

3-5 Safe and Stable Transnational Logistics and Transportation

Inventory Shipping and Sales Operation System

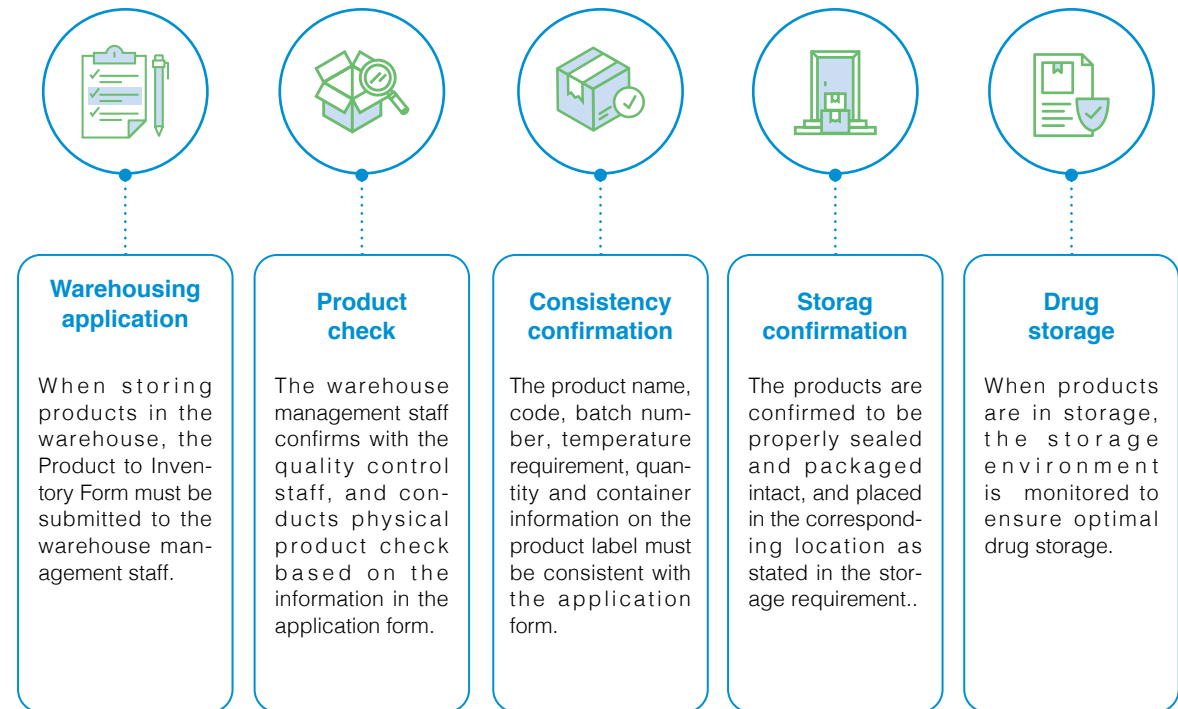
PEC has formulated an internal "Storage and Transportation Policy" to establish storage and transportation procedures to ensure that all raw materials, intermediate products, and products are stored in a good storage environment and management. In addition, we have established the "Product Distribution Management Procedures" to establish the distribution procedures and tracking mechanism in compliance with PIC/S Good Distribution Practice (GDP) requirements. The aforesaid procedures also specify that the product-receiving units, including the outsourced filling and packaging suppliers, medical institutions or distributors, are required to pass our evaluation processes. Furthermore, we have established the "Import, Export and Transportation Management Procedures" to establish the procedures for import, export and transportation so that the goods can be delivered to the designated destinations in a compliant, fast and safe manner to protect the drug use safety of the patients.

The logistics center of subsidiary Panco Healthcare also meets the Good Distribution Practice (GDP) requirements, and is mostly involved in facilitating the Group's product launch and clinical drug supply. To ensure the management over drug distribution chain in order to maintain the quality and completeness of drugs when the users receive them, more than 60 standards have been formulated to regulate various processes from logistics management, warehousing management, processing and labeling, to the quality management of each operating process. A wireless centralized temperature and humidity monitoring system has been established in 2021 to enhance the environmental quality of product storage. Meanwhile, we also upgraded our information management hardware and software and built a machine room. Additionally, the documents and information are not only stored locally, but offsite backup has also been established to ensure the safety and completeness of the information.

Warehousing Management

Regarding the storage management of intermediate products, API and drugs, the "Standard Operating Procedure for Warehousing and Storage Management" has been formulated to ensure product quality will not be affected by environment. From Taichung Plant, the storage facilities and equipment within the plant, to the suppliers and equipment used for transportation, as well as outsourced suppliers, all must be verified by our QA department to ensure that the quality of their services meet the current GMP regulations.

Product inbound and storage operation flow



Quality Control of Shipment and Transportation

For the shipment of API products and pharmaceutical products, we have established the "Product Shipment Standard." The scope of its application includes the operation of shipment from the Taichung plant of PharmaEssentia, or the packaging before transportation from the Taichung plant to the contracted manufacturing factories / storage factories.

Quality monitoring during packaging procedure



- Warehousing management personnel will confirm the cleanliness and temperature within the transportation box meet the product storage criteria, and to place a thermograph within the transportation box to monitor its temperature.
- In the case of Ropeginterferon alfa-2b(P1101), the product needs to be stored within a temperature range of 2° C~8° C

Quality monitoring during transportations

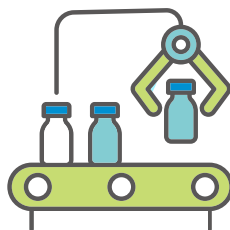


- Product distribution is regulated through "Storage and Distribution Policy", which aims to formulate proper storage and distribution procedures.
- Simulation analysis will be conducted prior to actual transportation to confirm refrigeration conditions and the necessary equipment.
- Implement regular audits to ensure that all raw materials, intermediate products, and products are stored in good distribution environments.

Stable and Safe Distribution at the U.S. Market



Printing of Medication Instructions and Packaging



Assembly, Serialization, Release



Deliver the products to third-party logistics



Deliver products to specialized pharmacy/distributors