

Stock Code: 1795



Lotus Pharmaceutical Co., Ltd.

Handbook for the 2025 Annual Meeting of Shareholders 【 Translation 】

Means: Physical Meeting

Meeting Time: 9:00am, Thursday, June 26th, 2025

Location: No. 85, Nangang 2nd Rd., Nantou City, Nantou County, Taiwan (R.O.C.)

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail.

Table of Contents

I. Meeting Agenda	1
i. Reporting Items	2
ii. Recognition Items.....	2
iii. Discussion Items.....	3
iv. Election Items	4
v. Other Items	4
vi. Special Motions	5
II. Attachment	6
1. 2024 Business and Financial Report	6
2. 2024 Audit Committee Review Report	27
3. 2024 Employees’ Profit-sharing Bonus and Directors’ Compensation	28
4. 2024 Statement of Proposal for Profits Distribution	29
5. Share Repurchases by the Company	30
6. The comparison chart on “Articles of Incorporation” (“AOI”) and after amendments	31
7. The Company proposes to issuing common shares or/and issuing common shares for sponsor of the issuance of global depositary receipts (GDR) or/and issuing common shares via private placement or/and issuing convertible bond via private placement.....	41
8. List of Candidates for Directors	45
9. List of Directors and Representative Released from the Non-Competition Restrictions	46
III. Appendix.....	47
i. Articles of Incorporation (before amendments)	47
ii. Rules and Procedures of Shareholders’ Meeting.....	55
iii. Rules for Election of Directors.....	62
iv. Shareholding of Directors.....	65

Lotus Pharmaceutical Co., Ltd.

2025 Agenda of Annual Meeting of Shareholders

Means: Physical Meeting

Time: 9:00 a.m. on Thursday, June 26th, 2025

Location: No. 85, Nangang 2nd Rd., Nantou City, Nantou County, Taiwan (R.O.C.)

Call the Meeting to Order

Chairperson Remarks

Reporting Items

1. 2024 business and financial report.
2. Audit Committee's Review Report on 2024 Financial Statements.
3. 2024 profit distributable as employees' and directors' compensation.
4. 2024 distribution of cash dividends.
5. Report on the execution of share buyback program.

Recognition Items

1. To adopt FY2024 Business Report and Financial Statements.
2. To adopt FY2024 earnings distribution.

Discussion Items

1. The proposed amendments to certain articles of the Company's "Articles of Incorporation" ("AOI").
2. Proposal for issuing common shares or/and issuing common shares for sponsor of the issuance of global depositary receipts (GDR) or/and issuing common shares via private placement or/and issuing convertible bond via private placement.

Election Items

1. Proposal for the By-Election of one Director.

Other Items

1. Proposal for Releasing the Non-Compete Restriction on Directors.

Special Motions

Adjournment

Reporting Items

Item No. 1: 2024 business and financial report.

Explanation: Please refer to Attachment 1 on page 6~26.

Item No. 2: Audit Committee's Review Report on 2024 Financial Statements.

Explanation: Please refer to Attachment 2 on page 27.

Item No. 3: 2024 profit distributable as employees' and directors' compensation.

Explanation: Please refer to Attachment 3 on page 28.

Item No. 4: 2024 distribution of cash dividends.

Explanation: Please refer to Attachment 4 on page 29.

Item No. 5: Report on the execution of share buyback program.

Explanation: Please refer to Attachment 5 on page 30.

Recognition Items

Item No. 1: To adopt FY2024 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanation:

- (1) The Company's FY2024 Standalone and Consolidated Financial Reports and Business Report has been approved by the Audit Committee and the Board of Directors. Please refer to Attachment 1 on page 6~26.
- (2) Your ratification will be appreciated.

Resolution:

Item No. 2: To adopt FY2024 earnings distribution. (Proposed by the Board of Directors)

Explanation:

- (1) Please refer to Attachment 4 on page 29.
- (2) Your ratification will be appreciated.

Resolution:

Discussion Items

Item No. 1: The proposed amendments to certain articles of the Company’s “Articles of Incorporation” (“AOI”)

(Proposed by the Board of Directors)

Explanation:

- (1) Considering the operational status-quo of the Company, it is proposed to amend certain articles of the Company’s “Articles of Incorporation” (“AOI”), please refer to Attachment 6 on page 31~40 for the proposed amendment.
- (2) Please discuss and resolve.

Resolution:

Item No. 2: Proposal for issuing common shares or/and issuing common shares for sponsor of the issuance of global depositary receipts (GDR) or/and issuing common shares via private placement or/ and issuing convertible bond via private placement.

(Proposed by the Board of Directors)

Explanation:

- (1) In order to fund the operational needs, to repay the bank loans, to maintain fundraising flexibility for potential portfolio acquisition opportunities or any other needs for the Company’s long term development, the Company proposes to submit to the shareholders’ meeting for authorization of the BOD to choose from or combine the fundraising routes as stated in Attachment 7, in order to raise domestic capital through issuing common shares or/and issuing common shares for sponsor of the issuance of global depositary receipts (GDR) or/ and issuing common shares or convertible bonds via private placement or/and issuing convertible bond via private placement up to 75,000 thousand common shares, in compliance with applicable law, the Company’s Articles of Incorporation and other regulation promulgated by the competent authorities, in consideration of the market condition for immediate financing needs and actual capital needs, please refer to Attachment 7 on page 41~44 for the proposed amendment.
- (2) Please discuss and resolve.

Resolution:

Election Items

Item No. 1: Proposal for the By-Election of one Director.

(Proposed by the Board of Directors)

Explanation:

- (1) Director Petar Antonov Vazharov resigned from his position on June 26, 2025.
- (2) According to Articles 13 and 13-1 of the Company's Articles of Incorporation, it is proposed to by-elect one director for this term. The director election will follow a candidate nomination system.
- (3) The term of office of the newly elected Board of Director will start from June 26th, 2025 and conclude on June 12th, 2027, please refer to Attachment 8 on page 45 for the candidates of Directors.
- (4) Please elect.

Resolution:

Other Items

Item No. 1: Proposal for Releasing the Non-Compete Restriction on Directors. (Proposed by the Board of Directors)

Explanation:

- (1) According to Paragraph 1 of Article 209 of the Company Act, any director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) Since the directors and their representatives nominated by the board of directors and newly elected by the general meeting of shareholders may invest in or operate other companies with the same or similar business scope as the Company, or serve as directors or executives of other companies on the premise of not damaging the interests of the Company, this proposal is submitted to the shareholders' meeting for approval in accordance with Paragraph 1 of Article 209 of the Company Act to discuss and agree to lift the restrictions on the non-competition of the new directors and their representatives.
- (3) For the detailed list of the directors and their representative candidates applicable to the lifting of non-competes restrictions, please refer to Attachment 9 on page 46.
- (4) Please discuss and resolve.

