3) The Company promotes physical and mental health activities for employees, including Group Family Day and Sports Day, corporate softball games, sports day/family day, and numerous clubs (Yoga Club, Slow Softball Club, Table Tennis Club, Golf Club, and Soft Fire Makes Sweet Malt Club), and encourages employees to participate in arts and cultural activities. (4) In order to maintain the workplace health and safety of all employees, the Company's Department of Safety and Health shall periodically conduct safety education training and related drills. These drills include: public safety facilities, general review of public safety, etc. Employees are also requested to carry out undertakings according to the Safety and health work rules in order to prevent occurrences of disasters. In accordance with "Fire Services Act" and regulations for environmental protection, the Company assigns emergency response teams, install emergency and rescue equipment and perform fire-fighting, toxin control and emergency exercises every year. Drills were conducted on May 9 and November 28, 2025, for a total of two times. (5) In order to strengthen workplace health services and improve the health quality of employees, in accordance with Article 3 of the "Regulations Governing Protection over Labor Health", a full-time nursing staff and a contracted physician are stationed to provide on-site services; at the same time, there is a nursing room in the factory, equipped with height and weight machines, simple health measuring instruments such as forehead thermometers, pulse oximeter and sphygmomanometers, as well as medical kits for preliminary treatment of minor accidents. (6) In 2025, Hong-en Clinic and Boren General Hospital were appointed by the Company for health examinations for our employees, with 243 employees receiving on-the-job health examinations and 62 employees receiving specific health examinations (as employees involving use of specific chemicals), at the aggregate total of 305 recipients for health examinations. (7) The Company has formulated a "Human Rights Policy" to safeguard the basic human rights of employees, shape an environment that fully protects human rights, and recognize and support the UN Universal Declaration of Human Rights, the Global Compact and the International Labor Convention. In response to the international human rights conventions, the company requires cooperative manufacturers to operate without any violations of human rights, so that members of the company and collaborating partners can be treated fairly and with dignity. 5. Customer care: (1) The cGMP level by the Company's well lives up to the requirements of various pharmaceutical companies throughout the world. (2) The Company underwent a factory inspection by the TFDA and 16 customer audits in 2025, and passed all of them. The customers that performed the audit were from the U.S., Europe, Japan, India, and other countries.				

(VI) Climate-related information of publicly traded and OTC companies:

1. Implementation of reporting of climate-related information

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>1. Describe board and management supervision and governance of climate-related risks and opportunities.</td><td>The Company has established the Sustainable Development Committee as the highest-level decision making center. The Committee is responsible for the proposal and implementation of the policy, system or relevant management policies as well as concrete promotion plans for sustainable development. Aside from this, the Committee also reports the performance results to the Board of Directors twice a year, so that the Board of Directors is able to keep abreast of sustainability-related trends, implementation progress, and response situations regarding climate governance issues in a timely manner.
The Chairman of the board serves as the chairperson of the Sustainable Development Committee. The committee is composed of cross-functional members, including the corporate governance team, customer care team, employee care team, sustainable environment team, social welfare team and implementation team. Each team assesses the likelihood and impact of climate-related risks and opportunities based on their scope of responsibility, actively manages various risks and opportunities, formulates and implements necessary action plans to improve the Company's climate governance performance and reduce the risk of business interruption.
With reference to climate-related financial disclosure (TCFD), the Company also identifies those major risks and opportunities likely to impact upon the Company’s business operations through four core elements as “governance,” “strategies,” “risk management,” and “indicators & targets.” In turn, we implement a variety of climate change mitigation and adaptation to continually minimize potential risks and enhance resilience to create opportunities for sustainable development.
For related information, please refer to the Company's Sustainability Report.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities will affect the Company's business, strategy and finances (short, intermediate and long term).</td><td>The Company regards climate actions as our priority. We integrate climate actions with the Company’s operations and take proactive approaches to address climate-change issues while also reducing GHG emissions. In order to identify climate issues related to operations, strategy, and finance, the Sustainable Development Committee convenes various departments to collect climate-related issues by analyzing industry overview, international sustainable development trends, TCFD guidelines, impact periods, and impact probabilities for compilation and evaluation, and then uses scientific methods to analyze major risks and opportunities, so as to formulate necessary management strategies to reduce or avoid potential impacts on business and finance.
For related information, please refer to the Company's Sustainability Report.</td></tr>
<tr><td>3. Describe the financial impact caused by extreme climate events and transition actions.</td><td>In response to the identified climate risks and opportunities, the Company has assessed the potential financial impacts from revenue and cost aspects.
<table>
<tr><th>Aspects</th><th>Issue</th><th>Potential Financial Impact</th></tr>
<tr><td>Transition risks - Risks associated with policies and regulations</td><td>Raise the GHG emissions pricing</td><td>Higher operating costs</td></tr>
<tr><td>Transition risks - Market risk</td><td>Increase in raw material cost</td><td>Higher operating costs</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td>
<table>
<tr><td>Physical risks - Long-term risk</td><td>Changes in precipitation types, and extreme changes in climate models</td><td>Higher operating costs
Decrease in revenue</td></tr>
<tr><td>Physical risks - Long-term risk</td><td>Rising average temperature</td><td>Higher operating costs</td></tr>
<tr><td>Opportunity - Resource benefits</td><td>Application of the production and distribution process with higher efficiency</td><td>Lower operating cost
Higher revenue</td></tr>
<tr><td>Opportunity - Energy sources</td><td>Utilization of low-carbon energy</td><td>Higher revenue
Higher operating costs</td></tr>
</table>
For related information, please refer to the Company's Sustainability Report.
</td></tr>
<tr><td>4. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.</td><td>The Company's Sustainable Development Committee convenes the meetings of personnel from the President's Office, finance and accounting, human resources, management, sales, procurement, quality assurance, manufacturing, safety and health, and auditing units to collect and compile climate-related topics.
After considering the industry overview and international sustainable development trends:
1. Issues are divided into three main categories: physical risks, transition risks, and opportunities in accordance with TCFD guidelines.
2. Based on the impact period, it is divided into: Short-term (1 to 3 years), intermediate-term (within 3 to 5 years), and long-term (after 5 years).
3. Each department will assess the impact level (5 levels) of the proposed climate issue.
4. Each department will assess the probability of occurrence (5 levels) of the proposed climate issue.
The sustainable development committee maps the evaluation opinions of each department into a matrix chart through quantitative scoring to grasp major risks and opportunities. After formulating a climate risk management strategy, the Committee reports performance results to the board twice a year, so that the board can timely grasp relevant aspects of sustainable development trends and the Company’s implementation progress and response status on climate governance issues.</td></tr>
<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions and analysis factors used and significant financial impacts should be explained.</td><td>The company conducts climate risk analysis by defining response strategies based on scenario descriptions, and then identifies the significance and financial impact based on the impact period, impact possibility and extent, and then formulates specific plans; during the implementation of the plan, performance results are regularly reported to the board of directors.</td></tr>
<tr><td>6. For any transition plans that cope with climate-related risks, please state the content and the indicators and goals used to identify and manage physical risks and transition risks.</td><td>Focusing on four identified climate risks - transformation risks and physical risks, the company has formulated a transition plan:
Short-term:
1. Conduct greenhouse gas inventory, identify major emission sources, and formulate carbon reduction strategies.
2. Evaluate the acquisition, use, and cost-effectiveness of renewable energy.</td></tr>
</table>

Item	Implementation Status
	3. Installation or conversion of water recovery and reuse equipment. 4. Replacement of equipment that have high energy consumption and low energy conversion rate. 5. Optimization of procurement model and logistics system. Medium to long-term: 1. Incorporating the concepts of energy saving and low carbon into the prerequisites for process development and improvement. 2. Formulate carbon reduction strategies and support low-carbon energy with practical actions.
7. For any internal carbon pricing used as a planning tool, please state the basis of price establishment.	The Company continues to pay attention to the development trends of domestic and foreign issues such as carbon tax, carbon right and carbon pricing, and conducted greenhouse gas inventory since 2023. Through inventory data analysis, the direction, goals and schedule for gradually promoting carbon reduction in the future are formulated, including low-carbon production technology and manufacturing processes, logistics system adjustments, estimated financial impact, internal carbon pricing, etc., to assist enterprises in implementing low-carbon transition.
8. For any set goals associated with climate, please state information such as covered activities, scopes of greenhouse gas emissions, arranged schedules, and yearly progress. For carbon offset or Renewable Energy Certificates (RECs) used to achieve relevant goals, please state the source and number of reduced carbon credit that were offset, and the number of RECs.	Relevant Goals and Progress 1. Short-term: (1) Carbon reduction plans and targets are being established and implemented. 2. Medium Term: (1) Continue to implement and improve the greenhouse gas inventory operation. (2) Continue to implement and amend the content and goals of the plan on a rolling basis. (3) Assess and introduce product carbon footprint inventory. 3. Long-term: Drawing on the existing low-carbon and carbon reduction experience and achievements, plan the process of moving towards net zero emissions.
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies and concrete action plans (indicated in 1-1 and 1-2 separately).	Status of greenhouse gas inventory and assurance is shown as follows.

1-1 GHG inventory and assurance in the last 2 years

1-1-1 Greenhouse gas inventory information

Note 1: Direct emissions (Scope 1, i.e. emissions directly from sources owned or controlled by the Company), emissions from indirect energy choices (Scope 2, i.e. indirect greenhouse gas emissions from in-taken electricity, heat, or steam) and other indirect emissions (Scope 3, i.e. emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage of direct emissions and indirect energy emissions shall be processed in accordance with the schedule specified in Paragraph 2, Article 10 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies". Other indirect emissions may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of GHG emissions can be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT$ million) should be disclosed.

Emission volume (metric tons CO2e), intensity (metric tons CO2e/million NT$) and data coverage of greenhouse gases in 2024

Year		2024			
Item (Unit)		Emission volume (metric tons CO2e)	Intensity (tons of CO2e/turnover in NT$ million)	Assurance organization	Explanation of assurance
The Company	Scope 1	3,283.10	**14.177**	Verified by TUV NORD Taiwan Co., Ltd.	2024 onwards, subsidiaries are included in the calculation of consolidated financial statements.
	Scope 2	7,661.45			
	Scope 3	8,150.79			
	Subtotal	**19,095.35**			
All subsidiaries contained in the consolidated financial statements	Scope 1	-			
	Scope 2	6.55			
	Scope 3	0.08			
	Subtotal	6.63			
Total		**19,101.98**			

Emission volume (metric tons CO2e), intensity (metric tons CO2e/million NT$) and data coverage of greenhouse gases in 2025

Year		2025			
Item (Unit)		Emission volume (metric tons CO2e)	Intensity (tons of CO2e/turnover in NT$ million)	Assurance organization	Explanation of assurance
The Company	Scope 1	3,276.56	**21.127**	Pending verification by a third-party verification agency.	The 2025 data has been verified internally and will be verified by a third-party verification unit in the second quarter of 2026.
	Scope 2	7,029.35			
	Scope 3	6,694.70			
	Subtotal	**17,000.61**			
All subsidiaries contained in the consolidated financial statements	Scope 1	-			
	Scope 2	3.98			
	Scope 3	0.01			
	Subtotal	**3.99**			
Total		**17,004.60**			

1-1-2 Greenhouse gas assurance information

Describe the status of assurance in the last 2 years as of the date of publication of the annual report, including the scope of assurance, body of assurance, standards of assurance and opinions of assurance.
1. The boundary setting of the 2024 and 2025 greenhouse gas inventory is based on the responsibility limits of greenhouse gas emissions of the company and the subsidiary Pharmaports, LLC in the consolidated financial report for their production processes, production facilities and business activities as the scope of the inventory. 2. The 2024 greenhouse gas inventory was verified by a third-party organization, TUV NORD Taiwan Co., Ltd, in May 2025. Obtained TUV NORD certification (limited assurance) in June 2025. 3. The 2025 greenhouse gas inventory is scheduled to be completed by a third-party verification agency before the second quarter of 2026.

Note 1: It shall be processed in accordance with the schedule specified in Paragraph 3, Article 4-1 of these measures.
Note 2: The assurance organization shall comply with the relevant requirements for sustainability report assurance stipulated by the Taiwan Stock Exchange and Taipei Exchange.
Note 3: For disclosure methods, please refer to the Best Practice Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange Corporation

1-2 Greenhouse gas reduction goals, strategies and concrete action plans

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of reduction goals.
1. The Company started conducting ISO14064-1 greenhouse gas inventory in 2023, and set 2023 as the base year. 2. The greenhouse gas emission data are disclosed in the attached table in "1-1 Greenhouse Gas Inventory Information". 3. The energy-saving measures promoted in 2025 saved 324,266 kWh of electricity, reduced carbon emissions by 160,511 kg, and achieved an electricity saving rate of 2.28%. 4. Carbon Reduction Targets, Strategies, and Action Plans for 2030 (1) Carbon reduction target: Power savings rate: Annual power savings have reached 1% or more.

Greenhouse gas emission intensity: Based on 15.53 tons of CO2e per NT$ million of revenue in 2023, to be decreased by 10% by 2030.
Energy intensity: Based on 75.45 GJ per NT$ million of revenue in 2022, to be decreased by 9% by 2030.

(2) Policies:

Monitor international climate change trends and prioritize greenhouse gas reduction. By conducting greenhouse gas inventories to focus reduction efforts, the Company has implemented energy management systems, innovative equipment and technologies, and other measures to improve energy efficiency. These efforts promote energy efficiency and carbon reduction, ultimately achieving greenhouse gas reduction and mitigating the potential impacts of climate change.

(3) Action Plan:

Optimization of manufacturing processes and equipment.
Adoption of innovative carbon reduction management methods.
The greenhouse gas inventory has been conducted in accordance with ISO 14064-1:2018 and the standards of the competent authority.
Continued promotion of greenhouse gas reduction measures.
Continued implementation of various energy efficiency measures.

Note 1: Shall be processed in accordance with the schedule specified in Paragraph 2, Article 10 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies".

Note 2: The base year should be the year that the inventory is completed based on the boundaries of the consolidated financial statements. For example, pursuant to Paragraph 2, Article 10 of the Guidelines, companies with a capital over NT$10 billion should complete the inventory for the 2024 consolidated financial reports before 2025, so the base year is 2024. If the Company has completed the inventory ahead of schedule, the earlier year can be used as the base year, and the data of the base year can be calculated by a single year or the average of several years.

Note 3: For disclosure methods, please refer to the Best Practice Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange Corporation

(VII) The Company's ethical corporate management performance and its difference from the "Ethical Corporate Management Best-Practices Principles for TWSE/GTSM Listed Companies" and the root causes

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No	Summary description	
I. Business Integrity Policy and action plans				
(I) Has the Company specified its policy and method for the implementation of ethical corporate management in its internal rules and regulations and external documents, and have the Board and the management of the Company promised to pursue the policy of ethical corporate management?	V		(I) Here at the Company, the "Operating Procedures and Behavioral Directions of Best-Practice Principles on Good Faith Management" were officially resolved by the Board of Directors on December 30, 2014 the latest amendment of which was resolved by the Board of Directors on August 11, 2020 in response to laws and ordinances concerned. The Operating Procedures and Behavioral Directions expressly require that the Company's Board of Directors and Management shall faithfully implement thoroughly the Best-Practice Policy and shall put them into enforcement in the internal management and external commercial activities. The Company expressly emphasizes the Best-Practice Policy through its website and Annual Report to keep all suppliers, customers and other institutions and personnel linked up with the Company's business well informed of the Company's Best-Practice Philosophy and to regulate the entire staff of the Company with sound key points for attention upon their performance of duties. When signing external contracts, the company and its subsidiaries shall observe the principle of honesty and mutual benefit to negotiate reasonable contract contents, and actively fulfill the contractual commitments.	
(II) Has the Company had established a risk assessment mechanism against unethical conduct, regularly analyzed and assessed business activities within the business scope which were at a higher risk of being involved in unethical conduct and established prevention programs accordingly that at least included the preventive measures against the conducts specified in Article 7, paragraph 2 of the "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies?"	V		(II) Here at the Company, the special unit in charge of good faith management policy, exactly in accordance with Article 5 of "Best-Practice Principles on Good Faith Management" enacted by the Company, has established a regular analysis and evaluation of the risk of dishonest behavior within the business scope and accordingly formulated a plan to prevent potential dishonesty and has further stipulated standard operating procedures and behavior guidelines for work operations in each plan. The operating procedures expressly prohibit offering and accepting bribes, offering and accepting of unjust benefits, offering of and commitment to payment to swing a business deal, providing illegal political contributions, engaging in unfair competition, improper charitable donations or sponsorships, disclosure of business secrets and damage to interested parties (stakeholders). The Company has further enacted "Internal major information processing and management procedures for preventing insider trading," "Employee Work Conduct Code" and "Ethical Code of Conduct" to regulate the behavior of directors and employees. The Company has taken preventive measures and organized relevant educational and training programs so that they fully understand the importance of good faith behavior. The concrete specifications have been included in the aforementioned regulations as well as the penalties for violations of the procedures and codes as the very grounds for implementation.	No significant difference

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No	Summary description	
(III) Has the Company specified the operating procedures, guidelines for conducts punishment and appeal system for violations in the prevention programs, have they been implemented accordingly and regularly reviewed and revised the aforementioned programs?	V		(III) The Company has set up "Internal major information processing and management procedures for preventing insider trading," "Employee Work Code of Conducts," "Integrity Management Operation Procedures and Behavior Guidelines" and "Reports On Cases of Illegal And Unethical or Dishonest Behavior" to expressly guide over honest behavioral operating procedures, and procedures to report violations, grievance systems and penalties as the very grounds for implementing honest management and reporting any illegal actions or violations of the Code of Ethical Conducts or Integrity Management Code. In the promotion and implementation of the good faith management policy, in the pre-employment training of newly hired employees, the courses have been arranged to underline the Company's integrity management philosophy, professional ethics and introduce the "integrity management operating procedures and behavioral guidelines," the rules and regulations which should be complied with throughout the Company's business operations. The dedicated department regularly reports the implementation of the integrity management policy to the board of directors and, on a regular basis, reviews and updates the operating procedures. Also through the audit mechanism of the internal audit unit, those dedicated personnel would put forth maximum possible efforts to prevent business activities involving dishonest behavior, including offering and accepting bribes, providing illegal political contributions and other malpractices.	
II. Proper enforcement of business integrity				
(I) Does the company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?	V		(I) The company has established a client evaluation mechanism, engaged in fair business activities, and fulfilled and complied with the contracts in a transparent manner in order to provide fair and reasonable results to each customer and vendor.	
(II) Does the Company set up a unit dedicated to promoting ethical corporate management under the board of directors, and regularly (at least once a year) report to the board of directors its ethical corporate management policies and unethical conduct preventive action and the implementation of supervision?	V		(II) In an attempt to assure sound integrity management, here at the Company, our General Manager Office has coordinated with the Human Resources Department and Department of Finance and such departments concerned to implement the enactment of “Procedures for Ethical Management and Guidelines for Conduct” for which the General Manager Office and the Human Resources Department have assumed the responsibility for enforcement and reported the outcome of enforcement to the board of directors on a regular basis every year and further helped the board of directors evaluate whether or not the preventive measures toward the integrity management have been put into efficient implementation. Per reports submitted to the board of directors (the 6th meeting of Session 23) on December 23, 2025, the Company proved that throughout Year 2025, there had not been any staff member in contravention of the integrity management policy. In addition to the efforts to proclaim "integrity and faithfulness" as the very core value to all colleagues of the Company, the Company further announces the key issues as key points for attention in the educational and	No significant difference

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No	Summary description	
			training programs oriented to newly hired employees. The entire staff of the Company are readily accessible to all management levels and Human Resources Department via multiple channels (including notably the Company's website, internal e-mail and the like) for immediate communications. Meanwhile, the Company provides sound channels through its website toward potential whistleblowers or informants to report on any malpractices. The Company will, in response, handling the cases according to the rules and regulations and keeping the status of whistleblowers or informants reporting malpractice and contents of reports in strict confidence.	
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	V		(III) The "Rule and Procedure of the Board of Directors" formulated by the company has clearly defined the recusal principle so any Board of Directors with any conflicts of interests can recuse himself/herself from participating or voting in the meeting. The company has also clearly defined the conflicts of interests prevention policy in the "Code of Conduct for Employee Work Practices." Employees can use the employee suggestion box and the company website to reflect their opinions. The company has also established a spokesperson system externally, which is in charge of external communications.	
(IV) Does the Company have established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit based on the assessed risk of unethical conduct to formulate relevant audit plans, and check the compliance with the unethical conduct preventive action or commission an accountant to perform the check?	V		(IV) To assure a faithful environment of the good faith management policy, the Company has duly set up sound and efficient accounting and internal control systems. The Audit Office, meanwhile, duly audits the compliance with the aforementioned requirements based on the annual audit plans. Moreover, the Company has faithfully complied with the provisions set forth under the “Company Act” and “Securities and Exchange Act.” The retained certified public accountants would audit and authenticate the relevant accounting books.	
(V) Has the Company organized corporate management internal and external education and training programs on a regular basis?	V		(V) In order to implement good faith management, the Company has included the “Code of Employee Conduct at Work” and the “Operating Procedures for Good Faith Management and Code of Conduct” in the pre-service education training courses for incoming personnel. The corporate culture of emphasis for integrity has also been advocated to incoming employees. As of December 31, 2025, 2 training sessions have been conducted, with 2 participants and 6 hours in total. The contents include: “Operating Procedures for Good Faith Management and Code of Conduct” and related precautions. In order to implement the value of integrity, corporate sustainable development, the Department of Quality Assurance, the Research Institute, and related departments received education training on cGMP (Current Good Manufacturing Practice) related courses, with 5,024 participants and 3,441.5 hours in total. Moreover, the "Procedures for Ethical Management and Guidelines for Conduct" and other related measures have been placed onto the Company's internal network platforms and	

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No	Summary description	
			Company website readily accessible to employees and external personnel all the time. The Company promotes toward all colleagues with education through the internal network platforms to reach the goals of law compliance. Toward external business counterparties, we would try hard to publicize integrity management specifications before execution of a contract.	
III. The operations of the Company's Report System				
(I) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?	V		(I) The company has established a reporting and complaint channel in the "Procedure for Handling the Illegal, Unethical, or Dishonest Conduct Complaints" and established a dedicated unit to take charge of the relevant matters. All business integrity violation related matters shall be handled according to the relevant regulations.	No significant difference
(II) Has the Company established the standard operation procedures for the investigation of complaints as reported, follow-up actions after the investigation, and related mechanisms for confidentiality?	V		(II) The Company has duly stipulated "Handling Rules for Cases of Reporting Illegal and Unethical or Dishonest Conduct," established internal and external reporting channels and handling systems for the entire Company and has duly archived records of the acceptance, investigation process and results of the reported cases. The Company keeps the identities of the whistleblowers or informants reporting malpractice and the content of the reports in strict confidentiality. Where a reported malpractice is verified as being against the Company's good faith management policy or laws and ordinances concerned, the offender in the reported malpractice shall be requested to discontinue the malpractice forthwith and shall be penalized as appropriate. As necessary, the Company could claim on such offender for compensation through statutory procedures to firmly safeguard the Company's goodwill and interests. Where an accused malpractice is verified through investigation, the relevant unit(s) of the Company shall be requested to assess the case and work out countermeasures so as to eradicate a same or similar malpractice from reoccurrence. The Company's dedicated unit shall report to the Board of Directors about the facts of the informant report, manner of settlement and the subsequent reassessment and corrective action.	
(III) Has the Company taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	V		(III) The company has established the "Procedure for Handling the Illegal, Unethical, or Dishonest Conduct Complaints" and established internal and external reporting channels and processing system. The company is also committed to protect the whistle-blowers from unreasonable treatment for filing a complaint.	
IV. Enhanced information disclosure Has the company disclose the contents of the integrity management rules and its implementation effectiveness on its website and the Market Observation Post System?	V		The Company has promulgated into its own website, Market Observation Post System (MOPS) the "Integrity Management Operation Procedures and Behavioral Guide" and relevant messages. Honesty and integrity represent the Company's key core values and corporate philosophy. All employees of the entire Company shall abide by the definite moral standards and character ethics and make the utmost efforts to take into account the rights and interests of all related parties toward manufacturers, customers, employees, shareholders and	No significant difference

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No	Summary description	
			the entire society.	
V. Where the Company has faithfully enacted its own good faith management policy in accordance with the "Best-Practice Principles on Good Faith Management for TSEC/GTSM Listed Companies," please elaborate on the differential gap between its hands-on operation and the requirements under the Principles: Exactly in accordance with the "Best-Practice Principles on Good Faith Management for TSEC/GTSM Listed Companies," the Company has duly enacted its own "Integrity Management Operation Procedures and Behavioral Guide" and has faithfully operated the business exactly in accordance with the said Operating Procedures and Guides. The hands-on implementation by the Company proves to be very satisfactory to the Operating Procedures and Guides enacted by the Company itself.				
VI. Additional important information that may assist in the understanding of corporate business integrity operations: The company has fulfilled its obligations of legal compliance to the public sectors, good faith transactions to the customers and suppliers, and business integrity to the shareholders under the principle of honesty, transparency, and responsibility. The company has also prevented the directors, managers, and employees from acts that violate the business integrity so as to avoid reputation damages or legal liabilities caused by dishonest behaviors.				

(VIII) Other important information that can enhance the understanding of the corporate governance operation status:

2025 Director training status:

Title	Name	Training date	Organizer	Course name	Training hours
Chairman	China Chemical & Pharmaceutical Co., Ltd. Representative: Wang Hsieh, I-Chen	2025.11.11	Corporate Governance Association in Taiwan	Strategy and Execution – Reshaping Business Models and Case Studies	3
		2025.12.23	Corporate Governance Association in Taiwan	Embracing AI and Sustainability – Executive Compensation Management and Talent Cultivation	3
Vice Chairman	China Chemical & Pharmaceutical Co., Ltd. Representative: Wang, Hou-Kai	2025.11.11	Corporate Governance Association in Taiwan	Strategy and Execution – Reshaping Business Models and Case Studies	3
		2025.12.23	Corporate Governance Association in Taiwan	Embracing AI and Sustainability – Executive Compensation Management and Talent Cultivation	3
Director	Wang Ming-Ning Memorial Foundation Representative: Wang, Hou-Jie	2025.11.11	Corporate Governance Association in Taiwan	Strategy and Execution – Reshaping Business Models and Case Studies	3
		2025.12.23	Corporate Governance Association in Taiwan	Embracing AI and Sustainability – Executive Compensation Management and Talent Cultivation	3
Director	Wang Ming-Ning Memorial Foundation Representative: Wu, Shih-Hsuan	2025.07.25	Securities and Futures Development Foundation	Annual Insider Equity Trading Law Compliance Promotion Conference in 2025	3
		2025.08.06	Taiwan Project Management Association	Enterprise digital transformation and digital governance	3
		2025.11.11	Corporate Governance Association in Taiwan	Strategy and Execution – Reshaping Business Models and Case Studies	3
		2025.12.23	Corporate Governance Association in Taiwan	Embracing AI and Sustainability – Executive Compensation Management and Talent Cultivation	3
Independent Director	Wang, Kuo-Chiang	2025.07.28	Taiwan Independent Director Association (TIDA)	Analysis of Director Shareholding Declaration and Prevention of Insider Trading in Accordance with the Securities Transaction Laws and Regulations	3

Title	Name	Training date	Organizer	Course name	Training hours
		2025.07.28	Taiwan Independent Director Association (TIDA)	Strengthening Corporate Sustainability: Generating Positive Enterprise Value Through Diversified Management	3
		2025.11.11	Corporate Governance Association in Taiwan	Strategy and Execution – Reshaping Business Models and Case Studies	3
		2025.12.23	Corporate Governance Association in Taiwan	Embracing AI and Sustainability – Executive Compensation Management and Talent Cultivation	3
Independent Director	Kuan, Arthur	2025.11.26	Taiwan Project Management Association	Succession team building and talent development	3
		2025.11.28	Taiwan Project Management Association	Analysis of Artificial Intelligence Trends and Corporate Risk Management Strategies	3
Independent Director	Lee, Ming-Jye	2025.07.09	Taiwan Securities Exchange Corporation	2025 Cathay Sustainable Finance Climate Change Summit	6
		2025.07.25	Securities and Futures Development Foundation	Annual Insider Equity Trading Law Compliance Promotion Conference in 2025	3
		2025.11.11	Corporate Governance Association in Taiwan	Strategy and Execution – Reshaping Business Models and Case Studies	3

(IX) Internal Control System Implementation Status:

1. Declaration of internal control:

Link to the Market Observation Post System:
https://mopsov.twse.com.tw/nas/cont06/c1762114011150311.pdf)

Chunghwa Chemical Synthesis & Biotech Co., Ltd.
Declaration of Internal Control Policies

Date: March 5, 2026

The following declaration is based on the 2025 self-audit over the Company's internal control policies:

I. The Company is aware that the establishment, execution, and maintenance of its internal control policies are the responsibilities The Company's board of directors and managers. These policies were implemented throughout The Company. The purpose is to provide reasonable assurance on the achievement of operating effectiveness and efficiency (including profits, performance, and assets safeguarding), reporting matters with reliability, timeliness, and transparency, and compliance with the relevant law and regulations.

II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. However, self-supervision measures were implemented within The Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.

III. The Company has based on the criteria of the internal control system effectiveness in the "Regulations Governing the Establishment of Internal Control System by Public Companies" (referred to as the Regulations" hereinafter) to determine the effectiveness of the internal control system design and implementation. Regarding the internal control system criteria in the "Regulations," the internal control system is divided into five composing elements in accordance with the management and control process: 1. environment control, 2. risk assessment, 3. control operation, 4. information and communication, and 5. supervise operation. Each element further contains several items. Please refer to "The Governing Principles" for details.

IV. The Company has adopted the internal control system criteria in the preceding paragraph to assess the effectiveness of the internal control system design and implementation.

V. Based on the results of the previous evaluation, the company considers its internal control system (including the supervision and management of its subsidiaries) on December 31, 2025 as effective and can reasonably ensure the achievement of the goals mentioned above. They include the company's understanding of the operation effectiveness and the extent to which the efficiency goals have been achieved as well as the validity, timeliness, transparency, and relevance to the relevant laws, regulations, and rules as intended by the design and implementation of the internal system.

VI. The "Internal Control System Declaration" will be the main content of the Company' annual report and prospectus for the reference of the public. Any illegal misrepresentation or non-disclosure relating to the public statement above are subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities Exchange Act.

VII. This declaration was approved by the Board of Directors meeting on March 5, 2026 without objection where seven directors attended the meeting. It is hereby declared that all of the directors have agreed to the contents of the declaration.

Chunghwa Chemical Synthesis & Biotech Co., Ltd.

Chairman Wang Hsieh, I-Chen (Signature)

President: Hsiao, Wen-Yu (Signature)

2. Internal control system review report commissioned to an CPA: None.

(X) Important Resolution of the Board of Directors as of the Publication Date of the Annual Report:

1. Important resolution of the 2025 Board of Directors meeting

Year	Date	Important Resolution Items	Resolution and Implementation Status
Shareholders' meeting 2025	2025.05.29	1. Recognized the 2024 Business Report Final Accounts	1. Passed without objection.
		2. Recognized the 2024 Earnings Distribution.	2. Passed the resolution for the shareholders' cash dividend of NT$14,736,400 (NT$0.19 per share), set July 30, 2025 as the dividend benchmark date, and distribution was completed on August 19, 2025.
		3. Passed the partial amendments to the "Articles of Incorporation".	3. It has been announced on the Company's website and processed in accordance with the amended Articles of Incorporation.
		4. Passed the amending partial provisions of the "Derivative Product Transaction Processing Procedure."	4. The internal regulations have been updated and processed in accordance with the revised derivatives transaction procedures.
		5. The handling of the "private placement and issue of common stocks or the issue of convertible bonds (including convertible bonds with or without collateral)" case was approved.	5. Not yet issued substantially. As resolved by the Board of Directors on March 5, 2026, the Company shall not continually carry out private placement for negotiable securities within the remaining duration.
		6. The director (including the independent director) re-election case.	6. (1)The list of the elected directors: China Chemical & Pharmaceutical Co., Ltd. representative: Wang Hsieh, I-Chen China Chemical & Pharmaceutical Co., Ltd. representative: Wang, Hou-Kai Wang Ming-Ning Memorial Foundation Representative: Wang, Hou-Jie Wang Ming-Ning Memorial Foundation Representative: Wu, Shih-Hsuan List of independent directors Wang, Kuo-Chiang Kuan, Arthur Lee, Ming-Jye (2) The registration was approved by the Ministry of Economic Affairs on July 10, 2025.
		7. Proposal for canceling the non-compete restriction for new directors and their representatives.	7. Passed without objection.

2. Important Resolution of the Board of Directors for 2025 and as of the Publication Date of the Annual Report

Year	Date	Important Resolution Items
1st Board of Directors Meeting in 2025	2025.01.21	1. Adoption proposal of election of the directors of the company (including independent directors). 2. Adoption proposal of election details such as a period of receiving nominations of directors (independent director) candidates, the number of independent directors to be elected, the place for receiving such nominations, and other necessary matters. 3. Passed the Formulation of the Company's 2025 Shareholders Meeting Date, Location, Share Transfer Cessation Date Case.
2nd Board of Directors Meeting in 2025	2025.03.06	1. Passed the 2024 Management Personnel Remuneration Discussion Case. 2. Passed the 2024 Director Remuneration Discussion Case. 3. Passed the 2024 Employee and Director Remuneration Discussion Case. 4. Passed the Business Report and Final Account Statements of 2024. 5. Passed the Distribution of 2024 earnings. 6. Passed the 2024 Business Plan Case. 7. Passed the evaluation of the certified public accountants in independence and the appointments thereof. 8. Passed the "2024 Internal Control System Statement" Submission Case. 9. Passed the proposal of the nomination of candidates for directors (including independent directors). 10. Passed the canceling the non-compete restriction for new directors and their representatives. 11. Passed the definition of "entry-level employees". 12. Passed the partial amendments to the “Articles of Incorporation”. 13. As duly passed in resolution for amendment of the Internal Control System of Salary Cycle and the Enforcement Rules of the Internal Auditing. 14. Approved the private placement of securities. 15. Passed the handling of the “private placement and issue of common stocks or the issue of convertible bonds (including convertible bonds with or without collateral)” case. 16. Passed the revision of the “reason for 2025 shareholders meeting convention” case. 17. Passed the Bank Quota Renewal Case.
3rd Board of Directors Meeting in 2025	2025.04.14	1. Passed the proposal to conduct stock repurchase In order to protect the Company's credit and shareholders' equity.
4th Board of Directors Meeting in 2025	2025.05.06	1. Passed the proposal for the consolidated financial statements of the 2025 Q1.
5th Board of Directors Meeting in 2025	2025.05.29	1. Approved the election of the chairman and vice chairman. 2. A decision duly resolved to appoint the Remuneration Committee members of the 6th Session.
6th Board of Directors Meeting in 2025	2025.06.23	1. Passed the Internet Payment Benchmark Date and Cash Dividend Distribution Date Settings.
7th Board of Directors Meeting in	2025.08.07	1. Passed with resolution replacement of the certified public accountants in response to an adjustment of the internal organization in the CPA firm. 2. Passed the proposal for the consolidated financial statements of the 2025

Year	Date	Important Resolution Items
2025		Q2. 3. Approved the proposal for cancellation of CCSB's first batch of repurchased treasury stock and setting of the capital reduction record date. 4. Passed the 2024 Sustainability Report. 5. Approved the establishment of BioDuro-Cenra Biotech. 6. Approved the removal of non-competition restrictions on the Company's managerial officers. 7. Passed the Bank Quota Renewal Case.
8th Board of Directors Meeting in 2025	2025.09.26	1. Duly resolved upon reassignment of the President. 2. Duly resolved upon salary & remuneration to the newly appointed president.
9th Board of Directors Meeting in 2025	2025.11.11	1. Passed the proposal for the consolidated financial statements of the 2025 Q3. 2. Passed the 2026 audit plan. 3. Passed the amendments to the "Procedures for the Preparation and Verification of Sustainability Report". 4. Passed the Bank Quota Renewal Case.
10th Board of Directors Meeting in 2025	2025.12.23	1. Passed the Regular Review for the Director and Manager Remuneration Methods and Payment Standards. 2. Passed the motion regarding the plan to pay off the performance evaluation incentive bonus for Year 2025. 3. Approved the proposal to change the name of the Remuneration Committee and amend the Remuneration Committee Charter. 4. Passed the amendment of the Company's "Sustainable Development Best Practice Principle".
1st Board of Directors Meeting in 2026	2026.03.05	1. Approved the proposal for remuneration for managerial employees and directors for 2025. 2. Approved the amendment to the Rules and Procedures for Performance Evaluation of the Board of Directors. 3. Passed the Business Report and Final Account Statements of 2025. 4. Approved the 2025 loss appropriation proposal. 5. Passed the 2026 Business Plan Case. 6. Passed the evaluation of the certified public accountants in independence and the appointments thereof. 7. Passed the "2025 Internal Control System Statement" Submission Case. 8. Passed revision of the company's organizational chart. 9. A decision duly resolved to amend the Enforcement Rules for internal control system and internal audit for the "Management of Remuneration Committee Operations". 10. CCSB approved the information system proposal. 11. Approved the private placement of securities. 12. Passed the handling of the "private placement and issue of common stocks or the issue of convertible bonds (including convertible bonds with or without collateral)" case. 13. Passed the Formulation of the Company's 2026 Shareholders Meeting Date, Location, Method and Share Transfer Cessation Date Case. 14. Passed the Bank Quota Renewal Case.

(XI) In the most recent year and as of the publication of the annual report, did a director have different opinions regarding to an import resolution passed by the Board of Directors that was recorded or written down: None.