Resolution:

Special Motions

Adjournment

Attachment 1: 2024 Business and Financial Report

1. Operational Overview for the Year 2024

In 2024, Lotus achieved a historic milestone, marked historical high and delivered six consecutive years of double-digit revenue and profit growth. This outstanding performance reflects the success of our dual-engine growth strategy, which has focused on expanding in the Asia-Pacific and global export markets while transforming Lotus into a diversified, world-class pharmaceutical company.

Lotus reported consolidated revenue of NT\$18.584 billion, a 10% increase from 2023, and consolidated net profit after tax of NT\$5.066 billion, representing an impressive 23% year-over-year growth. Earnings per share reached NT\$19.35, setting new records in the company's history.

Beyond our financial achievements, Lotus has accelerated its expansion in Southeast Asia. In 2024, we completed two strategic acquisitions: Teva Pharma Thailand and Alphachymotrypsine Choay®, a market-leading anti-inflammatory product in Vietnam and Cambodia. The successful integration of Teva Pharma Thailand has already delivered 185% YoY growth in the Thai market. These acquisitions mark a major step forward in our ambition to become a leading pharmaceutical powerhouse in the Asia-Pacific region.

2. FY2024 financial results

Unit: M NTD

Item		Year	FY2023	FY2024
P&L	Sales		16,958	18,584
	Gross profit		9,384	10,924
	Net Income		4,106	5,066
Profitability	ROE (%)		26.32%	26.31%
	Net Profits (%)		24.21%	27.26%
	EPS (NTD)		\$15.72	\$19.35

Note: The company does not prepare financial forecasts. The main expenditure items in the consolidated financial statements include R&D expenses, business development investments, and capital expenditures for equipment excellency, serving as the driving force for future product launches and profit growth.

3. R&D Ability and Regulatory Progress

Our in-house R&D focus on developing complex oral oncology generics and 505(b)(2) drugs. In 2024, 10 products completed clinical bioequivalence testing, and 10 new product development projects were initiated. We obtained 67 regulatory approvals in markets worldwide, including significant milestones such as approval for Nintedanib for the treatment of idiopathic pulmonary fibrosis and non-small cell lung cancer in EU countries, Enzalutamide for the treatment of prostate cancer in UK and Tofacitinib for the treatment of severe inflammatory conditions in Canada.

4. Product Portfolio and Licensing Agreements

Lotus continues to diversify its product portfolio, focusing on in-licensing of innovative products, in addition to our own R&D pipeline. In 2024, we signed 20 business development licensing agreements, including acquisition of Teva pharma Thailand and Alphachymotrypsine Choay®. Additionally, we signed 26 products licensing out agreements for self-development products, further expanding our reach into global markets. In 2024, 87 SKUs of products were launched globally.

5. Production Excellency and Quality Management

Lotus's Nantou production facility has been certified by regulatory authorities in the United States, European Union, Brazil, Japan, China, and Taiwan, reinforcing our competitive edge in global export markets. To sustain our growth and drive sustainable development, we remain committed to upgrading production equipment, enhancing quality management systems, optimizing production processes, and improving warehouse inventory management.

6. Market Outlook and Future Development

According to IQVIA's "The Global Use of Medicines 2024 – Outlook through 2028" report, the global pharmaceutical market is projected to grow at a compound annual growth rate (CAGR) of 5–8% over the next five years, reaching approximately \$2.3 trillion by 2028. This updated forecast reflects a 2 percentage point increase from previous estimates, driven by greater patient access to innovative therapies, particularly in immunology, endocrinology, and oncology.

While growth in regions such as North America, Western Europe, and Japan is expected to slow due to established healthcare systems and existing access to medicines, regions like Asia-Pacific, Latin America, India, and Africa/Middle East are poised for higher growth. This acceleration is attributed to population expansion and increased healthcare demand.

In response to these evolving market dynamics, we remain committed to a dual-track growth strategy, focusing on the development of complex generics and 505(b)(2) drugs. Additionally, we will continue expanding our global footprint through strategic licensing agreements, strengthening partnerships with key global players, and delivering high-quality, affordable medicines to patients worldwide. These efforts are instrumental in driving Lotus's sustained growth and success.

7. Corporate sustainability

At Lotus, our mission is to provide affordable medicine to patients worldwide. Over the years, we have successfully evolved from a domestic company focused on generics into a global pharmaceutical company with a hybrid product portfolio, attracting talent from around the world. Today, we have over 1,400 employees globally, with nearly 10% of our workforce in Taiwan representing 14 different nationalities. To foster cultural understanding and collaboration, we have implemented thoughtful initiatives in internal communication, employee meals, and special celebrations. Additionally, with gender parity among employees and a 6:4 ratio at the senior executive level, we ensure equal opportunities for career advancement. In recognition of our commitment, Lotus was honored with the 2024 Asia's Best Employer Award from HR Asia.

In 2024, Lotus was honored with the 2024 Taiwan BIO Award for outstanding company of the year. We are also proud to report continuous improvement in our ESG ratings across global benchmarks. A key highlight is our MSCI ESG Rating, which advanced from BBB to A in October 2024, reflecting our progress in human capital development, quality initiatives—including multiple successful FDA audits—and corporate governance. Our efforts in board diversity and enhanced disclosures further underscore our dedication to responsible and sustainable business practices.

8. Outlook

Lotus will continue to implement a dual-track growth strategy in the Asia-Pacific and global export markets, expanding its market presence and enhancing its product portfolio to build a solid foundation for long-term success. Lotus is committed to creating value for shareholders, employees, and society, contributing to a brighter and more sustainable future for all.

Chairman: Vilhelm Róbert Wessman

CEO: Petar Antonov Vazharov

CFO: Eeling Chan

Independent Auditors' Report

To the Board of Directors of Lotus Pharmaceutical Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Lotus Pharmaceutical Co., Ltd. (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follow:

1. Revenue Recognition

Refer to Note 4(15) accounting policy for revenue recognition and Note 6(21) “Revenue from contracts with customers” to the consolidated financial statements. Revenues are recognized by net values of contract prices, less sales returns and allowances, after controls of the products are transferred to the customers.

Key audit matters:

The Group's sales is mainly derived from the selling of pharmaceuticals and chemical drugs. Because the customers are diverse and numerous, it takes longer time to verify sales transactions and related arrangements. Additionally, there might be a significant risk of material misstatement due to part of the revenue arising from related party transactions. Therefore, revenue recognition is one of the important areas in performing our audit procedures.