IV. Disclosure of CPAs' remuneration:

(I) The amounts of audit fees and non-audit fees paid to the CPA, the CPA affiliated firms, and the conglomerate and the non-audit service contents:

Unit: NT$ thousand

Auditor's firm	Name of CPA	CPA auditing period	Audit remuneration	Non-audit remuneration	Total	Remarks
Pricewaterhouse Coopers, Taiwan	Po-Chuan Lin Hsieh, Wei-Li	2025.01.01-2025.12.31	2,521	400	2,921	Service content of non-audit fee Taxation certification
Pricewaterhouse Coopers, Taiwan	-	-	0	335	335	Transfer Pricing Report
Pricewaterhouse Coopers, Taiwan	-	-	0	200	200	Sustainability Report Assurance

(II) Accounting Firm Replacement whereby the Audit Fee of the Year was Reduced Compared to Audit Fee of the Previous Year: None.

(III) Audit Fee that Has Reduced by Over 10% Compared to the Previous Year: None.

V. Change of CPA:

As a result of the internal organizational adjustment by the CPA's firm, the company's CPAs have changed from CPAs Jun-Yao Lin and Jun-Yao Lin to CPAs Po-Chuan Lin and, Wei-Li Hsieh starting from the second quarter of 2021.

VI. Has there been any Company Chairperson, President, or Managerial Officer in Charge of Finance or Accounting Matters who was Previous Employed by the CPA's Firm or its Affiliates within the Last Year: None.

VII. Changes in the transfer or pledge of shares by directors, officers, and shareholders holding over 10% of the outstanding shares in the previous year and by the date of report publication: (Link to Market Observation Post System: Share Transfer https://mops.twse.com.tw/mops/#/web/query6_1)

and changes in share pledge https://mopsov.twse.com.tw/mops/web/STAMAK03_1)

(I) Director, Manager, and Major Shareholder Changes

Unit: shares

Title	Name	2025		As of April 21, 2026	
		Increase (decrease) in	Increase (decrease)	Increase (decrease) in	Increase (decrease)
Chairman, Vice Chairman, major shareholders	China Chemical & Pharmaceutical Co., Ltd.	0	0	0	0
	China Chemical & Pharmaceutical Co., Ltd. representative: Wang Hsieh, I-Chen	0	0	0	0
	China Chemical & Pharmaceutical Co., Ltd. representative: Wang, Hou-Kai	0	0	0	0
Director	Wang Ming-Ning Memorial Foundation	0	0	0	0
	Wang Ming-Ning Memorial Foundation representative: Wang, Hou-Jie	0	0	20,000	0
	Wang Ming-Ning Memorial Foundation representative: Huang, Chung-Hsin (Note 1)	0	0	-	-
	Wang Ming-Ning Memorial Foundation representative: Wu, Shih-Hsuan (Note 1)	0	0	0	0
Independent Director	Wang, Kuo-Chiang	0	0	0	0
Independent Director	Kuan, Arthur	0	0	0	0
Independent Director	Chang, Chih-Hsien (Note 1)	0	0	-	-
	Lee, Ming-Jye (Note 1)	0	0	0	0
President	Qing-Peng Wei (Note 2)	0	0	-	-
	Hsiao, Wen-Yu (Note 2)	0	0	0	0
Vice President of Business Department	Chen, Ying-Chi	0	0	0	0
Assistant Vice President of R&D Department	Tung,Yen Shih	0	0	15,000	0
Assistant President of Biotechnology Institution	Mai, Jin-Cheng	0	0	0	0
Assistant Vice President of Quality Assurance Department	Wang, Wen-Ping	0	0	0	0
Chief Auditor	Hung, Chao-Sheng	0	0	0	0
Manager of Finance Department and Head of Corporate Governance	Wang, Kuan-Chieh	0	0	0	0

Note 1: At the shareholder meeting on May 29, 2025, the directors were fully re-elected. Director – Representative of Wang Min-Ning Memorial Foundation (Huang, Chung-Hsin) and Independent Director Chang, Chih-Hsien were removed from office on May 29, 2025; Director – Representative of Wang Min-Ning Memorial Foundation (Wu, Shih-Hsuan) and Independent Director Lee, Ming-Jye assumed office on May 29, 2025.

Note 2: Wei, Ching-Peng, the former president of CCSB, retired on September 30, 2025. The new President, Hsiao, Wen-Yu assumed his position on October 1, 2025.

(II) Information on the transfer of equity interests by a director, manager, or shareholders holding over 10% of the shares to an affiliate: None.

(III) Information on the pledge of equity interests by a director, manager, or shareholders holding over 10% of the shares to an affiliate: None.

VIII. Information shareholders holding over 10% of the shares who are related to each other or are spouses or second degree relatives:

March 30, 2026

Name	Own shareholdings		Shareholdings of spouse and underage children		Shares Held In The Names Of Others		Title and name of shareholders holding over 10% of the shares who are related to each other or are spouses or second degree relatives		Remarks
	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Name	Relation	
China Chemical & Pharmaceutical Co., Ltd.	21,575,064	28.05%	—	—	—	—	—	—	
China Chemical & Pharmaceutical Co., Ltd. Chairman: Wang Hsieh, I-Chen	347	0%	2,456,179	3.19%	320,000	0.42%	Wang, Shiun-Sheng	Spouse	
Wang, Shiun-Sheng	2,456,179	3.19%	347	0%	—	—	Wang Hsieh, I-Chen	Spouse	
Wang Ming-Ning Memorial Foundation	1,691,982	2.20%	—	—	—	—	—	—	
Chairman of Wang Ming-Ning Memorial Foundation Chairman: Wang Hsieh, I-Chen	347	0%	2,456,179	3.19%	320,000	0.42%	Wang, Shiun-Sheng	Spouse	
Hsieh, Chia-Ying	1,203,000	1.56%	—	—	—	—	—	—	
Wang, Hou-Jie	1,026,600	1.33%	—	—	—	—	Wang, Hou-Che	Relatives of second degree	
Wang, Shiun-Sheng	1,003,066	1.30%	—	—	—	—	—	—	
Lin, Kuei-Mei	990,000	1.29%	—	—	—	—	—	—	
Yuanta Commercial Bank entrusted with the custody of CCSB employee trust account	953,646	1.24%	—	—	—	—	—	—	
Ko, Ching-Hui	831,000	1.08%	—	—	—	—	—	—	
Wang, Hou-Che	759,758	0.99%	—	—	—	—	Wang, Hou-Jie	Relatives of second degree	

IX. Investments jointly held by The Company, The Company's directors, managers, and enterprises directly or indirectly controlled by The Company. Calculate shareholding in aggregate of the above parties:

Unit: share; December 31, 2025

Reinvestment businesses (Note 1)	Invested by The Company		Directors, Managers, and the Directly or Indirectly Controlled Business Investments		Aggregate investment	
	Quantity	Shareholding percentage	Quantity	Shareholding percentage	Quantity	Shareholding percentage
Cenra Inc. (formerly China Chemical & Pharmaceutical Co., Ltd.)	21,026,568	14.42%	5,216,456	3.58%	26,243,024	18.00%
PHARMAPORTS, LLC	—	100.00%	—	—	—	100.00%

Note 1: Must be long-term investments according to the equity method adopted by the company.

Note 2: On September 2, 2024, China Chemical & Pharmaceutical Co., Ltd. was delisted and stopped its trading in public. The Company's long-term holdings in China Chemical & Pharmaceutical Co., Ltd. (42,053,137 shares) were converted into Cenra Inc. (21,026,568 shares); the number of shares held was halved.

Note 3: On July 9, 2025, "China Chemical Investment Holdings Co., Ltd." was renamed "China Chemical Holdings Corporation."

Three. Funding Status

I. Capital and Shares:

(1) Sources of Capital Share:

1. Capital Share Formation Process:

March 30, 2026; Unit: NT$; share

Year / month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Quantity	Amount	Quantity	Amount	Source of capital	Paid in properties other than cash	Others
1991.11 (Note 1)	10	50,000,000	500,000,000	44,500,000	445,000,000	Surplus to capital increase: NT$45,000,000 Cash capital increased: NT$100,000,000 Total NT$145,000,000	None	—
1997.10 (Note 2)	15	80,000,000	800,000,000	70,000,000	700,000,000	Cash capital increased: NT$255,000,000	None	—
1999.12 (Note 3)	10	120,000,000	1,200,000,000	92,000,000	920,000,000	Cash capital increased: NT$220,000,000	None	—
2003.09 (Note 4)	10	120,000,000	1,200,000,000	40,200,000	402,000,000	Capital reduction NT$518,000,000	None	—
2003.09 (Note 4)	10	120,000,000	1,200,000,000	65,200,000	652,000,000	Cash capital increased: NT$250,000,000	None	—
2009.08 (Note 5)	10	120,000,000	1,200,000,000	70,200,000	702,000,000	Cash capital increased: NT$50,000,000	None	—
2011.01 (Note 6)	10	120,000,000	1,200,000,000	77,560,000	775,600,000	Cash capital increased: NT$73,600,000	None	—
2015.07 (Note 7)	10	160,000,000	1,600,000,000	77,560,000	775,600,000	-	None	—
2025.09 (Note 8)	10	160,000,000	1,600,000,000	76,918,000	769,180,000	Share repurchase: 6,420,000 shares cancelled	None	—

Note 1: Approved by letter No. (1991)TCZ(1)02602 issued by the Ministry of Finance Securities and Futures Commission on September 12, 1991.

Note 2: Approved by letter No. (1997)TCZ(1)70406 issued by the Ministry of Finance Securities and Futures Commission on September 18, 1997.

Note 3: Approved by letter No. (1999)TCZ(1)107856 issued by the Ministry of Finance Securities and Futures Commission on December 17, 1999.

Note 4: Approved by letter No. (2003)TCZ(1)136955 issued by the Ministry of Finance Securities and Futures Commission on August 15, 2003.

Note 5: Approved by letter JG1Z No. 0980023798 issued by the Executive Yuan Financial Supervisory Commission on May 21, 2009.

Note 6: Approved by letter JG1Z No. 0990059478 issued by the Executive Yuan Financial Supervisory Commission on November 1, 2010.

Not 7: Approved by the Department of Commerce, MOEA under Notice Jing-Shou-Shang -Zi No. 10401135540 dated July 21, 2015.

Not 8: Approved by the Department of Commerce, MOEA under Notice Jing-Shou-Shang -Zi No. 11430150960 dated September 16, 2025.

2. Share category: March 30, 2026; Unit: Shares

Share category	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common shares	76,918,000	83,082,000	160,000,000	Listed stocks

(II) Main shareholders list: (shareholders with the shareholding ratio of over 5% or shareholders with the top 10 shareholding ratio)

March 30, 2026; Unit: Shares

Shares / Name of main shareholder	Number of shares held	Shareholding percentage
China Chemical & Pharmaceutical Co., Ltd.	21,575,064	28.05%
Wang, Shiun-Sheng	2,456,179	3.19%
Wang Ming-Ning Memorial Foundation	1,691,982	2.20%
Hsieh, Chia-Ying	1,203,000	1.56%
Wang, Hou-Jie	1,026,600	1.33%
Wang, Shiun-Sheng	1,003,066	1.30%
Lin, Kuei-Mei	990,000	1.29%
Yuanta Commercial Bank entrusted with the custody of CCSB employee trust account	953,646	1.24%
Ko, Ching-Hui	831,000	1.08%
Wang, Hou-Che	759,758	0.99%

(III) Company's dividend policy and execution status:

1. Dividend policy:

   According to the Articles of Association of the Company, the dividend policy of the company must take the company's future capital requirements into consideration and the long-term financial planning must meet the needs of shareholders for cash inflows. If there is a surplus in the annual final accounts, tax should be paid first to make up for losses in previous years, and then 10% shall be set aside for statutory surplus reserve. If there is still surplus after setting aside the statutory surplus reserve, the surplus available for distribution shall include the accumulated undistributed earnings from the previous year. However, part of it shall be retained depending on the business conditions, and the rest shall be distributed as dividends to shareholders. The cash dividends shall not be less than 50% of the shareholders dividends, but stock dividends shall be issued instead if the cash dividend is less than NT$0.1 per share.

2. Dividend distribution proposed by this shareholders meeting:

   The loss appropriation proposal for 2025 was approved by the Board of Directors' resolution on March 5, 2026, but it is still pending a shareholders' meeting resolution. As the Company reported a net loss after tax in 2025, it was proposed that no dividends be distributed this time.

(IV) The effects that the stock grant proposed by the shareholders' meeting have on the company's business performance and earning per share:
Not applicable.

(V) Remuneration to employees and directors:

1. The percentages or ranges with respect to employee, director, and supervisor compensation, as set forth in the company's articles of incorporation:

   According to the articles of incorporation, if the Company is profitable in the

fiscal year, 1% to 15% of the profit shall be allocated as bonuses for employees, and no more than 3% of the profit shall be allocated as a bonus for directors. Of the employee bonus amount, no less than 10% shall be allocated as a bonus for entry-level employees. However, in case of the accumulated losses, certain profits shall first be reserved to cover them.

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

   The remunerations of the employees and directors are based on the profitability of the current year and the amount determined by the Articles of Association. They are recognized as the operating expenses for the current year. If there is a discrepancy between the actual distribution amount and the estimated amount, said discrepancy shall be treated as a change in the accounting estimates and be listed as a profit or loss for the following year.

3. Remuneration to be distributed as resolved in the board of directors:

   (1) The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors:

   The Company incurred a net loss for 2025. In accordance with Article 32 of the Articles of Incorporation, no remuneration was distributed to employees or directors, as approved by the Board of Directors on March 5, 2026.

   (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: not applicable.

4. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

The company's 2024 annual employee remunerations were estimated at NT$7,063 thousand; and the director remunerations were NT$900 thousand. The Board of Directors has passed a resolution on March 6, 2025 to allocate employee remunerations of NT$7,063 thousand and the director remunerations of NT$900 thousand; which is no different than the annual costs estimated.

(VI) Buy-back of the Company's shares by the company: (Report on treasury stock repurchase execution)

As of the publication date of the annual report on April 21, 2026

Session of share repurchase	First
Board resolution date	April 14, 2025
Purpose of share repurchase	Protect the Company's credit and shareholders' equity
Estimated period of share repurchase	2025/04/15~2025/06/14
The expected re-purchase number	Common shares: 1,000,000 shares
Price range of re-purchase	NT$20~NT$37
Actual repurchase period	2025/04/16~2025/06/10
Actual repurchase share type and quantity	Common shares: 642,000 shares
Actual repurchase share amount	NT$18,533,894 thousand
Reason for incompletion	In order to balance market mechanisms and protect the overall interests of shareholders, the Company conducted repurchases in batches based on stock price fluctuations and trading volume, and therefore did not complete the full repurchase.
Average repurchase price per share	NT$28.87
Number of shares cancelled or transferred	642,000 shares cancelled
Cumulative number of shares held in the Company	0 share
Ratio of cumulative shares held to total issued shares (%)	0%

II. Disclosure relating to corporate bonds: none.

III. Disclosure relating to preference shares: none.

IV. Disclosure relating to depository receipts: none.

V. Employee stock warrants: none.

VI. The new shares from restricted employee stock option: none.

VII. Disclosure on new shares issued for the acquisition or transfer of other shares: none.

VIII. Progress on the use of funds: none.

Four. Business performance

I. About Our Business

(I) Scope of business:

1. Core business:

According to the Company license, the scope of business includes:

(1) Manufacturing of Western medicine

(2) Wholesaling of Western medicine

(3) Non-prohibited or non-restricted businesses, in addition to the permitted businesses.

2. Proportions of overall business:

Biotechnological products: 71%; chemically synthesized products: 26%

3. Current products:

(1) Biotechnology products (Including development):

Anidulafungin (ANI; antifungal medication),
Caspofungin Acetate (CAS; antifungal medication),
Dalbavancin Hydrochloride (DA; Bacterial Skin Infection Drug),
Everolimus (EVE; immunosuppressant, anticancer drug),
Midostaurin (MID); the drug for treating acute myeloid leukemia.
Mycophenolate Mofetil (MMF; immunosuppressive drug),
Mycophenolate Mofetil HCl (MMF-HCl; immunosuppressive drug),
Mycophenolate Sodium (MPA-NA; immunosuppressive drug),
Pneumocandin B0 (PNB0; antifungal intermediate),
Rapamycin (Sirolimus) (RAPA; immunosuppressant),
Rezafungin acetate (RZF; antifungal medication),
Semaglutide (SG; weight loss medication, type 2 diabetes medication),
Tacrolimus (FK506; immunosuppressant),

(2) Non-biotechnology products (Including development):

Abaloparatide (ABA; osteoporosis medication)
Baricitinib (BA; rheumatoid arthritis medication),
Brivaracetam (BCT; antiepileptic drug),
Difelikefalin Acetate (DFK; Pruritus results from hemodialysis),
Edoxaban Tosylate Monohydrate (ETH; anticoagulant),
Eltrombopag Olamine (ELT; for thrombocytopenia),
Eslicarbazepine Actate (ESL; antiepileptic drug),
Ethyl Icosapentate: (EPAE; Lower triglyceride),
Lanreotide Acetate (LAN; acromegaly),
Ozanimod HCl (OZH; medicine for multiple sclerosis),
Ribociclib (RI; breast cancer medication),
Plecanatide (PLE; chronic idiopathic constipation medication),
Ribociclib (RIB; breast cancer medication),
Selumetinib Sulfate (SEL; for neurofibromatosis),
Setmelanotide Acetate (SET; genetic obesity drug),
Sugammadex Sodium (SGM; anesthesia recovery medication),
Tofacitinib Citrate (TOF; rheumatoid arthritis medication).
Trandolapril (TDP; antihypertensive medication),
Trilaciclib Dihydrochloride (TRC; bone marrow protectant),
Tenapanor HCl (TEN; medication for constipation-predominant irritable bowel syndrome and hyperphosphatemia in dialysis patients).

4. New products to be developed:

(1) New product development: The Company's main core business is to supply high-quality new APIs required by global development that challenges for patented new products and generic manufacturers whose patents are about to expire or have expired. The Company, as well, uses the core advantages of chemical synthesis and microbial fermentation technology process development to continuously develop new products such as immune preparations, anti-cancer drugs, cardiovascular drugs and rheumatoid arthritis medication.

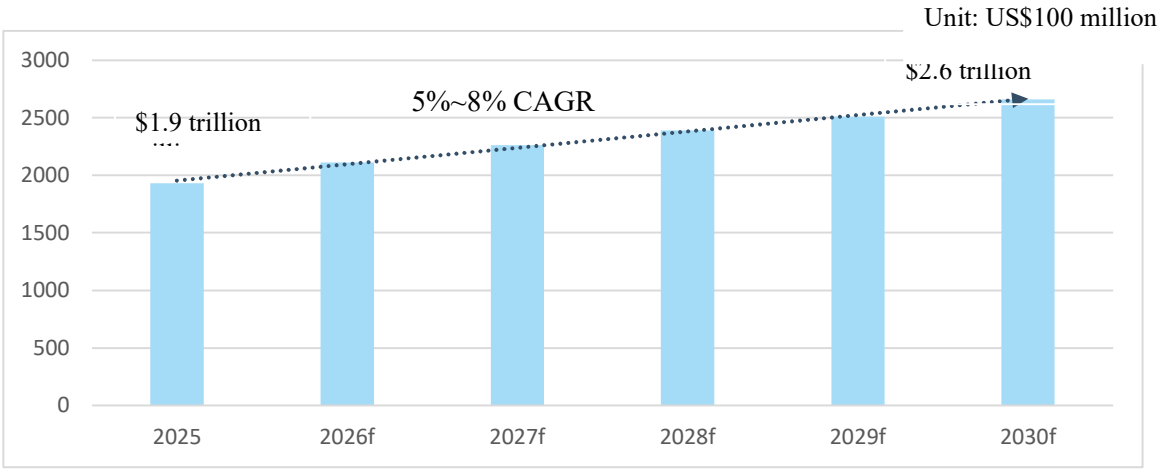
(2) Contract manufacturing business: The Company also provides research and development and contract manufacturing (CDMO/CMO) services to new drug developers and generic drug companies at home and abroad, striving to become the provider of active pharmaceutical ingredients to those new drug developers when they successfully launch their drugs.

(II) Industry overview:

1. Status and development of the industry:

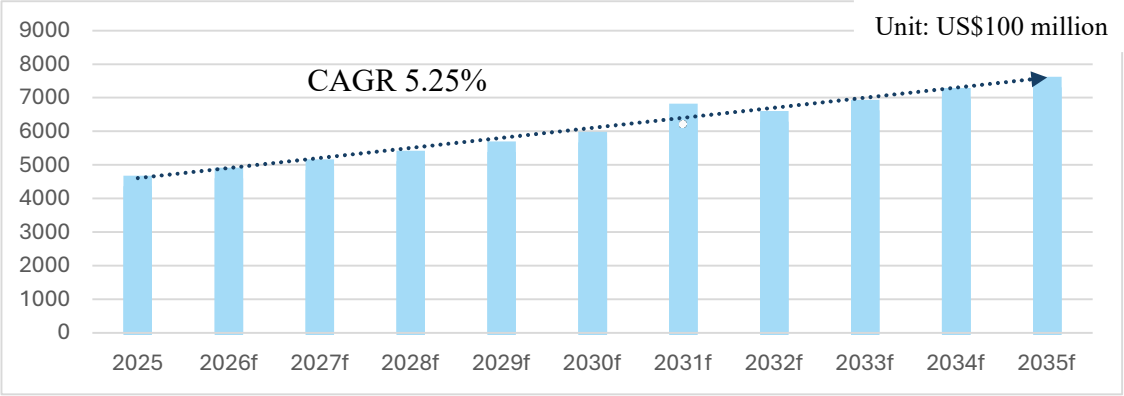
Active pharmaceutical ingredients are the components that provide medical effects, and their production technology can be divided into extraction and purification, chemical synthesis and fermentation. Drugs can generally be divided into patented brand drugs and generic drugs. According to the most recent report of the global market research agency IQVIA in 2026, the global drug market boosted by new pharmaceutical products entering the market and increasing usage has the compound annual growth rate (CAGR) of approx. 5%~8%. The market size is expected to reach US$2.6 trillion by 2030.

Changes in global pharmaceutical market size 2025-2030



Data source: IQVIA

Generic drugs are brand drug alternatives. The dosage forms and actions identical with the brand drugs are provided in order to adopt low-cost medical approaches for coping with the patent expiry of many brand drugs, an increase in chronic parents, and the incentive measures of governments around the world and other supervision agencies. These approaches will contribute to the generic drug market's annual growth.

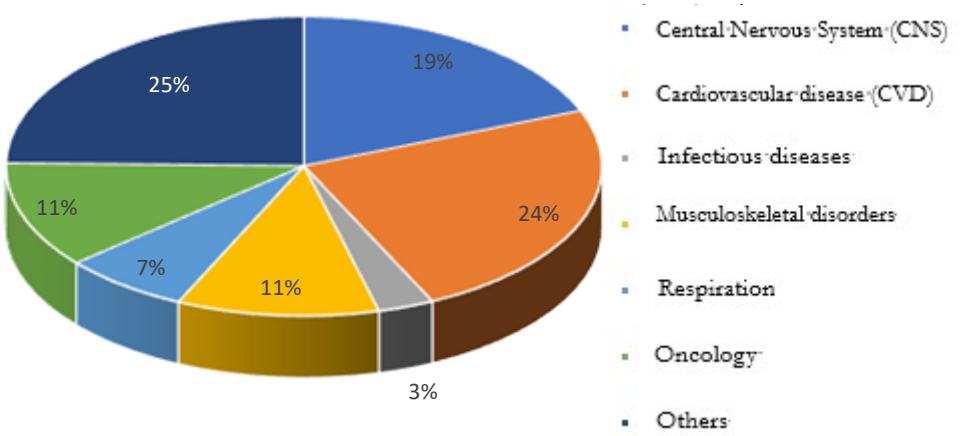


Data source: Precedence Research

According to Precedence Research, the global generic drug market was valued at US$468.08 billion in 2025, and it is expected to reach approximately US$762.48 billion by 2035, with a compound annual growth rate of 5%. In the U.S. market, the size reached US$146.04 billion in 2025. It is predicted to grow to approximately US$243.7 billion by 2035, with a compound annual growth rate of 5.25%.

Besides this, the highest percentage of generic pharmaceuticals in the entire world is 24% for cardiovascular diseases followed by central nervous system at 21%. As a result of the coronavirus pandemic (COVID-19), the percentage of communicable diseases accounts for 20%. Taking markets in the United States for instance, in 2023 only 782 generic pharmaceuticals were approved by the FDA, a total of 694 generic pharmaceuticals were approved by the FDA in 2024, and 689 items in 2025. The FDA points out through its report that sales of American generic pharmaceuticals virtually help reduce overall medical expenditures and help sound competition in the products as well. In turn, the sales would help cut medical treatment costs to facilitate more patients into use.

The ratio of global generic drug indications



Data source: Precedence Research

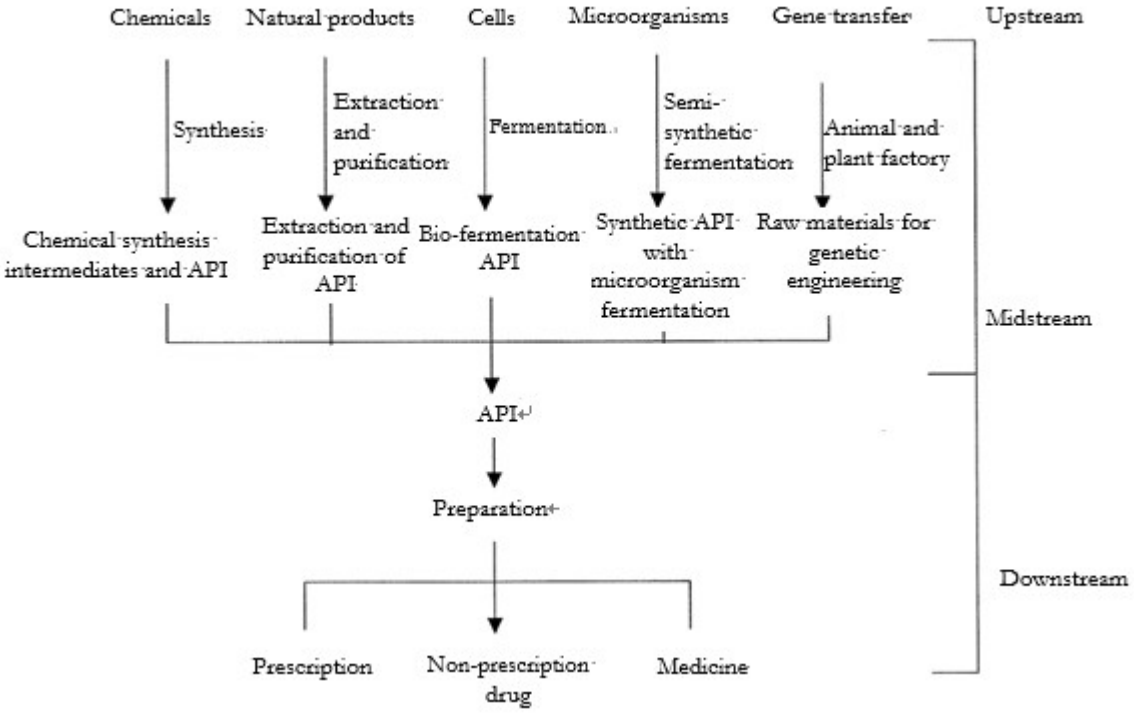
2. Relations between upstream, midstream and downstream of the industry:

There are more than 3,000 API manufacturers in the world, but only about 542 API manufacturers have the ability to meet the cGMP requirements of the US, Europe

and Japan in terms of quality and regulations. According to the NEWPORT database, these 542 companies Most of the API manufacturers are located in the United States, Europe, Japan, China and India. The company's cGMP system has been officially inspected by the United States, Europe and Japan many times. We have been one of the major suppliers of high-tech companies in the United States, Europe and Japan, although we face low-cost competition in the market from Chinese and Indian API manufacturers. With the increasingly strict inspection of the US and EU pharmaceutical authorities and the increasingly stringent requirements for cGMP requirements, the quality requirements of APIs have established a new milestone. In the face of the increased threshold of pharmaceutical quality in advanced countries, the Company that places emphasis on cGMP sees opportunity. We are committed to enhancing product competitiveness, laying down roots in R&D technology, and developing APIs with market potential and a high technology threshold. In the fiercely competitive domestic and foreign environment, we strive to achieve breakthroughs and steady growth.

The Company is an API manufacturer in the midstream of the industry. Different drug characteristics require different manufacturing methods, which include biological fermentation, chemical synthesis and extraction and purification or a mixture of these processes. Based on product requirements, the Company purchases raw chemical materials or intermediates from upstream suppliers and manufactures APIs to be sold to downstream drugmakers who add in the related excipients to manufacture convenient dosage forms. As APIs possess curative effects, they directly impact the health and safety of medicine users. To ensure the effectiveness and safety of drugs, drug manufacturers in all aspects of the pharmaceutical industry (APIs and formulation) demand strict requirements on the quality of raw materials. Government agencies in all countries also provide regulations for the major intermediates of APIs. To comply with the cGMP of the FDA and maintain stability of quality, companies from upstream to downstream are usually long-term strategic partners.

Supply chain structure showing the upstream, midstream and downstream of the API industry:



Source: Provided by the Company

3. Various product trends:

The Company is one of the few API pharmaceutical companies in the country that manufacture microbial biotechnology products. The rest of the companies are mostly engaged in organically synthesized products. Unlike general chemical synthesis processes, we have stepped into chemical synthesis processes of key technologies, such as heavy metal reactions, bromination reactions, grignard reactions, sodium azide reactions, etc., thus achieving product diversification. For the Company's non-biotechnological products, in addition to gradually developing chemically synthesized products through key technologies, such as nib product series for treating arthritis, contract production of non-technological products is also one of the directions of focus. The ACE Inhibitor drug Trandolapril and anesthesia recovery drug Sugammadex will continue to achieve growth through the entrusting party's gradual market expansion.

Peptide symbolizes a unique class of synthetic drugs located at the boundary between traditional small molecules and large proteins. Peptide drugs are structurally imitating and are responsible for regulating the endogenous properties of target proteins peptides. These target proteins can cause important effects in the human body, including notably hormones, neurotransmitters, growth factors and antibacterial agents and the like. Nevertheless, the peptide is in high potency, high specificity, low toxicity and high binding. As a result, peptide is a sort of new drug developed for treatment of various diseases. In recent years, the FDA's approval rate for peptides has increased very promptly, including notably: Abaloparatide, Difelikefalin Acetate, Etelcalcetide Hcl, Plecanatide, Setmelanotide Acetate and Semaglutide. These drums have come into being as a result of research & development efforts by our Company. The new synthetic technology of peptide, through amino acids or structural changes as well as the increase of non-natural amino acids would at the same time improve the half-life extension or improve the solubility of the part which will provide stability of physical properties as the very fact behind our research & development efforts toward long-acting efficacy peptides or reduce the cost into the long-acting formulation of drug frequency. Here at our Company, we shall, as always, continuously improve the research and development, purification, analytical method development and mass production technology of peptide APIs to enter the small molecule protein drug market.

4. Competition

Medicines are used to treat diseases and injuries and help your body to recover health, and it remains a difficult task to find any other alternatives or services to replace the effectiveness of medicines. Toward the treatment of the same disease, nevertheless, there could be a great variety of drugs with different therapeutic effects available. Among those different drugs with the same therapeutic effect, there would inevitably be harsh competition. In our Company, our flagship product would be the raw material of immunosuppressive drugs. We would, therefore, explain more specifically aimed at the competition of immunosuppressive drugs.

Currently, the main immunosuppressants in the market are Everolimus, Rapamycin (Sirolimus) and Tacrolimus derivatives. The Company has successfully developed APIs for these three products, and commercial shipments have commenced. For Everolimus developed by Novartis, the client has obtained the Everolimus ANDA and been granted 180 days of market exclusivity. Where the existent Paragraph IV customers have been in sales in the U.S. markets successively one after another, the demand for such products would continually grow. Everolimus is the Company's product of the year. The Company is also a major supplier in the U.S. market. In addition, generic drugs of Sirolimus developed by Pfizer and Tacrolimus developed by

Astellas have been launched and are commercially available. Fish oil API EPAE was launched in the U.S. as early as 2021 due to market factors. The Company is one of the major suppliers in the U.S. market. However, in 2025, clients faced challenges competing with late-entering generic drug manufacturers, resulting in a temporary decrease in demand for EPAE. However, the client has continued to work hard to expand its market share, which is expected to increase again in the future. Our company has also continued to explore other markets and potential customers.

The Company has successfully boosted productivity and satisfied customers' needs in line with customer requirements. Although in addition to the Company there are peers who want to cut into such product market, the Company's products are of high quality, and cGMP inspection records are excellent and trusted by customers. By taking these competitive advantages, the Company continues to grow with mass production and shipment.

In the Company, the very competitive edge lies upon immunosuppressants which has been mass-produced and shipped. Amidst strain optimization, process improvement, improved purity, reduced and lowered amount in residuals and impurities, the quality already significantly excels equivalents available from other international suppliers. Where the Company puts forth maximum possible efforts to continually cut its costs, this is the very flagship product highly competitive in the markets.

(III) Overview of technology and R&D

1. R&D expenses spent in the most recent year as of the publication date of the annual report:

Unit: NT$ thousand

Item \ Year	2025	April 21, 2026 (Note)
Research and development expenses	168,348	39,979
Net operating income	804,878	423,616
Percentage of net operating income	21%	9%

Note: These are self-reported figures and have not been reviewed by accountants.

2. Technologies and products successfully developed:

Synthesis research institute:

(1) Completed the scale-up of new process for producing Plecanatide, a drug for the treatment of chronic idiopathic constipation.

(2) Completed the manufacturing process enlargement for Selumetinib Sulfate, an API for treating neurofibromatosis, reaching a purity of over 99%.

(3) Completed the process scale-up of Semaglutide, an API for treating diabetes and weight management, to 1 kg level, achieving a purity of over 99%.

(4) Developed a process for Tenapanor, a pharmaceutical ingredient for treating hyperphosphatemia in chronic kidney disease dialysis patients and constipation-predominant irritable bowel syndrome.

Biotechnology research institute:

(1) Completed the development of an experimental process to improve the quality of Dalbavancin raw material, a dermatological antibacterial drug, ensuring its nitrosamine impurity levels are below the regulatory standard (1 ppm).

(2) Completed process of Semaglutide fermentation intermediate, a weight loss drug, and the yield and quality met specifications.

(3) Completed scale-up laboratory process development for the Semaglutide side chain. The yield and quality met the standards.

(4) Completed laboratory process development of the multiple sclerosis raw material Ozanimod Free Base, meeting the customer's requirements.

(5) Complete the laboratory process scale-up and 6-month stability testing of the cancer drug Trilaciclib raw material. The quality met the specifications and apply for the US DMF.

3. Future research and development plans, and the projected expenses:

(1) Synthesis research institute:

Name of research project	Projected R&D expenses in 2026
Selumetinib Sulfate	Excluding the commercialization programs, our Company estimates to additionally invest about NT$25,500 thousand.
Anidulafungin	
Rezafungin	
Tenapanor	

(2) Biotechnology research institute:

Name of research project	Projected R&D expenses in 2026
Dalbavancin	Excluding the commercialization programs, our Company estimates to additionally invest about NT$25,000 thousand.
Echinocandin B	
Echinocandin B Nucleus	
Lerociclib	

(IV) Long- and short-term business development plans:

1. Long-term business development plan:

(1) We shall continually boost our research & development momentum, adjust research & development strategies to further develop products in high pricing, high technical threshold with few competitor but highly profitable. Through such efforts we could successfully enhance the productivity and operating benefits at the current business premises.

(2) The company will develop unique key technologies to develop special products, such as high-growth products such as anti-cancer, high potency and peptide drugs, to support the development of new customers and enhance the niche and appeal of product differentiation.

(3) Develop key technologies such as hydrogenation, optical splitting, asymmetric synthesis and organometallic reactions.

(4) The company will integrate chemical synthesis and microbial fermentation technology to develop biotechnology and semi-synthetic products in the fields of

cancer, immunosuppression and anti-fungals, and strengthen product features to facilitate market competition.

(5) By increasing our long-term investment into China Chemical and Pharmaceutical Co., Ltd., we shall incessantly strengthen the strategic alliance between the businesses undertakings of both parties. Taking Tacrolimus SD20 as the very blueprint, we shall to expand to cover other new products on the existent grounds to lay out the market over the entire world.

2. Short-term business development plan:

(1) With our incessant efforts, we shall continuously enhance the Company's unique fermentation and chemical synthesis technology to distinguish ourselves from other peers that have only chemical synthesis or fermentation technology-related products, to boost our multiple choices of new product development items, enhance competitive edge in the global market; and strengthen our Company's niche products including notably Everolimus, Tacrolimus, Ethyl Icosapentate (EPAE) and Caspofungin. Through process optimization to surge production capacity amidst our advantageous position to minimize costs, we shall significantly increase our Company's market share in the entire world market.

(2) The company will ensure compliance with regulations, strengthen the inspection of raw materials and API intermediate supply plants, ensure compliance with the upstream supply plants, raw materials comply with the latest requirements of the official drug regulatory authorities of all countries and the supply is intact, and ensure the quality of the products of the company and the domestic verification of the cGMP factory is continuously passed through the inspection of the US FDA, Japan PMDA and EU EMA.

(3) To develop CDMO/CMO business, by rallying to participate in domestic, foreign major drug makers' new drug R&D plans, through which to enter into early stage joint R&D relation, such as pre-clinical and various clinical stages' intermediary, products' trial, manufacturing process development and related work, in anticipation to form a strategic alliance with major pharmaceutical plants, for joint growth.