How the matter was addressed in our audit:

In relation to the key audit matter, we have performed audit procedures including

- (1) Testing the design and the operating effectiveness of the internal control system of sales and collection operation;
- (2) Testing the selected samples of sales transaction before and after the balance sheet date to ensure the appropriate cut-off of sales revenue;
- (3) Substantively testing the selected samples of revenues (including sending related parties' confirmation letters), inspecting related documents and contracts to identify performance obligations, ensuring the adequacy and reasonableness of revenue recognition.

2. Goodwill Impairment Assessment

For the impairment assessment of goodwill, please refer to Note 4(12) "Intangible assets", Note 4(13) "Impairment of non-financial assets", Note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(9) "Goodwill" to the consolidated financial statements.

Key audit matters:

The Group's goodwill mainly arose from business combinations. As the pharmaceutical industry is highly competitive and subject to volatility, it is important to assess the impairment of goodwill. The impairment assessment includes identifying cash generating units (CGUs), determining the valuation model used, determining significant assumptions made by the management, and calculating the recoverable amounts. Since the impairment assessment process and the subjective judgment made by the management on the assumptions used are quite complex, the impairment assessment of goodwill is considered one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included assessing whether there are impairment indicators for the identified CGUs of the Group and its related assets; understanding and assessing the appropriateness of the valuation model used by the management in the impairment assessment and the significant assumptions used to determine related CGU's future cash flows projection, useful lives, and weighted average cost of capital; retrospectively reviewing the accuracy of assumptions used in prior period estimates and performing a sensitivity analysis of key assumptions and results. Furthermore, we assess the reasonableness of expected growth rate, discount rate and other significant assumptions used in the evaluation model.

Other Matter

Lotus Pharmaceutical Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are An-Chih Cheng and Pao-Lian Chou.

KPMG

Taipei, Taiwan (Republic of China)
March 6, 2025

Notes to Readers

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

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

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2024		December 31, 2023		Liabilities and Equity		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 6,030,113	15	1,770,880	5	2100	Short-term borrowings (note 6(12))	\$ 1,614,619	4	510,000	2
1140	Contract assets—current (notes 6(21) and 7)	221,774	1	128,782	-	2130	Contract liabilities—current (notes 6(21) and 7)	180,900	-	132,854	-
1170	Accounts receivable, net (notes 6(4) and (11))	1,952,511	5	1,648,943	5	2170	Notes and accounts payable	988,104	3	624,918	2
1180	Accounts receivable—related parties (note 7)	5,260,516	13	4,606,390	14	2180	Accounts payable—related parties (note 7)	82,334	-	45,878	-
1200	Other receivables	66,518	-	14,303	-	2200	Other payables	1,229,237	3	1,154,813	4
1210	Other receivables—related parties (note 7)	69,560	-	156,846	-	2220	Other payables—related parties (note 7)	99,303	-	177,752	-
1220	Current tax assets	132,461	-	61,976	-	2230	Current tax liabilities	664,472	2	436,556	1
1310	Inventories (note 6(5))	3,833,331	10	3,775,380	12	2250	Provisions—current (note 6(15))	48,846	-	32,250	-
1479	Other current assets (notes 8 and 9)	531,495	1	489,373	2	2280	Lease liabilities—current (note 6(14))	84,315	-	70,240	-
	Total current assets	<u>18,098,279</u>	<u>45</u>	<u>12,652,873</u>	<u>38</u>	2320	Current portion of long-term borrowings (notes 6(13) and 8)	3,389,979	9	1,302,963	4
	Non-current assets:					2399	Other current liabilities	56,015	-	36,053	-
1510	Financial asset at fair value through profit or loss—non-current (note 6(2))	3,188,859	8	2,584,701	8		Total current liabilities	<u>8,438,124</u>	<u>21</u>	<u>4,524,277</u>	<u>13</u>
1517	Financial asset at fair value through other comprehensive income—non-current (note 6(3))	405,177	1	463,611	2		Non-current liabilities:				
1600	Property, plant and equipment (notes 6(6), (7) and 8)	3,395,360	9	3,257,798	10	2527	Contract liabilities—non-current (note 6(21))	26,563	-	45,326	-
1755	Right-of-use assets (note 6(8))	270,971	1	253,419	1	2540	Long-term borrowings (notes 6(13) and 8)	8,383,528	21	9,519,386	29
1805	Goodwill (notes 6(6) and (9))	6,126,521	15	5,669,621	18	2550	Provisions—non-current (note 6(15))	37,585	-	27,417	-
1821	Other intangible assets (notes 6(6), (10) and 7)	7,838,085	20	7,364,995	22	2570	Deferred tax liabilities (note 6(17))	1,092,749	3	721,199	3
1840	Deferred tax assets (note 6(17))	486,423	1	411,687	1	2580	Lease liabilities—non-current (note 6(14))	194,063	-	182,200	-
1930	Long-term accounts receivable (note 6(11))	122,728	-	152,603	-	2640	Defined benefit liabilities, net (note 6(16))	641,208	2	481,302	2
1990	Other non-current assets (notes 8 and 9)	168,740	-	180,281	-	2670	Other non-current liabilities	106,897	-	156,847	-
	Total non-current assets	<u>22,002,864</u>	<u>55</u>	<u>20,338,716</u>	<u>62</u>		Total non-current liabilities	<u>10,482,593</u>	<u>26</u>	<u>11,133,677</u>	<u>34</u>
							Total liabilities	<u>18,920,717</u>	<u>47</u>	<u>15,657,954</u>	<u>47</u>
							Equity (notes 6(18) and (19)):				
						3100	Share capital	2,658,583	7	2,649,583	8
						3200	Capital surplus	7,430,959	19	7,130,549	22
						3300	Retained earnings	12,660,106	31	8,900,089	27
						3400	Other equity	(1,520,836)	(4)	(1,295,489)	(4)
						3500	Treasury shares	(48,386)	-	(51,097)	-
							Total equity	<u>21,180,426</u>	<u>53</u>	<u>17,333,635</u>	<u>53</u>
							Total liabilities and equity	<u>\$ 40,101,143</u>	<u>100</u>	<u>\$ 32,991,589</u>	<u>100</u>
	Total assets	<u>\$ 40,101,143</u>	<u>100</u>	<u>32,991,589</u>	<u>100</u>						