(4) For purchase of major raw materials, we have duly establishes a second supplier mechanism and tried hard to promote the outsourcing of fermented intermediates, release the production capacity of fermented intermediates to increase the production of fermented raw materials and, in turn, reduce unit costs and increase market share.

(5) Develop solvent recovery technology and continuously introduce various management systems and mechanisms in response to the increasingly strict environmental protection requirements. Implement waste and discharge reduction practices to reduce the operating cost and fulfill our green social responsibility.

II. Overview of the market and marketing:

(I) Market analysis:

1. Major market of the Company's products

Unit: NT$ thousand; %

Region \ Year		2024		2025	
		Amount	%	Amount	%
Export sales	Asia	313,105	23.24	164,095	20.39
	America	505,308	37.50	316,164	39.28
	Europe	347,894	25.82	221,686	27.54
	Others	397	0.03	-	-
	Subtotal	1,166,704	86.59	701,945	87.21
Domestic sales		180,671	13.41	102,933	12.79
Total		1,347,375	100.00	804,878	100.00

2. Market share

Taiwan's API manufacturers are primarily export-oriented. By developing critical active pharmaceutical ingredients and effectively controlling product costs and quality, many domestic API manufacturers have become important suppliers for foreign generic drug manufacturers and have penetrated the supply chains of multinational pharmaceutical companies. This has made them a sub-field of the pharmaceutical industry with a relatively high export proportion; APIs account for approximately 30% of the industry's total output. According to IDB data from the Ministry of Economic Affairs, the pharmaceutical industry's revenue was NT$119.6 billion in 2024, a decrease of about 7.36% compared to 2023. This is mainly because the high base period in 2023 resulted from a surge in pandemic-related orders. The API export value was NT$5.551 billion, a 7.9% increase compared to 2023. In 2024, APIs were exported to 68 countries, a slight increase of two countries from the 66 countries in 2023. Among these, Japan, China, the United States, India, and Germany were the top five export countries of raw materials and APIs in 2025. Japan led with an export value of NT$900 million, an 11% increase from 2023, representing the largest growth; China's export value was NT$760 million, up 9.5% from 2023; and the United States' export value was NT$550 million, up 8% from 2023.

Faced with fierce competition in the global API market, domestic API companies are actively developing diverse strategic plans, fully addressing customer needs and creating innovative APIs to expand the scale of the domestic API industry. At the same time, as many countries face over-reliance on a single country for some pharmaceutical APIs, which may lead to a drug shortage crisis, this has prompted them to rethink the adjustment of the pharmaceutical supply chain system. Taiwan can effectively leverage the advantages of domestic manufacturers in the development of API technology, actively seek opportunities to participate in the supply chain adjustment process of the pharmaceutical industry in various countries, and further expand the growth potential of the domestic API industry.

As latecomers in the generic drug market engage in fierce price competition, even if the client makes efforts to maintain market share, it is still unable to avoid the impact of price pressure, resulting in a decrease in the company's export amount in 2025 compared to the same period last year.

3. Future supply and demand and growth of the market

(1) Global demand

With large international pharmaceutical companies continuing to outsource API and waves of patent drug expiring, the domestic API drugmakers are receiving more orders. The global demand for API continues to growth and there are 10 to 15% growth every year, higher than the 2 to 5% growth experienced by generic drugs. According to the statistics of the Technology Department of the Ministry of Economic Affairs, the API market has been affected by the expiry of generic drug patents for the best-selling Active Pharmaceutical Ingredient (API), the market reached US$75 billion in the past three years. The huge business opportunities of generic drugs drive the growth of the API market. To put it in more understandable terms, the global demand for APIs will also reach its peak within three years and directly drive the growth momentum of the domestic API market to take orders.

(2) Global supply

Due to factors such as production efficiency and environmental protection costs, U.S. domestic pharmaceutical manufacturers had previously reduced their production of APIs, instead sourcing them from developing countries that complied with cGMP regulations and passed factory inspections. However, changes to the U.S. production policy and tariff policy in 2025 led to the imposition of high tariffs on pharmaceuticals from certain countries, thereby encouraging local production and the monitoring of drug prices. Meanwhile, countries have strengthened their pharmaceutical resilience plans by examining the strategic needs for pharmaceutical products. The changes to the market resulting from the taxation of imported active pharmaceutical ingredients (APIs) or the deregulation of pharmaceutical products prices in various countries require long-term observation. In Western Europe, the pharmaceutical industry started early and maintains a high level of technical expertise, and remains a primary exporter of APIs. However, in recent years, competition from lower-priced APIs from Asian countries such as China and India has led to overcapacity in the European API industry. As a result, Europe has actively sought transformation, entering the supply chain and offering OEM services for the global generic drug industry. In Asia, China and India have established a strong API industry foundation due to low production costs, less stringent environmental protection requirements, and sustained government support and incentives, and have gradually become major global API production regions. Overall, the emergence of China and India has moved the center of API development from Europe to Asia. Taiwan's API manufacturers may be small in terms of production scale, but their excellent product quality, management of the manufacturing process and cGMP implementation are all better than China and India’s. They focus on developing high-priced niche API and are starting to play an important role in the global niche market.

(3) Growth

The global pharmaceutical industry has maintained a steady growth over the past hundred years. In recent years, the industry has started to experience changes due to population aging, the governments of many countries promoting the use of generic drugs, waves of brand-name drugs experiencing patent expiration and being replaced by generic drugs, and the FDA approving fewer new drugs. Thanks to the prudent countermeasures by the pharmaceutical industry with continued adjustment of the managerial strategies coupled with reorganization of the industry to boost productivity, the entire pharmaceutical manufacturing industry

still maintains a trend of steady growth. Amidst the expiring patents and rising supply of generic pharmaceuticals with newly emerging pharmaceuticals in the significant growth, the IQVIA predicts that the pharmaceutical markets the world over would hit US$2.2 trillion by 2028, including the growth of the pharmaceutical markets in the developed countries to hit US$1.7 trillion, for a growth of 5% to 8%. Among them, the value of generic pharmaceuticals will be up to a value ranging from US$500 billion to US$550 billion where the non-original brand generic pharmaceuticals in the developed countries will hit a value ranging from US$315 billion to US$345 billion, for a growth rate of 8% to 11%. The growth of unbranded generic will decrease by 3% to 6%, anticipated up to the value ranging from US$185 billion to US$205 billion.

4. Competitive niche

(1) The Company has passed the US FDA and European PIC/S regulations and their requirements for plant inspection

After passing the European-French Methocarbamol plant inspection certification in June 2019, CCSB once again passed the follow-up plant inspection of the Company's products by the Taiwan Regulatory Agency (TFDA) in May 2024. The U.S. Food and Drug Administration (FDA) and the German official agency Bezirksregierung Münster conducted cGMP system certification in April 2025, and the Japanese official agency also conducted a supervisory factory inspection of Tacrolimus after launch in July 2024. The above official factory inspections by the United States, Germany and Japan all passed in 2025. The company has undergone several factory inspections and certifications from the U.S. FDA, Japan's PMDA, and the most stringent drug certification agency in Europe, the German Federal Institute for Drugs and Medical Devices.

We have met the cGMP standards of various global pharmaceutical companies. Being listed on the certification platforms will encourage global drugmakers from Europe, the US and Japan to work with us.

(2) Many products have been certified for DMF and proven competitive in export.

A Drug Master File (DMF) mainly introduces manufacturers' company profiles, organizational charts, chemistry, manufacturing and control (CMC) in quality control and assurance, stability tests, product specifications and impurity profiles. In general, the sales of API in a particular country requires DMF registration with FDA. When downstream drugmakers prepare medicine and apply for certification, the FDA reviews the DMF of the API manufacturers to make sure the API meet the local requirements. Since a DMF requires approval from the FDA, registering more DMF with the FDA can demonstrate the R&D, production and export capabilities of a company. As of December 31, 2025, we have completed the DMF registration with the US FDA for 29 products and received many orders for export. We will continue to develop new products, obtain their DMF registrations and improve our competitiveness in export.

(3) An API manufacturer that is equipped with bio-fermentation and chemical synthesis technologies and equipment.

Currently, most API manufacturers still use the chemical synthesis approach as it offers steady manufacturing processes, short product time and relatively simple equipment requirements. However, as the barriers to entry are lower for this type of manufacturing process, there are more competitors in the market. The concept of bio-fermentation is similar to the production of yogurt in which cell strains, animal and plant tissues, enzymes and bacterial species used in biotransformation, fermentation and purification are used to manufacture API. Since fermentation requires longer processing time, as well as the consideration of humidity,

temperature and strain quality, product prices tend to be higher. The process involves many conditions and complex factors, so there are fewer capable manufacturers which offer API based on fermentation.

We are one of the few companies in Asia which possesses both bio-fermentation and chemical synthesis technologies and equipment. To improve our market competitiveness, we develop API medicine using bio-fermentation or a mixture of bio-fermentation and chemical synthesis in anticipation of the future growth in biotechnology medicines.

(4) Enters the part of market in which small-batches of API are used for R&D.

Smaller pharmaceutical companies tend to use smaller batches of API for clinical trials when developing new drugs. These short-term and small-batch orders may not contribute greatly to the revenue, but the collaboration can provide future business opportunities. In other words, once their products enter large-scale clinical trials or obtain commercialization approval, they become an important source of orders for API manufacturers.

We have worked with drugmakers to provide them with API and they are in the third stage of clinical trials. Once they successfully obtain marketing authorization, we will benefit from the increased sales and improve our competitiveness.

5. Favorable and unfavorable factors affecting the future outlook:

(1) Favorable:

① With numerous honors accumulated over the years, notably hands-on cGMP production experience and the approval of the domestic raw materials drug cGMP with factory- inspection records and the US FDA, the European Union German factory inspection and the Japanese PMDA verification, we have firmly secured our successful marketing in the European, American and Japanese markets in our cGMP products. Our Company is primarily export-oriented and has effectively upheld our export volume and values.

② The successful introduction of Rapamycin, Tacrolimus, Mycophenolate Mofetil, Everolimus and Ethyl Icosapentate helps us accumulate experience and facilitates the development of Baricitinib, Difelikefalin Acetate, Selumetinib Sulfate and open up the markets in Europe, the US and Japan.

③ We are one of the few Active Pharmaceutical Ingredients (API) pharmaceutical companies in Taiwan engaged in both synthetic processes and biological fermentation processes. We also have a strong synthesis and biotechnology R&D team, providing strong support for new products such as Everolimus in the limus series and Caspofungin in the fungin series.

④ In November 2023, Taiwan was successfully included in the list of third countries for exporting raw materials to Europe by the European Union. This means that Taiwan's API management system, including production, quality management and GMP standards, is equivalent to that of the European Union. This will effectively reduce the time for Taiwan to export APIs to the European Union, strengthen the global competitiveness of Taiwan's pharmaceutical industry, and bring opportunities to expand the European market. Currently, only Canada, South Korea, Australia, Brazil, Israel, Japan, Switzerland, and the United States have successfully joined the list. Taiwan is the ninth country to join the list.

(2) Unfavorable:

① It is true that the American market is large in scale and high in unit prices. On the other hand, nevertheless, it calls for lengthy preparatory work and huge

amounts of manpower and material resources where it is virtually hard even if not impossible for us to pass the FDA verification. The extremely time-wasting and time-consuming process which is indispensable in the customer research and development schedule and the ANDA application progress would significantly dampen us from entry into the American markets.

② Our biotech product Tacrolimus has been in the market for quite a number of years, we have, nevertheless, not yet reached the pre-determined target as a result of the technical barriers on the preparation terminal. Those European and American patents have expired successively one after another but lots of manufacturers with competitive edge have emerged, leading to a decline in prices and increasingly fierce competition in the market.

③ The synthetic product, Ethyl Icosapentate, helps customers obtain first mover advantage in the market. However, customers face price cutting from late entrants and shortage of initial raw materials, which will affect their market share. Overall, despite short-term fluctuations, demand is likely to recover as customers continue to invest in market development.

④ The domestic healthcare policy on drug price-regulation greatly impacts the domestic sales market. The rigorous PIC/S requirements had driven the domestic drugmakers to withdraw from the market. The low-volume and low-price conditions make the market competition even more severe.

⑤ The main source of supply to raw materials used in upstream and chemical intermediates is in China. Global inflation, policy changes, environmental awareness, more strict labor laws and the rise in crude oil prices are driving up the cost.

⑥ Taiwan's API manufacturers are all export-oriented and they need to face the risk of exchange rate. At the present time as trade conflicts are lingering, protectionism rises, coronavirus pandemic (COVID-19) remains a threat, the global economy has slowed down the pace of growth and central banks throughout the world continue to uphold a loose monetary policy, leading to an increased risk of fluctuations in the exchange rate of currencies denominated in US dollars.

(3) Countermeasures:

The company put efforts to diversify its supply and seek qualified suppliers in India and other emerging market countries. In the intermediate-term, improve the manufacturing technology and add in hydrogenation and metals reactions to reduce dependence on foreign intermediates.

(II) Main uses and production processes of major products:

1. Main uses:

(1) Biotechnology products:

A. Caspofungin Acetate: As a sort of antifungal drug to be used for Candida infections and the like.
B. Dalbavancin HCl: An antibiotic used for skin and skin structure infections.
C. Everolimus: An anti-cancer or cardiovascular stent coating drug and also serves as an immunosuppressive agent.
D. Midostaurin is an anticancer drug for treating acute myeloid leukemia.
E. Mycophenolate Mofetil: An immunosuppressive drug which inhibits ejection of organ transplant.
F. Rapamycin: An immunosuppressive agent which inhibits ejection of organ transplant.

G. Semaglutide: GLP-1, used for type 2 diabetes and weight loss.
H. Tacrolimus: An immunosuppressive agent which inhibits ejection of organ transplant.

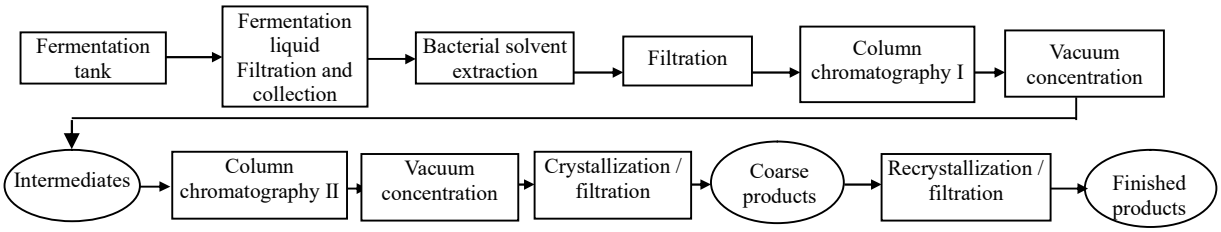
(2) Non-biotechnology products:

A. Difelikefalin Acetate: Aiming at treatment of pruritus induced by hemodialysis among patents with CKD.
B. Ethyl Icosapentate: Lower triglyceride
C. Ozanimod HCl: For treatment of relapsing-remitting multiple sclerosis.
D. Palbociclib: breast cancer medication.
E. Ribociclib: breast cancer medication.
F. Selumetinib Sulfate: Medication for plexiform neurofibroma.
G. Sugammadex Sodium: anesthesia recovery medication.
H. Trandolapril: For prevention and treatment of heart disease and hypertension.
I. Tofacitinib Citrate: rheumatoid arthritis medication.

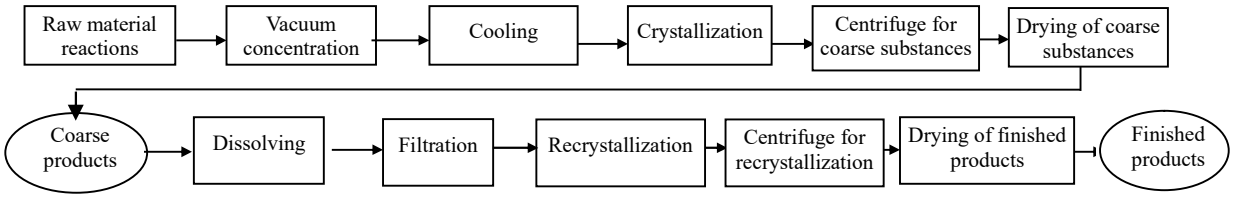
2. Manufacturing processes:

API:

(1) Biotechnology products:



(2) Non-biotechnology products:



(III) Supply status of main raw materials:

We always purchase raw materials from our long-term contracted suppliers who have no material shortage problems.

Main raw materials	Main suppliers	Supply status
AgNO3	Supplier E	Good
Sirolimus	Supplier F	
Solvents	Supplier B	
Sirolimus	Supplier C	
FCZ-C	Supplier G	

(IV) Parties who deliver more than 10% of the total raw materials or buy more than 10% of goods sold in any one of the past two years, their amount, proportion and reasons for changes:

1. Suppliers who account for more than 10% of the total purchased amount:

Information about the main suppliers the past two years

Unit: NT$ thousand

Item	2024				2025				As of the end of the previous quarter in 2026 (Note 1)			
	Name	Amount	Percentage of the net purchase of the year (%)	Relationship with the issuer	Name	Amount	Percentage of the net purchase of the year (%)	Relationship with the issuer	Name	Amount	Percentage of the net purchase as of the end of the previous quarter in the year (%)	Relationship with the issuer
1	Supplier A	79,585	26.71	None	Supplier E	26,818	15.20	None	—	—	—	—
2	Supplier B	40,650	13.64	None	Supplier F	21,646	12.27	None	—	—	—	—
3	Supplier C	38,603	12.95	None	Supplier B	20,338	11.52	None	—	—	—	—
4	Supplier D	31,001	10.40	None	Supplier C	18,184	10.30	None	—	—	—	—
5	Others	108,172	36.30	—	Others	89,483	50.71	—	—	—	—	—
	Net purchase	298,011	100.00	—	Net purchase	176,469	100.00	—	—	—	—	—

Note 1: As of the publication date of the annual report, there is no recent financial information to be audited or reviewed by accountants.

Reason for the increase or decrease: Silver nitrate raw materials were mainly purchased from supplier E in 2025 for subsequent fish oil commercial production; the key intermediate of EVE's main raw material Sirolimus was purchased from supplier F and supplier C, respectively, to meet the needs of business customers and reduce production costs; supplier B, a major solvent and special chemical supplier, experienced a decrease in sales performance in 2025, which affected the overall chemical solvent purchase quantity/amount.