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	Net revenue (notes 6(11), (21) and 7)	\$ 18,584,227	100	16,957,971	100
5000	Cost of sales (notes 6(5) and 7)	7,660,151	41	7,574,159	45
5900	Gross profit from operations	10,924,076	59	9,383,812	55
Operating expenses (notes 6(6) and 7):					
6100	Selling expenses	2,630,420	14	2,540,013	15
6200	Administrative expenses	1,502,744	8	1,224,068	7
6300	Research and development expenses	773,894	5	720,826	4
6450	Expected credit loss reversed (note 6(4))	(2,961)	-	(4,037)	-
	Total operating expenses	4,904,097	27	4,480,870	26
6900	Operating income	6,019,979	32	4,902,942	29
Non-operating income and expenses:					
7100	Interest income	101,437	1	31,548	-
7010	Other income (notes 6(3) and 7)	74,773	-	67,074	-
7020	Other gains and losses, net (note 6(23))	734,154	4	658,758	4
7050	Finance costs (note 6(23))	(570,765)	(3)	(557,397)	(3)
		339,599	2	199,983	1
7900	Income before income tax	6,359,578	34	5,102,925	30
7950	Less: Income tax expense (note 6(17))	1,294,068	7	997,299	6
	Net income	5,065,510	27	4,105,626	24
8300	Other comprehensive income (loss):				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Losses on remeasurement of defined benefit plans (note 6(16))	(96,612)	(1)	(36,742)	-
8316	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	(35,780)	-	189,978	1
8349	Income tax related to components of other comprehensive loss that will not be reclassified to profit or loss (note 6(17))	22,807	-	7,788	-
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	(109,585)	(1)	161,024	1
8360	Components of other comprehensive loss that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(226,354)	(1)	(1,769)	-
	Components of other comprehensive loss that may be reclassified to profit or loss	(226,354)	(1)	(1,769)	-
8300	Other comprehensive income (loss), net	(335,939)	(2)	159,255	1
8500	Total comprehensive income	\$ 4,729,571	25	4,264,881	25
Earnings per share (note 6(20))					
9750	Basic earnings per share	\$ 19.35		15.72	
9850	Diluted earnings per share	\$ 19.23		15.67	

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity			Total	Treasury shares	Total equity
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial asset at fair value through other comprehensive income	Unearned share-based payments			
Balance at January 1, 2023	\$ 2,625,913	7,534,348	179,264	663,921	3,980,232	4,823,417	(762,342)	(271,943)	(24,149)	(1,058,434)	(57,354)	13,867,890
Net income	-	-	-	-	4,105,626	4,105,626	-	-	-	-	-	4,105,626
Other comprehensive income (loss)	-	-	-	-	(28,954)	(28,954)	(1,769)	189,978	-	188,209	-	159,255
Total comprehensive income (loss)	-	-	-	-	4,076,672	4,076,672	(1,769)	189,978	-	188,209	-	4,264,881
Appropriation of earnings:												
Legal reserve appropriated	-	-	312,278	-	(312,278)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	370,363	(370,363)	-	-	-	-	-	-	-
Cash dividends to shareholders	-	(906,227)	-	-	-	-	-	-	-	-	-	(906,227)
Share-based payments	23,670	502,428	-	-	-	-	-	-	(425,264)	(425,264)	6,257	107,091
Balance at December 31, 2023	2,649,583	7,130,549	491,542	1,034,284	7,374,263	8,900,089	(764,111)	(81,965)	(449,413)	(1,295,489)	(51,097)	17,333,635
Net income	-	-	-	-	5,065,510	5,065,510	-	-	-	-	-	5,065,510
Other comprehensive loss	-	-	-	-	(73,805)	(73,805)	(226,354)	(35,780)	-	(262,134)	-	(335,939)
Total comprehensive income (loss)	-	-	-	-	4,991,705	4,991,705	(226,354)	(35,780)	-	(262,134)	-	4,729,571
Appropriation of earnings:												
Legal reserve appropriated	-	-	407,667	-	(407,667)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(188,210)	188,210	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,231,688)	(1,231,688)	-	-	-	-	-	(1,231,688)
Share-based payments	9,000	300,410	-	-	-	-	-	-	36,787	36,787	2,711	348,908
Balance at December 31, 2024	\$ 2,658,583	7,430,959	899,209	846,074	10,914,823	12,660,106	(990,465)	(117,745)	(412,626)	(1,520,836)	(48,386)	21,180,426

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Income before income tax	\$ 6,359,578	5,102,925
Adjustments:		
Adjustments to reconcile income		
Depreciation expense	366,398	306,565
Amortization expense	916,855	904,074
Reversal of expected credit loss	(2,961)	(4,037)
Gains on financial asset at fair value through profit or loss	(604,158)	(715,051)
Finance costs	570,765	557,397
Interest income	(101,437)	(31,548)
Dividend income	(11,274)	(10,023)
Share-based payment costs	348,649	106,493
Losses on disposal of property, plant and equipment	641	24,745
Losses on disposal of intangible assets	57	-
Impairment losses on intangible assets	159,991	179,368
Unrealized foreign exchange gains	(9,035)	(186,837)
Write-downs of inventories	191,690	169,288
Losses from early repayment of loans	911	103,794
Losses (gains) on lease modifications	944	(66)
Total adjustments to reconcile income	<u>1,828,036</u>	<u>1,404,162</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(92,945)	129,742
Accounts receivable, net	(126,896)	(295,475)
Accounts receivable—related parties	(630,928)	(1,499,249)
Other receivables	(23,906)	30,817
Other receivables—related parties	12,711	(34,916)
Inventories	(181,332)	(623,175)
Other current assets	(29,332)	(143,087)
Long-term accounts receivable	(5,408)	(148,064)
Other non-current assets	(20)	(2,252)
Total changes in operating assets	<u>(1,078,056)</u>	<u>(2,585,659)</u>
Changes in operating liabilities:		
Contract liabilities	32,933	(69,331)
Notes and accounts payable	311,982	(623,182)
Accounts payable—related parties	34,470	(36,390)
Other payables	(53,191)	(76,979)
Other payables—related parties	(79,665)	(134,395)
Provisions	18,920	(3,787)
Other current liabilities	17,837	2,439
Defined benefit liabilities, net	82,316	90,030
Other non-current liabilities	507	(676)
Total changes in operating liabilities	<u>366,109</u>	<u>(852,271)</u>
Total changes in operating assets and liabilities	<u>(711,947)</u>	<u>(3,437,930)</u>
Total adjustments	<u>1,116,089</u>	<u>(2,033,768)</u>

(Continued)

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows (Continued)
For the Years Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows generated from operations	7,475,667	3,069,157
Interest received	89,489	27,690
Interest paid	(495,055)	(446,254)
Income taxes paid	(915,235)	(1,036,386)
Net cash flows generated from operating activities	<u>6,154,866</u>	<u>1,614,207</u>
Cash flows from investing activities:		
Net cash outflow arising from acquisition of subsidiary	(1,241,622)	-
Acquisition of property, plant and equipment	(353,838)	(410,568)
Proceeds from disposal of property, plant and equipment	613	1,254
Decrease (increase) in refundable deposits	10,674	(29,032)
Acquisition of intangible assets (including capitalized development expenses)	(1,111,695)	(2,864,456)
Decrease in other current assets	-	43,489
Increase in other non-current assets	(7)	-
Dividends received	5,157	10,023
Net cash flows used in investing activities	<u>(2,690,718)</u>	<u>(3,249,290)</u>
Cash flows from financing activities:		
Proceeds from short-term borrowings	2,377,521	1,216,411
Repayments of short-term borrowings	(1,259,690)	(861,821)
Proceeds from long-term borrowings	2,950,752	20,475,693
Repayments of long-term borrowings	(2,010,570)	(18,414,260)
Payments of lease liabilities	(112,183)	(107,722)
Payments of dividends	(1,231,688)	(906,227)
Decrease in guarantee deposits received	(312)	-
Treasury shares transferred to employees	259	598
Net cash flows generated from financing activities	<u>714,089</u>	<u>1,402,672</u>
Effect of exchange rate changes on cash and cash equivalents	<u>80,996</u>	<u>19,908</u>
Net increase (decrease) in cash and cash equivalents	4,259,233	(212,503)
Cash and cash equivalents at beginning of period	<u>1,770,880</u>	<u>1,983,383</u>
Cash and cash equivalents at end of period	<u><u>\$ 6,030,113</u></u>	<u><u>1,770,880</u></u>

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of Lotus Pharmaceutical Co., Ltd.:

Opinion

We have audited the parent-company-only financial statements of Lotus Pharmaceutical Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follows:

1. Revenue Recognition

Refer to Note 4(14) accounting policy for revenue recognition and Note 6(19) “Revenue from contracts with customers” to the parent-company-only financial statements. Revenues are recognized by net values of contract prices, less sales returns and allowances, after controls of the products are transferred to the customers.

Key audit matters:

The Company's sales is mainly derived from the selling of pharmaceuticals and chemical drugs. Because the customers are diverse and numerous, it takes longer time to verify sales transactions and related arrangements. Additionally, there might be a significant risk of material misstatement due to part of the revenue arising from related party transactions. Therefore, revenue recognition is one of the important areas in performing our audit procedures.

How the matter was addressed in our audit:

In relation to the key audit matter, we have performed audit procedures including

- (1) Testing the design and the operating effectiveness of the internal control system of sales and collection operation;
- (2) Testing the selected samples of sales transaction before and after the balance sheet date to ensure the appropriate cut-off of sales revenue;
- (3) Substantively testing the selected samples of revenues (including sending related parties' confirmation letters), inspecting related documents and contracts to identify performance obligations, ensuring the adequacy and reasonableness of revenue recognition.

2. Impairment Assessment of Goodwill of the Company and Subsidiaries Accounted for Using Equity Method

For the investments in subsidiaries and the impairment assessment of Goodwill, please refer to Note 4(8) "Investments in subsidiaries", Note 4(12) "Intangible assets", Note 4(13) "Impairment of non-financial assets", Note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(9) "Goodwill" to the parent-company-only financial statements.

Key audit matters:

The goodwill of the Company and its subsidiaries primarily arose from business combinations. As the pharmaceutical industry is highly competitive and subject to volatility, it is important to assess the impairment of goodwill. The impairment assessment includes identifying cash generating units (CGUs), determining the valuation model used, determining significant assumptions made by the management, and calculating the recoverable amounts. Since the impairment assessment process and the subjective judgment made by the management on the assumptions used are quite complex, the impairment assessment of goodwill is considered one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included assessing whether there are impairment indicators for the identified CGUs of the Company and its related assets; understanding and assessing the appropriateness of the valuation model used by the management in the impairment assessment and the significant assumptions used to determine related CGU's future cash flows projection, useful lives, and weighted average cost of capital; retrospectively reviewing the accuracy of assumptions used in prior period estimates and performing a sensitivity analysis of key assumptions and results. Furthermore, we assess the reasonableness of expected growth rate, discount rate and other significant assumptions used in the evaluation model.

Responsibilities of Management and Those Charged with Governance for the Parent-company-only Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Parent-company-only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are An-Chih Cheng and Pao-Lian Chou.

KPMG

Taipei, Taiwan (Republic of China)
March 6, 2025

Notes to Readers

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

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Lotus Pharmaceutical Co., Ltd.

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 3,033,779	9	1,304,787	5	2100	Short-term borrowings (note 6(11))	\$ 1,050,000	3	510,000	2
1140	Contract assets—current (notes 6(19) and 7)	216,667	1	128,782	-	2130	Contract liabilities—current (notes 6(19) and 7)	152,863	-	93,180	-
1170	Accounts receivable, net (note 6(3))	809,888	2	892,144	3	2170	Notes and accounts payable	313,319	1	331,904	1
1180	Accounts receivable—related parties (note 7)	4,316,227	12	4,606,195	16	2180	Accounts payable—related parties (note 7)	180,335	1	129,714	-
1200	Other receivables	33,343	-	968	-	2200	Other payables	683,020	2	696,202	3
1210	Other receivables—related parties (note 7)	57,408	-	173,280	1	2220	Other payables—related parties (note 7)	215,315	1	278,329	1
1220	Current tax assets	146,434	-	60,836	-	2230	Current tax liabilities	454,801	1	361,392	1
1310	Inventories (note 6(4))	1,701,741	5	1,780,397	6	2280	Lease liabilities—current (note 6(13))	24,539	-	19,356	-
1479	Other current assets (notes 8 and 9)	332,966	1	322,427	1	2320	Current portion of long-term borrowings (notes 6(12) and 8)	2,944,484	8	763,386	3
	Total current assets	<u>10,648,453</u>	<u>30</u>	<u>9,269,816</u>	<u>32</u>	2399	Other current liabilities	44,858	-	25,558	-
							Total current liabilities	<u>6,063,534</u>	<u>17</u>	<u>3,209,021</u>	<u>11</u>
Non-current assets:						Non-current liabilities:					
1510	Financial asset at fair value through profit or loss—non-current (note 6(2))	3,188,859	9	2,584,701	9	2527	Contract liabilities—non-current (note 6(19))	8,979	-	8,979	-
1550	Investments accounted for using equity method (note 6(5))	9,771,929	28	5,879,043	20	2540	Long-term borrowings (notes 6(12) and 8)	7,274,592	21	7,981,214	28
1600	Property, plant and equipment (notes 6(7) and 8)	2,612,512	7	2,430,089	8	2570	Deferred tax liabilities (note 6(15))	893,488	2	609,133	2
1755	Right-of-use assets (note 6(8))	65,771	-	50,770	-	2580	Lease liabilities—non-current (note 6(13))	43,825	-	32,297	-
1805	Goodwill (note 6(9))	2,751,253	8	2,751,253	10	2640	Defined benefit liabilities, net (note 6(14))	5,648	-	8,726	-
1821	Other intangible assets (notes 6(10) and 7)	6,317,114	18	6,093,703	21	2670	Other non-current liabilities	6,541	-	6,537	-
1840	Deferred tax assets (note 6(15))	48,616	-	54,737	-		Total non-current liabilities	<u>8,233,073</u>	<u>23</u>	<u>8,646,886</u>	<u>30</u>
1900	Other non-current assets (notes 8 and 9)	72,526	-	75,430	-		Total liabilities	<u>14,296,607</u>	<u>40</u>	<u>11,855,907</u>	<u>41</u>
	Total non-current assets	<u>24,828,580</u>	<u>70</u>	<u>19,919,726</u>	<u>68</u>		Equity (notes 6(16) and (17)):				
						3100	Share capital	2,658,583	7	2,649,583	9
						3200	Capital surplus	7,430,959	21	7,130,549	24
						3300	Retained earnings	12,660,106	36	8,900,089	30
						3400	Other equity	(1,520,836)	(4)	(1,295,489)	(4)
						3500	Treasury shares	(48,386)	-	(51,097)	-
							Total equity	<u>21,180,426</u>	<u>60</u>	<u>17,333,635</u>	<u>59</u>
							Total liabilities and equity	<u>\$ 35,477,033</u>	<u>100</u>	<u>29,189,542</u>	<u>100</u>
	Total assets	<u>\$ 35,477,033</u>	<u>100</u>	<u>29,189,542</u>	<u>100</u>						