2. Clients who account for more than 10% of the total sales amount:

Information about the main clients the past two years

Unit: NT$ thousand

Item	2024				2025				As of the end of the previous quarter in 2026 (Note 1)			
	Name	Amount	Percentage of the net sales of the year (%)	Relationship with the issuer	Name	Amount	Percentage of the net sales of the year (%)	Relationship with the issuer	Name	Amount	Percentage of the net sales as of the end of the previous quarter in the year (%)	Relationship with the issuer
1	Client A	447,264	33.20	None	Customer C	212,167	26.36	None	—	—	—	—
2	Client B	134,986	10.02	None	Client B	105,781	13.14	None	—	—	—	—
3	—	—	—	—	Client A	105,737	13.14	None	—	—	—	—
4	—	—	—	—	Client D	97,879	12.16	None	—	—	—	—
5	Others	765,125	56.78	—	Others	283,314	35.20	—	—	—	—	—
	Net sales	2,086,441	100.00	—	Net sales	804,878	100.00	—	—	—	—	—

Note 1: As of the publication date of the annual report, there is no recent financial information to be audited or reviewed by accountants.

Reason for the increase or decrease: Net sales for 2025 decreased compared to the same period last year, primarily due to slowing market demand for our main products. This resulted in a considerable build-up of inventory among customers; however, through continued efforts to expand market share, market demand has begun to recover.

III. Employees:

Year		2024	2025	The current year as of April 21, 2026
Number of employees	Administrative department	31	30	30
	Quality control	41	38	37
	Production (Note)	150	124	124
	R&D	68	60	58
	Marketing	9	9	9
	Total	299	261	258
Average age		39.84	41.64	41.78
Average years of service		9.93	11.37	11.46
Academic qualification	Doctoral Degree	5.35%	5.36%	5.43%
	Master's Degree	27.09%	27.20%	26.74%
	Bachelor's Degree	46.82%	49.04%	49.22%
	High school	19.07%	16.48%	16.67%
	Below high school	1.67%	1.92%	1.94%

Note: The numbers of production workers (including foreign workers) were 40, 28, and 28 for 2024/12/31, 2025/12/31, and 2026/4/21 respectively.

IV. Environmental protection expenditure:

In the latest fiscal year and as of the publication date of the annual report, losses resulting from pollution to the environment (including compensation and environmental protection audit results that violate environmental protection laws and regulations, the date of punishment, the file number of the punishment, the provisions of the statute, the content of the violation of the statute, and the content of the punishment) should be listed, and the current and future estimates should be disclosed as well. If the amount and the corresponding measures cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be stated:

Penalty date	Penalty reference number	Violation of the laws and regulations	Content of regulatory violation	Description of penalty	Response measures
2026.03.04	Environmental Audit Letter No. 1150396376	In violation of Paragraph 1 of Article 36 of the Waste Disposal Act and Articles 6, 7, and 11 of the Methods and Facilities Standards for the Storage, Clearance, and Disposal of Industrial Waste.	Violation date: June 5, 2025 (1) The storage location for general industrial waste is not clearly marked with the waste's name in Chinese. (2) The storage facility for toxic and hazardous industrial waste lacked markings indicating the storage date, quantity, and composition; furthermore, it did not have disaster prevention equipment nor measures to prevent rainwater from flowing and seeping in.	A fine of NT$72,000 Environmental protection responsible personnel participated in a 4-hour environmental education course. .	(1) The relevant notice boards have been installed, and inspections have been increased to prevent detachment. (2) The waste storage site has been equipped with facilities to prevent rainwater inflow and seepage.

V. Employer and employee relationships:

(I) The availability of employee welfare, training, ongoing education, and retirement policies. Elaborate on the agreements between employers and employees, and the protection of employees' rights:

1. Employee benefits and implementation status:

Employees are the most important assets of the company. The company provides a safe and comfortable office environment. It is a 45-minute flexible working time for the understanding of the hard work of the children and the long-distance commuting.

In addition to various group insurance plans and proper health examinations, we take care of our colleagues' health and establish a diverse community to encourage employees to participate actively, so that employees can achieve a balance between work and family, family and self.

The employees who have served for one year enjoy 100% ESOP (Employee Stock Ownership Plan) awards in the company. The ESOP help the company's colleagues to achieve long-term savings and accumulated wealth through the "ESOP" to ensure the stability of the future life and enhance employees' sense of belonging to the company. Employees could have the ability to hold company stocks and share business profit.

The company immediately announced on various occasions that the company would not be classified as race, class, language, thought, religion, partisanship, place of birth, place of birth, gender, sexual orientation, age, marriage, appearance, facial features, physical and mental disabilities or former union members. The company will implement workplace equality, building a happy enterprise, and move towards a society of plural respect.

In addition to policies meeting the Labor Standards Act, the Company also provides health examination for employees. An employee welfare committee has also been established to handle benefits and manage benefit payments. The employee benefits are listed as follows:

(1) Pay out pension as required by law.

(2) In addition to having all employees participate in labor insurance and national health insurance according to law, the Company also provides group insurance and periodic health examination.

(3) Paid holidays according to law.

(4) Employees in the company, who are married, mourned, happy, and celebrated are entitled to a vacation and receive a subsidy for benefits, in addition to the provisions of the Law on Labor. In 2025, there were 40 applicants.

(5) A monthly birthday gift is issued to employees in the company; a total of 275 persons were issued them in 2025.

(6) Employees can receive annual bonuses or prizes during festivals such as Spring Festival, Labor Day, Dragon Boat Festival and Mid-Autumn Festival; a total of 1,111 people were issued them in 2025.

(7) The Company sponsors employee tours or provides travel subsidies from time to time.

(8) Staff dormitories for employees living far from work

(9) All employees got 100% subsidy for shareholding trust for their secured retired life.

2. Self-improvement, training and implementation status:

To enhance employees' professional and technical capabilities and to improve

work efficiency and product quality, the Company provides an Annual Education and Training Planning Chart. In addition to conducting employee training based on the chart, internal courses on management and professional skills are provided from time to time. Employees are also sent to external organizations to receive training to strengthen their professional capabilities.

(1) Education and training of new hires:

To help new hires learn about the environment, understand the Company's regulations and history, pay attention to work safety, know the work of every department, and learn about the Company's approach to environmental management, professional capabilities and requirements, labor laws and safety and health training so they can become the talent that the Company really needs.

(2) Education and training of the existing employees:

Conduct training based on the education and training program every year. Provide education on the existing task and position and knowledge and skills needed for additional specialty so they can perform better in their positions.

Implementation progress of education and training in 2025:

Types of training	Man-hours	Total cost (NT$ in thousands)
cGMP	3,441.5.0	210
SOP Training	505.0	
Specialized training	312.0	
Instrument Training	194.0	
New-hires	6.0	
Industrial Safety	378.0	
Others	723.0	
Total training hours	5,559.5	
Average training hours / per person per year	21.30	

3. Retirement system and implementation progress

The Company has set up the "Regulations for Employee Retirement" (hereinafter the Old Fund) in accordance with the Labor Standards Act. In accordance with the "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds" of the Ministry of the Interior. Retirement reserve funds in sufficient amounts shall be provisioned and deposited into the Bank of Taiwan (account designated for retirement reserve funds) for safekeeping and utilization.

With "Labor Pension Act" (referred to as "the new system") becoming effective on July 1, 2005, incumbent employees under the "old system" who have qualified service tenure under the "new system" and new hires after the effective date of "Labor Pension Act" who select the contribution plan with the "new system" have no less than 6% of their monthly pay deposited into the account of employee reserve fund by the Company. With regard to the contribution plan, we contribute 6% of the monthly payroll, in accordance with Labor Pension Act, to Bureau of Labor Insurance and the amount contributed is recognized as part of the annual expense.

The company adheres to the Labor Pension Act's applicable regulations as follows:

(1) Voluntary retirement:

Workers encountering one of the following circumstances may apply for retirement: (those choosing the Labor Pension Act are processed per the same act's regulations).

A. Having been employed for more than fifteen years and more than 55 years of age.
B. Having been employed for more than twenty-five years.
C. Having been employed for more than ten years and more than 60 years of age.

(2) Mandatory retirement:

Of employees other than those meeting one of the circumstances below, the company may not force them to retire:

A. More than 65 years of age.
B. Having lost mental capacity or having been physically disabled and thus incompetent to work.

The preceding section article 1 specified age for those rendering work with a hazardous, strong stamina and related special nature, the company may declare with competent central government authorities for approval to adjust it. However, it may not fall below fifty-five years of age.

(3) Pension payout standard:

A. Of employees eligible to the working seniorities before and after the Employment Standards Act and choosing to stay on "Employment Standards Act" pension regulations per the Employment Standards Act or retain their working seniority prior to the applicable Employment Standards Act, their pension payout and the standard are calculated and paid out per Employment Standards Act article 84-2 and article 55.
B. Of employees commanding the preceding section's working seniorities and are subject to a mandatory retirement per article 35 par I subpar II stipulations, whose mental loss or physical disability has been a result of rendering their duties, their payout is made per Employment Standards Act article 55 par I subpar II regulations plus an additional twenty percent.
C. Of employees eligible to the Labor Pension Act regulations, the company allocates a 6% of whose working wages to a worker's individual pension account.

(4) Pension payout:

The company shall pay to its employees when the retirement pension is paid out, within thirty days from an employee's retirement date.

(5) Fact in appropriation of pension fund:

The Old Fund: As of December 31, 2025, the Labor Retirement Reserve Fund cumulatively amounted to NT$145,211 thousand.
New pension mechanism: In 2025, the total amount amortized came to NT$9,130 thousand.

4. Agreement between the employers and employees

We respect employees' opinions and are committed to build a work environment that offers open communication. Employer-employee meetings are held periodically to encourage colleagues to voice their opinions in an open and transparent manner. Supervisors and the related work departments are required to provide prompt responses in order to achieve the goal of having two-way communication.

5. Protection measures for employee benefits

We have a well-established management system which specifies employees' rights, obligations and welfare. The content is reviewed regularly to protect employees' interests.

6. Protection measures for work environment and employees' personal safety:

Item	Content
Entrance Security	The Company maintains strict access control day and night and is in contract with a security firm to provide office and factory plant security.
Equipment maintenance and inspection	1. In accordance with the requirements of Fire Services Act, the Company commissions professional fire inspectors to conduct inspection. 2. In accordance with the occupational safety and health guidelines, the Company invites professional inspection agency to check industrial lifts and elevators every half a year (completed as of January 2025, July 2025) and issue certificates. Boiler (completed as of March 11, 2025, May 13, 2025 and October 15, 2025), high-pressure equipment (completed as of June 18, 2025) and Class 1 pressure vessel (completed as of May 13, 2025, October 15, 2025) inspections are conducted once a year to obtain necessary certificates. 3. In accordance with the occupational safety and health guidelines, all the responsible departments conduct daily, monthly, quarterly, semi-annual or annual inspection of forklifts, lifts, ventilation system, storage tanks, high- and low-voltage electrical equipment, fire fighting equipment and others and perform maintenance and repair based on the inspection plan. Industrial lift vendors are hired to perform professional inspections and maintenance of lifts on a monthly basis.
Disaster prevention and response actions	1. In order to maintain the safety and health of employees, the Department of Safety and Health is established, and one occupational safety and health administrators are prepared to handle occupational safety and health affair related business. 2. "Response Measures for Emergencies," "Occupational Safety and Health Rules" and "Occupational Safety and Health Management Plan" are established to clearly define the responsibilities and tasks of personnel at all levels before and after incidents, and employees and contractors are required to follow the rules to prevent any occupational disasters. 3. Employees are given personal protective gears which include goggles, protective clothing and gloves, work safety shoes, respiratory protection equipment and others, and they are required to wear the gears in their daily work. 4. In accordance with “Fire Services Act” and regulations for environmental protection, the Company assigns emergency response teams, install emergency and rescue equipment and perform fire-fighting, toxin control and emergency exercises every half a year. A total of 27 participants on 2025/05/09 and 30 participants on 2025/11/28.
Physical and mental health and work environment hygiene	1. Health examination: The existing employees are given a free health check every year, better than what the provisions of the “Occupational Safety and Health Act” require. In 2025, a total of 243 examinees for on-the-job employee health examinations and 62 examinees for specific health examinations (specifically, employees involving use of specific chemicals), at the aggregate total of 305 examinees. 2. Work environment hygiene: Smoking is prohibited within the factory floor. Full-time cleaners are hired to clean office space, factory and warehouses. 3. In accordance with the requirements of the “Occupational Safety and Health Act,” specialized testing organizations are invited to perform chemical exposure assessment in the product areas every half a year. The most recent testing was done in February and August 2025. There were 4 product processes areas and research department, 9 chemicals and 25 testing items. The results were in compliance with the allowable concentration to ensure employees' health. 4. Currently, the company has installed two units of AEDs, one in the reception room and the other on the first floor of the research building. 5. Expressing opinions: A “President’s Mailbox” is set up in the cafeteria to

Item	Content
	welcome employees' inputs regarding the Company's operations and current status. Suggestions for improvement are also welcomed. The input can be anonymous or with employees' name attached and the president office will personally handle the cases. 6. Online communication channels: A "the Company Employee Discussion Forum" is established in the Company's system which serves as a platform for announcements and for employees to voice their opinions and concerns. In addition, employees can file complaints via "Stakeholders' Area" of the Company's website. The management will conduct investigation and handle issues in accordance with the relevant regulations to protect the interests of the Company and employees.
Education and training	1. Education and training for new hires: To help new hires learn about the environment, understand the Company's regulations and history, pay attention to work safety and know the work of every department, management of chemicals, professional capabilities and requirements, labor laws, occupational safety and health training and cGMP training so they can understand the environment, safety and policies better. In 2025, a total 3 education and training sessions on general safety and health were held, with a total of 3 participants. A total of 2 education and training sessions on chemical hazards were held, with a total of 2 participants. 2. Education and training for the existing employees: To enhance employees' professional and technical capabilities and improve work efficiency and product quality, the Company provides an Annual Education and Training Planning Chart. In addition to conducting employee training based on the chart, internal courses on management and professional skills are provided from time to time. Employees are also sent to external organizations to receive training to strengthen their professional capabilities. The Company has these professional safety and health licenses: Operation supervisor for handling organic solvents, operation supervisor for specific chemicals, operation supervisor for anoxic treatment, forklift operator, stationary crane operator, boiler operator, high-pressure equipment operator, fire protection manager, security and safety monitoring staff, first-aid personnel and others specialized licenses. In 2025, 13 people took re-training course and 1 people were assigned as new trainees. 3. Contractor education training: In conjunction with the provisions in the Occupational Safety and Health Act, the "Contractor Operation Management Guidelines" have been set up. Education training implemented for contractors entering the factory for operation totaled 17 people. They were also informed of the hazards, prevention of occurrences of work hazards, and maintenance of work environment safety.

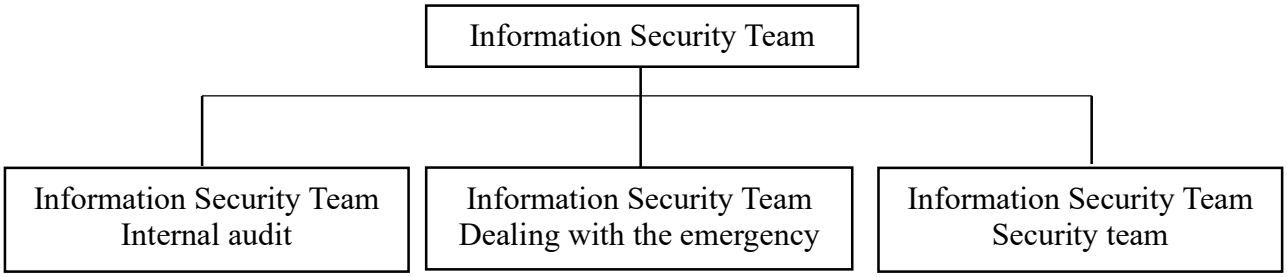
(II) In the latest fiscal year and as of the publication date of the annual report, the loss incurred by a labor dispute (including an event where the result of labor examination proves in contravention of Labor Standards Act which should be expressly enumerated with the date, file number of penalties, contents of violated laws, contents of offense and contents of penalty) with disclosure of the estimated amounts at the moment and in the future as well as countermeasures thereof: no such fact ever existed.

VI. Information and communication security management:

(I) Framework information and communication security management, information and communication security policies, specific management plans, and resourced inputted into information and communication security management:

The Company has formulated Regulations Governing Management Operation toward Computerized Information System and Operating Procedures of Cyber Safety Operation Procedures to faithfully implement thoroughly the sound internal control system and policy in cyber security. Ensure its appropriateness and effectiveness through annual internal inspections and external assessments of its safety regulations and procedures. The company will explain the details in the following sub-items:

(1) Framework of information and communication security risk management



Here at the Company, we have established the Cyber Security Task Force under the Information Division the organization chart of which is shown above. The head of the Information Department serves as the full responsibility supervisor of the Cyber Security Task Force which is, as well, staffed with one full-responsibility specialist. The Cyber Security Task Force assume the responsibility to formulate information security policies, monitor and update the information security related messages, map out, monitor and implement information security related maintenance services. The internal audit and external audit are carried out regularly by the auditing office and the accounting firm every year. In April 2025, the auditing office performed the internal audit of the safety inspection and control operations, and issued an internal audit report, which was reported to the audit committee and the board of directors. In November 2025, the external audit of the “Information System Environmental Auditing” was carried out by PWC Certified Public Accountant Firm. The server host used by the system is located in the internal virtual network. The internal host is protected by a firewall. The external network is isolated and cannot be directly accessed. It has adopted multiple network security defense systems. The firewall and intrusion detection at the front end of the network. Test system and anti-virus are used as the basis for enterprise security protection. It can also strengthen the detection of malicious programs for traffic, web pages and emails. Through the correlation analysis of different security mechanisms, it can play the role of defense in depth and immediately block the latest malware, harmful website links, defense against external network attacks, mail content security control system is responsible for filtering the contents of incoming and outgoing links, and can further block files with zero-day malware, APT attack tools, and vulnerabilities. Attack files... threats such as threatening emails, spam emails, etc. The internal host and endpoints of the company are deployed by the central control unit to provide anti-virus software, which can update the virus code and instantly identify malicious behaviors. It can instantly intercept virus Trojan worms, ransomware, malicious files in folders, etc. The risk of damage from the hacker attack could be effectively reduced.

(2) Information and Communication Security Policy:

To assure the Company's satisfactory business operation without a hitch to prevent our information or information (cyber) security system from unauthorized access, use, control, leakage, destruction, tampering, damage or infringement in other means to perfectly ensure confidentiality, integrity and availability, we have formulated the information (cyber) security polices as enumerated below:

A. Regularly implement information and communication security education and training, promote information and communication security policies and related implementation regulations, promote employee awareness of information security and strengthen their awareness of related responsibilities.

B. Implement an internal audit system for information and communication security to ensure the implementation of information and communication security management.

C. Protect the company’s business activities, avoid unauthorized modifications, ensure its correct integrity, protect the company’s data, systems, equipment and network communications security, and prevent external invasion and destruction.

D. Protect the company’s business activities, avoid unauthorized access, system information account access rights and system changes, all must be controlled by rights.

E. Protect the integrity of the company’s data and implement the destruction procedures. The computer storage media that have been scrapped should be destroyed to avoid accidental exposure.

F. The company will monitor the security status and activity records of the information system to effectively grasp and deal with information security incidents.