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Lotus Pharmaceutical Co., Ltd.

Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	Net revenue (notes 6(19) and 7)	\$ 10,720,875	100	10,811,942	100
5000	Cost of sales (notes 6(4) and 7)	3,909,938	36	4,226,946	39
5900	Gross profit from operations	6,810,937	64	6,584,996	61
5910	Realized (unrealized) gains on transactions with subsidiaries	29,540	-	(14,283)	-
5950	Gross profit from operations	6,840,477	64	6,570,713	61
Operating expenses (notes 6(6) and 7):					
6100	Selling expenses	1,191,963	11	1,173,726	11
6200	Administrative expenses	1,029,642	10	751,844	7
6300	Research and development expenses	463,841	4	555,188	5
6450	Expected credit loss recognized (reversed) (note 6(3))	2,149	-	(5,457)	-
	Total operating expenses	2,687,595	25	2,475,301	23
6900	Operating income	4,152,882	39	4,095,412	38
Non-operating income and expenses:					
7100	Interest income	88,067	1	23,674	-
7010	Other income (note 7)	48,489	-	24,993	-
7020	Other gains and losses, net (note 6(21))	801,647	8	694,697	7
7050	Finance costs (note 6(21))	(395,041)	(4)	(317,432)	(3)
7060	Share of profit of subsidiaries accounted for using equity method (note 6(5))	1,425,282	13	509,683	5
		1,968,444	18	935,615	9
7900	Income before income tax	6,121,326	57	5,031,027	47
7950	Less: Income tax expense (note 6(15))	1,055,816	10	925,401	9
	Net income	5,065,510	47	4,105,626	38
8300	Other comprehensive income (loss):				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans (note 6(14))	1,229	-	(813)	-
8330	Share of other comprehensive income of subsidiaries accounted for using equity method	(110,568)	(1)	161,674	1
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss (note 6(15))	(246)	-	163	-
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	(109,585)	(1)	161,024	1
8360	Components of other comprehensive loss that may be reclassified to profit or loss				
8381	Exchange differences on translation of foreign financial statements	(226,354)	(2)	(1,769)	-
	Components of other comprehensive loss that may be reclassified to profit or loss	(226,354)	(2)	(1,769)	-
8300	Other comprehensive (loss) income, net	(335,939)	(3)	159,255	1
8500	Total comprehensive income	\$ 4,729,571	44	4,264,881	39
Earnings per share (note 6(18))					
9750	Basic earnings per share	\$ 19.35		15.72	
9850	Diluted earnings per share	\$ 19.23		15.67	

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Lotus Pharmaceutical Co., Ltd.

Statements of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity					Total equity
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial asset at fair value through other comprehensive income	Unearned share-based payments	Total	Treasury shares	
Balance at January 1, 2023	\$ 2,625,913	7,534,348	179,264	663,921	3,980,232	4,823,417	(762,342)	(271,943)	(24,149)	(1,058,434)	(57,354)	13,867,890
Net income	-	-	-	-	4,105,626	4,105,626	-	-	-	-	-	4,105,626
Other comprehensive income (loss)	-	-	-	-	(28,954)	(28,954)	(1,769)	189,978	-	188,209	-	159,255
Total comprehensive income (loss)	-	-	-	-	4,076,672	4,076,672	(1,769)	189,978	-	188,209	-	4,264,881
Appropriation of earnings:												
Legal reserve appropriated	-	-	312,278	-	(312,278)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	370,363	(370,363)	-	-	-	-	-	-	-
Cash dividends to shareholders	-	(906,227)	-	-	-	-	-	-	-	-	-	(906,227)
Share-based payments	23,670	502,428	-	-	-	-	-	-	(425,264)	(425,264)	6,257	107,091
Balance at December 31, 2023	<u>2,649,583</u>	<u>7,130,549</u>	<u>491,542</u>	<u>1,034,284</u>	<u>7,374,263</u>	<u>8,900,089</u>	<u>(764,111)</u>	<u>(81,965)</u>	<u>(449,413)</u>	<u>(1,295,489)</u>	<u>(51,097)</u>	<u>17,333,635</u>
Net income	-	-	-	-	5,065,510	5,065,510	-	-	-	-	-	5,065,510
Other comprehensive loss	-	-	-	-	(73,805)	(73,805)	(226,354)	(35,780)	-	(262,134)	-	(335,939)
Total comprehensive income (loss)	-	-	-	-	4,991,705	4,991,705	(226,354)	(35,780)	-	(262,134)	-	4,729,571
Appropriation of earnings:												
Legal reserve appropriated	-	-	407,667	-	(407,667)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(188,210)	188,210	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,231,688)	(1,231,688)	-	-	-	-	-	(1,231,688)
Share-based payments	9,000	300,410	-	-	-	-	-	-	36,787	36,787	2,711	348,908
Balance at December 31, 2024	<u>\$ 2,658,583</u>	<u>7,430,959</u>	<u>899,209</u>	<u>846,074</u>	<u>10,914,823</u>	<u>12,660,106</u>	<u>(990,465)</u>	<u>(117,745)</u>	<u>(412,626)</u>	<u>(1,520,836)</u>	<u>(48,386)</u>	<u>21,180,426</u>

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Lotus Pharmaceutical Co., Ltd.

Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Income before income tax	\$ 6,121,326	5,031,027
Adjustments:		
Adjustments to reconcile income		
Depreciation expense	193,040	132,026
Amortization expense	746,525	717,969
Expected credit loss recognized (reversed)	2,149	(5,457)
Gains on financial asset at fair value through profit or loss	(604,158)	(715,051)
Finance costs	395,041	317,432
Interest income	(88,067)	(23,674)
Share-based payment costs	348,649	106,493
Share of profit of subsidiaries accounted for using equity method	(1,425,282)	(509,683)
Losses on disposal of property, plant and equipment	1,037	23,347
Impairment losses on intangible assets	35,746	185,944
(Realized) unrealized gains on transactions with subsidiaries	(29,540)	14,283
Unrealized foreign exchange gains	(40,334)	(194,390)
Write-downs of inventories	69,622	67,285
Losses from early repayment of loans	-	98,939
Gains on lease modifications	(8)	(292)
Total adjustments to reconcile income	<u>(395,580)</u>	<u>215,171</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(87,885)	129,742
Accounts receivable, net	83,121	(366,476)
Accounts receivable—related parties	303,970	(1,512,522)
Other receivables	(32,375)	(968)
Other receivables—related parties	41,918	(55,630)
Inventories	9,034	35,656
Other current assets	(10,536)	(52,433)
Total changes in operating assets	<u>307,247</u>	<u>(1,822,631)</u>
Changes in operating liabilities:		
Contract liabilities	59,683	(56,511)
Notes and accounts payable	(22,516)	(260,569)
Accounts payable—related parties	46,980	(139,149)
Other payables	(36,981)	41,472
Other payables—related parties	(63,474)	(20,547)
Other current liabilities	19,242	13,133
Defined benefit liabilities, net	(1,849)	(367)
Total changes in operating liabilities	<u>1,085</u>	<u>(422,538)</u>
Total changes in operating assets and liabilities	<u>308,332</u>	<u>(2,245,169)</u>
Total adjustments	<u>(87,248)</u>	<u>(2,029,998)</u>

(Continued)

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Lotus Pharmaceutical Co., Ltd.

Statements of Cash Flows (Continued)

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows generated from operations	6,034,078	3,001,029
Interest received	88,067	23,674
Interest paid	(340,769)	(251,873)
Income taxes paid	(757,774)	(736,633)
Net cash flows generated from operating activities	<u>5,023,602</u>	<u>2,036,197</u>
Cash flows from investing activities:		
Net cash outflow arising from acquisition of subsidiary	(1,368,693)	-
Acquisition of property, plant and equipment	(291,477)	(335,226)
Net cash outflow on acquisition of new shares in subsidiary	(1,406,293)	(1,088,001)
Proceeds from disposal of property, plant and equipment	-	952
Decrease in refundable deposits	2,905	2,109
Acquisition of intangible assets (including capitalized development expenses)	(962,803)	(2,630,878)
Increase in other current assets	-	(6,000)
Net cash flows used in investing activities	<u>(4,026,361)</u>	<u>(4,057,044)</u>
Cash flows from financing activities:		
Proceeds from short-term borrowings	1,610,000	1,121,000
Repayments of short-term borrowings	(1,070,000)	(671,000)
Proceeds from long-term borrowings	2,713,779	18,412,890
Repayments of long-term borrowings	(1,346,635)	(15,850,102)
Payments of lease liabilities	(23,662)	(23,646)
Decrease in guarantee deposits received	(312)	-
Payments of dividends	(1,231,688)	(906,227)
Treasury shares transferred to employees	259	598
Net cash flows generated from financing activities	<u>651,741</u>	<u>2,083,513</u>
Effect of exchange rate changes on cash and cash equivalents	<u>80,010</u>	<u>15,688</u>
Net increase in cash and cash equivalents	1,728,992	78,354
Cash and cash equivalents at beginning of year	1,304,787	1,226,433
Cash and cash equivalents at end of year	<u>\$ 3,033,779</u>	<u>1,304,787</u>

See accompanying notes to parent-company-only financial statements.

Attachment 2: 2024 Audit Committee Review Report

美時化學製藥股份有限公司
Lotus Pharmaceutical Co., Ltd.
審計委員會查核報告書
Audit Committee Review Report

董事會造具本公司民國一一三年度之財務報表及合併財務報表，業經安侯建業聯合會計師事務所鄭安志會計師及周寶蓮會計師查核完竣，連同營業報告書及盈餘分派表經本審計委員會查核，認為尚無不符，爰依證券交易法第十四條之四及公司法第二百一十九條規定繕具報告，敬請 鑒核。

此致

美時化學製藥股份有限公司一一四年股東常會

審計委員會召集人：楊郁民



To 2025 Annual General Meeting of Lotus Pharmaceutical Co., Ltd

The Company's 2024 standalone Financial Statements and consolidated Financial Statements prepared by the Board of Directors have been duly audited by KPMG. The Financial Statements, along with the Business Report and proposal for appropriation of earnings, have been reviewed and determined to be correct and accurate by the Audit Committee members of Lotus Pharmaceutical Co., Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Lotus Pharmaceutical Co., Ltd

Chairman of Audit Committee : Ivy Yang

中 華 民 國 一 一 四 年 三 月 六 日

Date: March 6th, 2025

Attachment 3: 2024 Employees' Profit-sharing Bonus and Directors' Compensation

For the year ended December 31, 2024, accruals for employees' remuneration and directors' remuneration were NTD 61,832 thousand and 0 thousand, respectively; see calculation below:

	TWD
Profits before tax before deducting remuneration to employees and directors	<u>6,183,157,709</u>
Calculation base to accrue remuneration to employees and directors	<u>6,183,157,709</u>
1% for remuneration to employees	<u>61,831,578</u>
0% for remuneration to directors	<u>-</u>

It is proposed that above-mentioned remuneration is to be paid in cash to employees.

Attachment 4: 2024 Statement of Proposal for Profits Distribution

Lotus Pharmaceutical Co., Ltd. Year 2024 Earnings Distribution Statement

Unit: TWD

Items		Amount
Undistributed earnings of prior years		\$ 5,923,117,006
Add (minus):		
Remeasurement of defined benefit plans recognized in unappropriated earnings	(73,805,045)	
Net income for the year	5,065,510,028	
Distributable earnings		10,914,821,989
Legal reserve (10%)	(499,170,498)	
Special reserve for the negative amounts of other equity (Note 1)	(262,134,423)	
Cash dividend	(1,519,653,008)	
Undistributed earnings at the end of year		\$8,633,864,060
Note 1: It was the total amount of (1) \$(35,779,859) unrealized loss from financial asset at fair value through other comprehensive income and (2) \$(226,354,564) exchange differences on translation of foreign financial statements. Please refer to statement of changes in equity for the year of 2024.		
Note 2: Cash dividends will be distributed in dollars, rounded down to the nearest whole dollar. Any fractional amount less than one dollar will not be distributed and will be accounted for as other income of the company.		