G. The execution of the company’s business activities must comply with the requirements of relevant laws or regulations.

At present, the company’s information and communication security maintenance measures are complete, and the consideration of security insurance is still an emerging insurance, and it involves supporting the grading of security and claims, so it is still evaluating the stage of future applicability.

(3) Specific management plans for information and communication security:

A. System account and permission management

The computerized system of the company should have sufficient authority to prevent unauthorized intrusion or unauthorized changes to the data. The content includes information and communication security rights, information access rights and information access control. The company will determine the degree of security control, according to the importance of the computerized system. The user’s account and authority, data access shall not be used or changed until approved by the competent department head(s). Retired personnel (including those who remain in office) should immediately lock, stop or remove accounts and permissions in accordance with the procedures to prevent unauthorized use.

B. Data access records should be audited and kept properly.

In order to ensure the integrity of the data, the computerized system should be able to record the transaction history, that is, any data change/deletion, who should perform it, record the track record of the system file access, and historical data

such as incoming and outgoing mail, archive and save. Computers of the company that have completed the retirement process perform hard disk disassembly and destruction to comply with the regulatory system and the security policy.

C. Information system continues to operate

To assure perfect safety & security of the Company's information and data, systems, equipment and network communications, we have duly set up data/backup methods and backup operation standards. All systems and documents are backed up locally daily, weekly and quarterly. The backed up information and data are further transmitted to a different equipment or stored at a different venue daily, weekly and quarterly to assure that information and data are backed up in varied venues and varied machines coupled with the strengthened efforts through various simulation tests and emergency countermeasure drills. Through such efforts in combination, our information systems are assured under very sound operation amidst safe and secured environments. On a regular basis every year, we carry out recovery drills for our system information to assure the information system to be operated safe and sound under perfect safety & security/ Thanks to such efforts, we virtually minimize a potential disaster by nature without a prior warning. In turn, we virtually evade potential risks that might lead to significant data loss. In May 2025, we carried out IT disaster recovery (ITDR) drill test. The Company's information system proves to have been operated continually without an interruption, free of a potential risk that might lead to loss of information.

(4) Resources input into information and communication security management:

Here at the Company, the head of our Department of Information serves as the dedicated supervisor in charge of information safety & security and is staffed with one dedicated specialist to assume the responsibility to map out system, monitor and implement information security related business affairs. From time to time on a nonscheduled basis, the Company takes the current events to launch publicity focusing on information (cyber) security toward the entire staff. Through such events, we convey significant regulations and precautions linked up with information security. In an effort to intensify the Company's information security technology and security protection, we invested a total of NT$1,078 thousand onto information (cyber) security related affairs in 2025.

Related expenses for cyber security measures in 2025:

Training/Purchase	Number of participants	Training hours per person	Total expenses (Note) (NT$ thousand)
Annual email social engineering drill and IT security education and training, 2 sessions.	39	1	1,078
	112	1	
External training courses: Cybersecurity Testing Tool Practices (Advanced)	2	32	

(Note) Including Purchase cyber security protection software

(II) Losses caused by major information and communication security events in the most recent year and on the day of annual report printing may affect the coping measures. In the event a reasonable estimation fails to be made, explain the facts for failure to make a reasonable estimation: Not applicable.

VII. Major contracts:

The following shows the Company's effective renewed and expiring vendors and order contracts, technical collaboration contracts, engineering contracts, long-term loans and other important contracts that can affect shareholders' equity as of the publication date of the annual report:

Contract nature	Participants	Contract start and end dates	Main contents	Restrictive clauses
Sales cooperation	Company A	2017.11.27~ 2027.11.26	Contracts on cooperation into sales of our products	Privacy Policy
Sales contracts	Company E	2022.07.01~ 2027.06.30	Contracts on cooperation into sales of our products	Privacy Policy
Sales contracts	Company F	2023.09.01~ 2026.08.31	Contracts on cooperation into sales of our products	Privacy Policy
Sales contracts	Company H	2024.01.01~ 2026.12.31	Contracts on cooperation into sales of our products	Privacy Policy

Five. Review of financial status, business performance, and risk management issues

I. Financial status:

Comparison of financial status

Unit: NT$ thousand

Item \ Year	2025/12/31	2024/12/31	Difference		Remarks
			Increase (decrease)	Change in percentage (%)	
Current assets	1,058,883	1,441,225	(382,342)	(26.53)	Note 1
Financial assets that are measured at fair value through profit or loss - non-current	32,835	17,433	15,402	88.35	Note 2
Investments accounted for by the equity method	1,020,613	984,386	36,227	3.68	
Property, plant, and equipment	2,056,245	2,192,953	(136,708)	(6.23)	
Right-of-use assets	4,316	6,514	(2,198)	(33.74)	Note 3
Real property for investment-net	10,700	10,700	—	—	
Intangible assets	1,537	3,768	(2,231)	(59.21)	Note 4
Deferred income tax assets	52,275	35,547	16,728	47.06	Note 5
Other current non-assets	79,949	70,212	9,737	13.87	
Total assets	4,317,353	4,762,738	(445,385)	(9.35)	
Current liabilities	356,706	425,288	(68,582)	(16.13)	
Non-current liabilities	873,307	980,510	(107,203)	(10.93)	
Total liabilities	1,230,013	1,405,798	(175,785)	(12.50)	
Attributable to owners of the parent company	3,087,340	3,356,940	(269,600)	(8.03)	
Share capital	769,180	775,600	(6,420)	(0.83)	
Capital reserve	331,763	334,526	(2,763)	(0.83)	
Retained earnings	2,042,230	2,311,979	(269,749)	(11.67)	
Other equity	(55,833)	(65,165)	9,332	14.32	
Treasury stock	—	—	—	—	
non-controlling interests	—	—	—	—	
Total equity	3,087,340	3,356,940	(269,600)	(8.03)	

Description on changes exceeding 20%

Note 1: The decrease in current assets was mainly due to the decrease in net inventory in the period compared to the same period last year.

Note 2: The increase in financial assets at fair value through profit or loss – non-current was mainly due to the increase in financial assets equity instruments measured in the current period compared to the same period last year.

Note 3: A decrease in right-of-use assets was mainly attributable to a reduction in leased official vehicles during the current period.

Note 4: The decrease in intangible assets was mainly attributable to a reduction in the carrying amounts of software, patent rights, and know-how during the current period.

Note 5: The increase in deferred income tax assets was mainly due to the increase in inventory impairment losses recognized in the period compared to the same period last year.

II. Financial Performance:

(I) Comparative analysis of financial performance

Unit: NT$ thousand

Item \ Year	2025	2024	Increase (decrease)	Variation (%)	Remarks
Operating revenues	804,878	1,347,375	(542,497)	(40.26)	Note 1
Operating cost	813,742	953,057	(139,315)	(14.62)	
Operating gross profit	(8,864)	394,318	(403,182)	(102.25)	Note 2
Operating expenses	310,674	387,976	(77,302)	(19.92)	
Operating profit	(319,538)	6,342	(325,880)	(5,138.44)	Note 2
Non-operating revenues and expenses	63,861	50,880	12,981	25.51	Note 3
Earnings before tax	(255,677)	57,222	(312,899)	(546.82)	Note 4
Income tax benefit (expense)	11,830	(4,190)	16,020	382.34	Note 4
Current period net profit	(243,847)	53,032	(296,879)	(559.81)	Note 4
Other comprehensive income for the period (net)	7,508	15,721	(8,213)	(52.24)	Note 5
Total comprehensive income for the period	(236,339)	68,753	(305,092)	(443.75)	Note 4
Net income attributable to owners of the parent company	(243,847)	53,032	(296,879)	(559.81)	Note 4
Net income attributable to non-controlling interests	—	—	—	—	
Total comprehensive income attributable to owners of the parent company	(236,339)	68,753	(305,092)	(443.75)	Note 4
Total comprehensive income attributable to non-controlling interests	—	—	—	—	

Description on changes exceeding 20%

Note 1: The decrease in operating revenue was primarily attributable to market conditions impacting certain products during the current period.

Note 2: The decreases in gross profit and operating profit were primarily attributable to lower operating revenue during the current period and increased recognition of inventory write-downs and obsolescence losses.

Note 3: The increase in non-operating income and expenses was primarily attributable to a larger share of profit or loss of associates and joint ventures accounted for using the equity method compared to the same period last year.

Note 4: Decrease in net profit before tax, income tax expense, net profit for the current period, total comprehensive profit and loss for the current period, net profit attributable to the owners of the parent company, due primarily to the decrease in profit for the period compared to the same period last year.

Note 5: Other comprehensive income (net) for the period decreased, primarily due to a decrease in actuarial gains on defined benefit plans compared to the same period last year.

(II) Expected sales and its basis: Please refer to “Report to Shareholders.”

III. Cash flow:

(I) Cash flow analysis of the most recent year:

Item / Year	2025	2024	Percentage increase / decrease (%)
Cash flow ratio (%)	39.97	109.96	(63.65)
Cash flow adequacy ratio (%)	59.29	53.84	10.12
Cash flow reinvestment ratio (%)	2.00	6.12	(67.32)
Analysis of percentage increase / decrease: Decrease in cash flow ratio and cash reinvestment ratio: These decreases resulted from lower net cash inflow from operating activities during the period.			

(II) Plans to improve liquidity: Not applicable.

(III) Liquidity analysis for the next year:

Unit: NT$ thousand

Opening cash balance	Cash flow from operating activities for the year	Cash outflow for the year	Cash surplus (deficit)	Financing of cash deficits	
				Investment plan	Financial plan
216,437	1,084,171	1,050,874	249,734	—	—

1. Cash flow analysis for the coming year:
   (1) Operating activities: The increase in net cash inflow from operating activities is mainly due to the shipment of the Company's main products.
   (2) Investing activities: The increase in net cash outflow from investing activities is mainly due to the Company's capital expenditures for the purchase of equipment.
   (3) Financing activities: Mainly due to CCSB’s utilization of bank loan facilities.
2. Remedial measures and flow analysis into the expected cash shortage: There is no such situation. This part is not applicable.

IV. Material capital expenditures in the latest year and impacts on business performance:

(I) Major capital expenditures: None.

(II) Impact of major capital expenditures on financial operations: Not applicable.

V. The major causes for profits or losses incurred by investments during the latest year; rectifications and investment plans for the next year:

Unit: NT$ thousand

Item \ Description	Sum of initial investment	Policies	Investment gains (losses)	Major causes for profits or losses	Corrective plans	Investments planned for the next year
Cenra Inc. (formerly China Chemical & Pharmaceutical Co., Ltd.) (Note 1)	863,602	The company will do strategic investment, effective use of company funds, improve the company's capital gains	57,260	In good operating status.	None	None
PHARMAPORTS,LLC	4,925	Contacting office for the US FDA regulations and the US regional marketing office	5,390	In good operating status.	None	None
China Development Biomedical Venture Capital (limited company) (Note 2)	5,250	Strategic investment	-	-	None	None

Note 1: On September 2, 2024, China Chemical & Pharmaceutical Co., Ltd. was delisted and stopped its trading in public. The Company's long-term holdings in China Chemical & Pharmaceutical Co., Ltd. (42,053,137 shares) were converted into Cenra Inc. (21,026,568 shares); the number of shares held was halved.
On July 9, 2025, "China Chemical Investment Holdings Co., Ltd." was renamed "China Chemical Holdings Co., Ltd."

Note 2: Recognize financial assets measured at fair value through profit or loss, so there is no need to recognize investment gains and losses. Capital reductions of NT$1,521 thousand, NT$8,169 thousand, NT$3,060 thousand, NT$3,000 and NT$9,000 were made in December 2025, June 2023, January 2023, April 2022 and March 2021, respectively.

VI. Risks should be analyzed and assessed for the most recent years and as of the publication date of the annual report:

(I) Impact of changes in interest rates and currency exchange and inflation on the Company's profit and loss and the response measures to be taken in the future:

1. Changes in interest rates: Our interest rate risks mainly come from bank borrowings for operations and investment activities. The net interest expenses for 2025 and 2024 were NT$16,926 thousand and NT$12,947 thousand, respectively. We always pay attention to the changes in the overall financial environment and assess the impact of interest rate changes on our interest expenses.

2. Changes in exchange rate changes: In the Company. export sales accounted for 90% of its overall revenue. Accordingly, significant changes in the exchange rate would be significantly detrimental to the Company and may adversely affect the Company's financial status. During Years 2025 and 2024, the Company's exchange gains and losses amounted to NT$23,635 thousand and NT$ (5,371) thousand, respectively. In an attempt to reduce the adverse impact upon the exchange rate changes on operations, the Company primarily adopted U.S. dollar assets to pay U.S. dollar liabilities to reduce the impact of exchange rate risks on the Company's profit and loss.

3. Inflation: In recent years, the shortage of raw materials and energy have caused price increase. The overall economy and industry are still showing steady growth, so the inflation is still within a manageable range. We also maintain good working relationships with suppliers and customers and constantly pay attention to the fluctuation of the market price of raw materials, so inflation has no significant impact on our profit and loss. In the days and years ahead, the Company shall still closely watch the inflation. Whenever the purchase cost increases due to inflation, the Company will also appropriately adjust the

sales price and raw material inventory to assure a stable gross profit margin.

(II) Policies on high risk and highly leveraged investments, loans to others, endorsements / guarantees, and the trading of derivative instruments; describe the main causes of profit or loss and responsive measures in the future:

1. We take a safe and steady approach in our operations and are not engaged in high-risk and highly leveraged investment activities.
2. In the latest fiscal year and as of the publication date of the annual report, the Company had not got funds loaned to others, engaged in endorsement guarantees and transaction in derivative financial instruments. Furthermore, the Company had duly enacted “Handling Procedures for Loaning of Funds to Others” and “Procedures for Making of Endorsements/Guarantees” as well as “Procedures to Engage in Transaction and Disposal of Derivatives” which function as sound basis for business implementation thereafter so as to firmly assure the maximum possible benefits of the Company.

(III) Future research and development plans, and the projected expenses:

We adhere to the principles of having in-house research and development capabilities. Our long-term commitment in developing R&D talent and conducting specialized research projects is the source of our technology. We also maintain close working relationships with upstream suppliers for technical collaboration. In recent years, we also try to recruit outside R&D talent. In the coming year, we will continue devote ourselves to research and development. Having high-quality R&D personnel, mastering key technologies and meeting customer demand are the key factors to successful research and development. We will continue to accumulate our experience and constantly improve product performance to gain competitive advantages in the market.

(IV) The effect of major changes in policies and legal practices, whether domestic or foreign, to the company’s financial and business performance, and the responsive actions:

We handle our operations in accordance with the domestic and foreign laws. We also constantly pay attention to changes in policies and laws. We also have quality assurance department and bioscience, synthesis and analysis institutes which provide response measures. We have not yet experienced major impacts on our financial performance from policy or laws changes at home or abroad as of the most recent year and the date of the publication of annual report.

(V) Effects of technological (including information and communication security risk) and industrial changes to the company's financial and business performance, and the responsive actions:

1. Our main products are APIs. We survey and analyze the applications of chemical synthesis and biotechnology and the changes of technologies and at the same time develop value-added and high-margin products to maintain our profit. We have not yet experience major impacts on our financial condition due to technology or industry changes as of the most recent year and the date of the publication of annual report.
2. Information and communication security risks:

The Company production lines operate independently and are not connected to the Internet. Therefore, they are less prone to the risk of viruses affecting and causing crash events in the factory. Each desktop computer and notebook computer in the office is equipped with anti-virus software. In addition to enabling real-time scanning and periodic scanning of each computer p, the virus code should be updated every day. Mail receiving and sending are filtered via the SPAM SQR Server, and the SPAM SQR ADM defense module and DKIM signature are purchased in order to reduce the risk of social emails and phishing mail. Education training on information security shall be

periodically conducted, or information security mail notifications shall be occasionally conducted in order to enhance personnel’s information security risk awareness. The Company’s internal network is connected through a self-built VPN, with firewall protection in order to block the risk of cross infections of viruses in the factory. By means of internal inspection and external evaluation over the safety & security related rules and procedures, the Information Department has implemented thoroughly the Company's regulations and procedures to assure the integrity and security of the Company's information. The result of risk evaluation proves quite a satisfactory result. So far the Company has not run into any Internet attack. All such business operations do not adversely affect the Company's business operation and performance at all. Never has the Company got involved in any legal cases or monitoring investigation linked up with such issue. The technological changes cast no significant impact upon the Company's information (cyber) security. The Company proves free of any significant risk in business operation.

(VI) Impacts of changes in corporate image to the company's crisis management, and the responsive measures:

In the latest fiscal year and as of the publication date of the annual report, the Company proved free of any image change that would cause the Company to face crisis management. This part is, therefore, not applicable.

(VII) The expected benefits from mergers and acquisitions, the potential risks associated, and the responsive measures:

We have not planned any acquisitions as of the most recent year and the date of the publication of annual report, thus the condition does not apply.

(VIII) The expected benefits from plant expansion, the potential risks associated, and the responsive measures:

We have not expected from plant expansion as of the most recent year and the date of the publication of annual report, thus the condition does not apply.

(IX) Risks of concentrated purchases or sales, and responsive measures to such risks:

We are a specialized API drugmakers. API is a main component of drugs that offers curative effect and directly affects the health and life safety of drug users. In an attempt to ensure the effectiveness and safety of drugs, the pharmaceutical industry has imposed very strict requirements on the quality of raw materials and relevant government authorities of various countries throughout the world have also tried hard to regulate the sources of main intermediates of API manufacturers. To ensure product quality and comply with the requirements of FDA and cGMP, we conduct numerous testing and experiments with the newly sourced materials and only use them after the stability of trial passes requirements. Once they are being used in production, they will not be replaced easily to maintain quality, stability, reliability and safety.

The risks associated with concentrated sourcing include:

1. Supply disruption risk has significantly increased: Concentrated procurement or sales may lead to a supply chain disruptions, especially when issues arise with suppliers or customers.
2. Cost increases and insufficient bargaining power: Concentrated procurement or sales can make companies more sensitive to price fluctuations, leading to increased costs or reduced profits.
3. Increased inventory pressure and obsolescence risk: To avoid stockouts, procurement often increases safety stock or makes large, one-time purchases to ensure supply continuity. This practice results in enterprises bearing inventory risk.

4. Quality anomalies can have a widespread impact: Concentrated procurement or sales may involve increased regulatory and compliance burdens, adding to the complexity of business management.

Measures include:

1. Establish dual/multi-sourcing: Ensure multiple suppliers are in place to reduce the risk of supply chain disruptions.
2. Long-term agreements (LTAs) and guarantee clauses with suppliers: Implement measures to manage price fluctuations, such as entering into long-term contracts or utilizing price guarantee mechanisms.
3. Vendor Risk Assessment and Monitoring: Diversify risks to avoid centralized procurement or sales with only a few vendors or customers.
4. Search for technical alternative or raw material substitute: Investigate whether different grades of raw materials can be used and initiate the change control procedure in advance.
5. Establish an emergency stock strategy (safety stock/buffer stock): A “critical raw material list” should be established for raw materials with highly concentrated procurement sources to avoid production disruptions caused by a single supplier.

In 2025 and 2024, the company’s main clients are foreign pharmaceutical manufacturers that have cooperated with us for a long time. They are all global top-ranking university pharmaceutical companies that meet the requirements of the US FDA and European and Japanese pharmaceutical authorities. In addition to the company’s key technologies, the company continues to carry out manufacturing process optimization, capacity enhancement and cost improvement measures to ensure product competitive advantages, plus the excellent official inspection records accumulated over the years, so deeply trusted by customers, the materials sold by the company to foreign pharmaceutical plants are not easily replaced. The Company has set up a good cooperative relationship with the existent customer base. Besides, it has spared no effort to develop more new customers. To date, the Company is free from any risks in concentration of sales.

(X) The risks and impacts of significant shareholding transfers by directors, or major shareholders with more than 10% ownership interest, and the responsive measures to such risks:

In the latest fiscal year and as of the publication date of the annual report, the Company's directors or major shareholders holding more than 10% of the shares had not transferred or replaced a large number of shares. This part is, therefore, not applicable.

(XI) The effects, risks and responsive measures associated with changes in management:

In the latest fiscal year and as of the publication date of the annual report, the Company proved free of any fact in changes in the managerial officers’ powers. Further backed up with such facts that the Company's major operation plans have been elaborately designed and proposed by professional managers after evaluation of the industry and market environment and would be put into enforcement only after being resolved by its board of directors. Moreover, the Company has established a very sound and complete organizational structure which has been bestowed with adequate and distinguished powers and responsibilities for the respective departments. Through the Company's internal management system compliance and inter-departmental coordination and communication, the Company has put into implementation thoroughly its business strategies to dominate business efficiency and ensure satisfactory business results.

(XII) Litigation and non-contentious cases:

1. For any material litigations, non-litigious or administrative disputes (whether concluded

or pending for judgment) in the latest years up till the publishing date of this annual report that may produce material impacts to shareholders' equity or securities prices, information regarding the underlying facts, amounts, starting date, parties involved and the current progress must be disclosed: None.

2. As of the most recent financial year and the date of publication of the annual report, the Company's directors, President and actual owners, major shareholders who control more than 10% of shares and subsidiary companies have no determined or pending litigations, non-litigations or administrative disputes which may present significant impacts on the Company's shareholders' equity or stock price: None.

(XIII)Other significant risks and responsive measures: None.

VII. Other important disclosures: None.

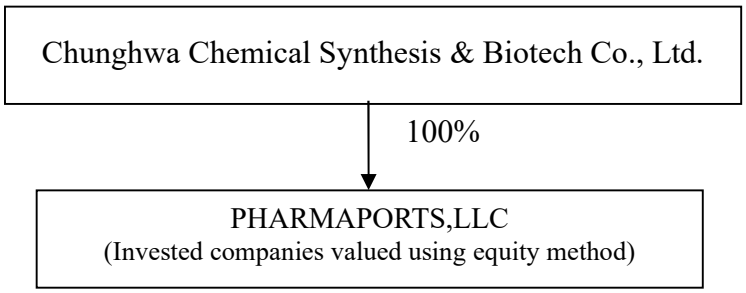
Six. Special remarks

I. Affiliated companies:

(I) Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises:

Link to the Market Observation Post System: https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

1. Related Enterprise Chart:



2. Basic information of affiliated enterprises:

Company name	Date of foundation	Address	Paid-up Capital (Unit: thousand dollars)	Main business activities or products
PHARMAPORTS,LLC	1999.06.01	1E. Uwchlan Avenue, Suite 116, Exton, PA19341, USA	USD225	Trading of API drugs

3. Controlling company and affiliate companies sharing the same shareholders: Not found.

4. Business sectors covered by other affiliates:

(1) Main areas of business

Company name	Main business types
PHARMAPORTS,LLC	Sales of API drugs

(2) Business transactions between various affiliates:

Our company and affiliates are all engaged in the manufacturing and sales of API drugs. We have no particularly favorable targets for purchases or sales. Our affiliates would follow the terms and conditions we have for other regular customers.

5. Information on directors, supervisors, and president of affiliated enterprises:

December 31, 2025; Unit: Shares

Company name	Title	Name or Representative	Shares held	
			Quantity	Shareholding percentage
PHARMAPORTS,LLC	Chairman	Chunghwa Chemical Synthesis & Biotech Co., Ltd. Representative: Chen, Ying-Chi	–	100%

6. Overview of the business operations of each affiliate

Unit: thousand dollars
(NT$ for all amounts without specified currency)

Company name	Share capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profits (losses)	Current period profit (after tax)	Earnings per share ($) (After tax)
PHARMAPORTS,LLC	7,072 (USD225)	104,308	90,782	13,526	318,059	7,595	5,390	–

(II) Consolidated financial statements and affiliated company reports:

Declaration

In 2025 (from January 1 to December 31, 2025), the companies that should be included in the consolidated financial reports of affiliated companies based on the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and the companies that should be included in the consolidated financial reports of subsidiaries based on the "Consolidated and separate financial statements" of Section 10 of International Financial Reporting Standards were the same. The related information that should be disclosed in the consolidated financial statements of affiliated companies are also already disclosed in the consolidated financial reports for subsidiaries, so that the consolidated financial statements of affiliated companies would not be published separately.

Declared by:

Company name: Chunghwa Chemical Synthesis & Biotech Co., Ltd.

Chairman: China Chemical & Pharmaceutical Co., Ltd.

Representative: Wang Hsieh, I-Chen

March 30, 2026

II. Private placement of securities during the latest year up till the publication date of this annual report:

Link to the Market Observation Post System: https://mops.twse.com.tw/mops/#/web/t116sb01)

Item	First private placement in 2026 Date of issue: Not yet issued
Categories of negotiable securities in private placement	Private Placement for Issuance of Common Stock Shares or Domestic Convertible Corporate Bonds (Including Secured or Unsecured Convertible Corporate Bonds)
Date when resolved in the shareholders' meeting, and the amounts (Note 1)	To go ahead not beyond the limit of 15,383,600 common shares either individually or in concert.
Basis for and legitimacy of pricing	1. The price per share of private placement common stock may not be below 80% of the reference price. The reference price is the higher of those calculated according to the two criteria below: (1) The simple arithmetic average of common share closing prices, calculated either one, three, or five business days prior to the pricing date, less the ex-rights and ex-dividend for bonus shares and with the stock price after the reverse stock split adjustment added back; (2) The simple arithmetic average of common share closing prices, calculated thirty business days prior to the pricing date, less the ex-rights and ex-dividend for bonus shares and with the stock price after the reverse stock split adjustment added back. 2. Private convertible corporate bonds: (1) Denomination: NT$100,000 or its multiples. (2) Issuance period: not more than seven years from the issuance date. (3) Coupon interest rate: tentatively set at 0% annual interest rate. (4) The issue price of private placement convertible corporate bonds may not be below 80% of the theoretical price. The theoretical price will be determined with the valuation model selected that covers and takes into consideration at the same time various rights included in the issuance criteria. The conversion price was determined by calculating the simple arithmetic average of the closing price of the common stock for one, three or five business days prior to the price determination date, less the ex-rights and dividends of stock dividends, and adding back the anti-ex-rights of the capital reduction, or the simple arithmetic average of the closing price of the common stock for 30 business days prior to the price determination date, less the ex-rights and dividends of stock dividends, and adding back the anti-ex-rights of the capital reduction. It shall be the higher of the two calculations and the price shall not be less than 80% of the reference price. 3. Within the scope while the price on the substantial pricing date and substantial private placement price (including the conversion price of the private placement convertible corporate bonds) are not below the range as resolved in the shareholders' meeting, it is proposed that the shareholders' meeting should authorize the Board of Directors to solicit specific people as the market update may justify. The private placement price (including the conversion price of private placement convertible corporate bonds) is determined according to the laws and regulations set by the competent authority, with reference to the reference price or theoretical price mentioned above in addition to the "three-year transfer restriction" for private placement securities under the Securities and Exchange Act; as such, the price set shall be reasonable.
Choice of specific persons	Specific persons are limited to strategic investors meeting the eligibility criteria specified under Article 43-6 Paragraph 1 of the Securities and Exchange Act, capable of helping the Company improve its technologies, quality, bring down the cost, boost efficiency, maximize market share, enhance corporate governance, and strengthen risk management, and approving the management philosophy of the Company. Approaching strategic investors meeting the foregoing criteria is meant to meet, required for, and expected to render benefits in terms of the Company's long-term development needs. It is intended to help the Company fulfill the

	foregoing benefits taking advantage of the experience, knowledge, technical background, distribution channels, or deployment of the said strategic investors. No specific persons have been approached by the Company so far. It is intended to authorize the Board of Directors through the shareholders' meeting to take care of approaching specific persons.				
Rationale for organizing private placements	In light of the situation on the capital market, time-efficiency, feasibility, and issue cost of capital raising, and the actual needs for introducing strategic investors, the requirement that private placement securities may not be transferred freely within three years helps ensure the long-term partnership between the Company and its strategic investors; as such, securities are issued not through public offering but through private placement.				
Date when the payment of price was completed	Not applicable				
Information of the placees (subscribers)	Target of private placement	Qualifications	Quantity of subscription	Relationship with the Company	Fact of participation in the business management
	Not applicable				
Price of substantial subscription (or conversion)	Not applicable				
Differential gap between the price of substantial subscription (or conversion) and the referential price	Not applicable				
The impact of the private placement upon the shareholders' equity (e.g., leading to an increase in the accumulated loss...)	As the market status and the specific people may justify, the Company will carry out the private placement either in a lump sum or in batches (not beyond 3 batches in maximum). The funds so raised through all events of private placement shall be used to enrich the working capital, repay the Company's debts or to satisfy the Company's need in working capital amidst future development. Each private placement is expected to reinforce the competitive advantages of the Company, improve the operating efficacy, and strengthen the financial structure and hence helps with the shareholders' equity positively.				
Use of the funds raised through private placement and progress of implementation in the private placement plans	Not applicable				
Benefits shown through the effect of private placement	Not applicable				

Note 1: As resolved in the Company's Board of Directors on March 5, 2026, the Company should carry out private placement within the limit of not beyond 20% of the total outstanding shares (i.e., not beyond 15,383,600 shares in maximum) to issue common shares or domestic convertible corporate bonds (including secured or unsecured convertible corporate bonds). This resolved motion is still pending for final decision by the shareholders' meeting 2026.

III. Other necessary supplementary information:

I. CCSB's human rights policy and responsible unit:

I. Human Rights Policy

Article 1

The Company has formulated this policy to demonstrate its commitment to safeguarding employees' fundamental human rights and fostering an environment of full human rights protection. Recognizing and supporting international human rights conventions, including the Universal Declaration of Human Rights, the UN Global Compact, and the International Labour Organization Conventions, the Company requires that the operations of its collaborating manufacturers exclude any violations of human rights. This ensures that all members of the Company, both internal and external, receive fair and dignified treatment.

Article 2

This policy applies to subsidiaries and other group enterprises and organizations, including any institutions or legal entities with substantive control.

Article 3

In terms of human rights, CCSB supports the principles of the UN Global Compact, and supports and respects international human rights. We ensure that the Company has not violated human rights and does not collaborate with human rights violators. In terms of labor, CCSB supports the goals outlined in the Universal Declaration of Human Rights and the International Labour Organization Conventions by prohibiting any form of discrimination, forced labor, and child labor, and by ensuring employees' freedom of association is not obstructed. In terms of environment, CCSB is committed to providing its employees with a safe and healthy work environment. The Company continuously improves workplace safety and health in compliance with the relevant laws and regulations, working to prevent accidents, lowering the risk of occupational hazards, protecting employee safety, and promoting employees' physical and mental well-being.

Article 4

We comply with the local labor and gender equality regulations, and are committed to providing a safe and harmonious work environment for all workers. This includes prohibiting child labor and any form of forced labor, ensuring reasonable working hours, and offering fair and reasonable payroll benefits. At the same time, the Company is committed to eliminating workplace violence, including any form of harassment, intrusion, corporal punishment, verbal abuse, and psychological coercion. The relevant disciplinary policies and procedures have been clearly defined and communicated to employees.

Article 5

Respecting employees' freedom of assembly and association, the Company has established open and diverse labor-management communication channels, allowing employees or labor representatives to communicate openly with management without fear of retaliation, threats, or harassment, fostering a harmonious labor-management atmosphere in the workplace.

Article 6

Publicly disclose human rights policies and practices, and clearly and accurately communicate the relevant human rights policies and issues to employees, suppliers, and customers. This enhances human rights awareness among employees and stakeholders, leading to continuous improvement. The Company has implemented complete controls to protect human rights and privacy through data access, processing, transmission, storage, personnel, and equipment security. It has adopted security maintenance and control measures for various aspects, including the development, design, and maintenance of the relevant application systems, databases, networks, personal computers, and storage media to ensure data security.

II. The human resources department is the responsible unit for implementing CCSB's human rights policy.

Supplement II. Intellectual Property Management Plan and Implementation:

I. Intellectual Property Management Plan

(I) Purpose:

To protect the Company's intellectual property, acquire the intellectual property necessary for its operations and the advancement of technological development, and ensure the legality of its intellectual property to avoid infringing on the rights of others, in compliance with the current intellectual property laws and regulations.

(II) Scope:

Intellectual property rights include inventions, creations, works, trade secrets, and trademarks related to product manufacturing, process method technology or design, and technological development, whether arising from employment or independently. The definitions of these terms are subject to those published by the intellectual property competent authority.

(III) Scope of Work:

Intellectual property should be effectively implemented and maintained, and progress should be tracked as planned. A list or database of owned intellectual property should be created and updated regularly.

1. Acquisition of intellectual property rights

1.1 Before commencing research and development, it is necessary to understand the requirements for intellectual property acquisition and, based on that understanding, determine the necessary measures to obtain intellectual property. Employees of CCSB shall abide by the intellectual property-related laws and regulations and shall not use, disclose, dispose of, damage, or otherwise commit infringement of intellectual property rights without the consent of the intellectual property rights owner.

1.2 When there are infringement concerns, the necessary measures to obtain intellectual property must include the following and maintain records thereof:

1.2.1 The relevant intellectual property data based on the nature of the rights, and its search and analysis.

1.2.2 Assesses the necessity and costs of avoidance strategies and litigation preparation.

1.3 During the research process, the R&D process should be documented thoroughly in the research logbook to demonstrate that the results were independently developed. The relevant records should include information identifying the R&D personnel, as well as the time, location, and content.

1.4 Verify that the R&D results meet the requirements of the original project objectives. The R&D results shall be reviewed before public disclosure. If they have a patentable nature, the patent application process must be completed first.

1.5 The patent proposal inventor must guarantee that the content of the patent proposal form represents an independently created work and contains no plagiarism, improper listing of inventors, or omission of co-inventors who should have been included concerning the manufacturing, process method, and product design of the relevant products. The inventor must also conduct a preliminary patent search and provide the necessary invention disclosure independently before submitting the patent proposal form to the patent proposal receiving unit.

1.6 After a patent search, the relevant technical search information is provided for patent proposals submitted by inventors. In addition to considering the patent law requirements and the best approach to protection, the potential for application should also be a key factor.

1.7 After internal review, inventors must fully cooperate with patent agents in pursuing patent applications in various countries. They are responsible for confirming that the draft patent specification is complete, fully expresses the technical content, and appropriately conveys the underlying technology. They must also cooperate with any responses and supplements required during the patent application process to facilitate its approval.

1.8 All inventions, creations, and intellectual property rights created by employees in the course of their duties or in connection with their work belong to the Company.

1.9 Patent applications and rewards have been handled in accordance with the Company's patent application, maintenance, and incentive regulations.

2. Intellectual property rights maintenance.

2.1 A list or database of intellectual property should be created and updated regularly.

2.2 Intellectual property rights that require a specific process for extension under the law should be evaluated for the benefits of continued maintenance before the term of rights expires, and a decision must be made regarding whether to renew them. When a decision is made to renew, the procedures required for extending the term of rights must be followed.

3. Intellectual property rights utilization

3.1 The utilization of intellectual property achievements aims to maximize the benefits of intellectual property.

3.2 Assesses the value of intellectual property and collects/analyzes external intellectual property intelligence to ensure the following:

3.2.1 Establish an effective market competition strategy.

3.2.2 Effectively establish licensing, technology transfer, and assignment as intellectual property commercialization strategies.

3.2.2 Effective allocation of company resources includes decisions on the monetization of rights for intellectual property proposals, whether to maintain existing intellectual property, and whether to invest resources to continue the research and development of specific intellectual property.

4. Trade secret management

4.1 Trade secrets refer to any confidential information, whether oral or written, that possesses property interests or economic value. This includes, but is not limited to, diagrams, specifications, prototypes, processes, programs, concepts, discoveries, proposals, molds, original works, operating manuals, quality scopes, know-how, customer details, other sales data, technical data, financial data, and operational data. It also encompasses confidential information subject to confidentiality obligations by contract or law.

4.2 CCSB employees abide by the work rules and regulations and the terms of the letter of undertaking. Any disclosure of technology or business secrets will be subject to disciplinary action in accordance with the work rules and regulations.

4.3 After leaving the Company, employees remain bound by confidentiality obligations

and must not disclose any business secrets.

4.4 If matters related to intellectual property—such as litigation, patent applications, patent analysis, trademark registration, and infringement assessment—require the engagement of external institutions, confidentiality agreements shall be signed.

5. Patent management

5.1 Patent applications and rewards have been handled in accordance with CCSB's patent application, maintenance, and incentive regulations.

5.2 The President's Office is responsible for keeping patent certificates, and the Business Affairs Office is responsible for patent maintenance.

6. Trademark management

6.1 All trademark user units shall use CCSB's trademark.

6.2 The management department handles the application, maintenance, and safekeeping of trademarks.

II. Implementation Status On December 23, 2025, the 2025 intellectual property management implementation status has been reported to the Board of Directors.

(I) CCSB has established operating procedures for "Project Development Control Operations," "R&D Document and Technical Data Control Operations," and "Intellectual Property Acquisition, Maintenance, and Utilization Operations," as well as the "patent application, maintenance, and incentive regulations." The relevant units have implemented these procedures and regulations accordingly.

(II) Intellectual property achievements applied for and maintained by the Business Affairs Office and management department of CCSB:

Unit: item

	Characteristics	Taiwan	U.S.	Total
Patent	In application	2	2	4
	Approved	10	8	18

Unit: item

	Characteristics	Taiwan	China	Total
Trademarks	In application	0	3	3
	Approved	9	2	11

Seven. Occurrences of events defined under Article 36-3-2 of the Securities Exchange Act in the latest year up till the publishing date of this annual report that significantly impacted shareholders' equity or security prices: None.

Chunghwa Chemical Synthesis & Biotech Co., Ltd.

Chairman: China Chemical & Pharmaceutical Co., Ltd.

Representative: Wang Hsieh, I-Chen



Embrace Life, Beyond Health