Chairman: Vilhelm Róbert Wessman

CEO: Petar Antonov Vazharov

CFO: Eeling Chan

Attachment 5: Share Repurchases by the Company

Repurchase no.	Fourth times
Purpose of repurchase	Transfer to employees
Type of shares repurchased	Common shares
Ceiling on total amount of shares repurchased (NT\$)	NT\$17,068,109,900
Scheduled repurchase period	April 11 th , 2025 to June 9 th , 2025
Number of shares intended to be repurchased	4,000,000 shares
Repurchase price range	NT\$180 per share to NT\$245 per share
Types and numbers of shares bought back	3,650,000 common shares (Note)
Amount of shares bought back (NT\$)	NT\$780,987,602 (Note)
Ratio of the number of shares already repurchased to the number of shares intended to be repurchased (%)	91.25% (Note)

Note: It's the information of May 9th, 2025, the repurchased shares result report will be presented at the shareholders' meeting.

Attachment 6: The comparison chart on “Articles of Incorporation” (“AOI”) and after amendments

Lotus Pharmaceutical Co. Ltd.

“Articles of Incorporation” Amendment Comparison Chart

Article Number	Proposal	Original (Thirty-fourth amended on June 13, 2024)	Description
Article 2	The scope of business of the Company shall be as follows: 1. C802041 Drugs and Medicines Manufacturing 2. F208021 Retail Sale of Drugs and Medicines 3. <u>F108021 Wholesale of Western Pharmaceutical</u> 4. F208031 Retail sale of Medical Equipment 5. <u>F108031 Wholesale of Medical Devices</u> 6. F401010 International Trade 7. C802110 Cosmetics Ingredients Manufacturing 8. F102170 Wholesale of Food and Grocery 9. F108040 Wholesale of Cosmetics 10. F203010 Retail sale of Food and Grocery 11. I199990 Other Consultancy 12. IG01010 Biotechnology Services 13. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.	The scope of business of the Company shall be as follows: 1. C802041 Drugs and Medicines Manufacturing 2. F208021 Retail Sale of Drugs and Medicines 3. F208031 Retail sale of Medical Equipment 4. F401010 International Trade 5. C802110 Cosmetics Ingredients Manufacturing 6. F102170 Wholesale of Food and Grocery 7. F108040 Wholesale of Cosmetics 8. F203010 Retail sale of Food and Grocery 9. I199990 Other Consultancy 10. IG01010 Biotechnology Services 11. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.	To facilitate business operation, add the scope of business and adjust the number of the scope of business.
Article 16-3	The Company establishes an <u>Audit and Risk Committee</u> pursuant to Article 14-4 of Securities and Exchange Act, composed by all independent directors. The composition, powers and duties, rules of procedure, and other matters to be compiled with for the <u>Audit and Risk Committee</u> of the Company shall be handled in accordance with relevant laws and regulations and the bylaws of the Company.	The Company establishes an <u>Audit Committee</u> pursuant to Article 14-4 of Securities and Exchange Act, composed by all independent directors. The composition, powers and duties, rules of procedure, and other matters to be compiled with for the <u>Audit Committee</u> of the Company shall be handled in accordance with relevant laws and regulations and the bylaws of the Company.	Adjust the wordings and structure to reflect terms of relevant regulations.
Article 18	After the close of each fiscal year, the following documents shall be prepared by the Board of Directors, and submitted to the <u>Audit and Risk Committee</u> for review and, in accordance with law,	After the close of each fiscal year, the following documents shall be prepared by the Board of Directors, and submitted to the <u>Audit Committee</u> for review and, in accordance with law, presented to the	Adjust the wordings and structure to reflect terms of relevant regulations.

Article Number	Proposal	Original (Thirty-fourth amended on June 13, 2024)	Description
	presented to the regular meeting of shareholders for recognition: 1. Business report, 2. Financial statements, 3. Proposals for profit distribution or deficit offset.	regular meeting of shareholders for recognition: 1. Business report, 2. Financial statements, 3. Proposals for profit distribution or deficit offset.	
Article 19	The Company shall, if any profits <u>are earned in a fiscal year, allocate no less than 1% of the annual profits as employees' compensation, with at least one-third of this amount distributed to non-executive employees,</u> no more than 10% of the annual profit as directors' remuneration, provided that the Company shall reserve an amount of the profits in advance to offset any accumulated losses. (the below is omitted)	The Company shall, if any profits <u>earned by the Company for a fiscal year, distribute no less than 1% of the annual profits as employees' compensation and</u> no more than 10% of the annual profit as directors' remuneration, provided that the Company shall reserve an amount of the profits in advance to offset any accumulated losses. (the below is omitted)	Adjust the wordings and structure to reflect terms of relevant regulations.
Article 22	These Articles of Incorporation are agreed to and signed on May 25th, 1966. (Omitted) <u>The thirty-fifth Amendment was made on June 26th, 2025.</u>	These Articles of Incorporation are agreed to and signed on May 25th, 1966. (Omitted)	Add a record of the amendments made in this revision.

LOTUS PHARMACEUTICAL CO., LTD.
ARTICLES OF INCORPORATION
[English translation for reference only]

Section I — General Provisions

Article 1

The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be 美時化學製藥股份有限公司 in the Chinese language, and Lotus Pharmaceutical Co., Ltd. in the English language.

Article 2

The scope of business of the Company shall be as follows:

1. C802041 Drugs and Medicines Manufacturing
2. F208021 Retail Sale of Drugs and Medicines
3. F108021 Wholesale of Western Pharmaceutical
4. F208031 Retail sale of Medical Equipment
5. F108031 Wholesale of Medical Devices
6. F401010 International Trade
7. C802110 Cosmetics Ingredients Manufacturing
8. F102170 Wholesale of Food and Grocery
9. F108040 Wholesale of Cosmetics
10. F203010 Retail sale of Food and Grocery
11. I199990 Other Consultancy
12. IG01010 Biotechnology Services
13. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Company shall have its head office in Taipei, Taiwan, Republic of China, and shall be free, upon approval of government authorities in charge, to set up and dissolve factories, representative and branch offices at various locations within and without the territory of the Republic of China, wherever and whenever the Board of Directors deem it necessary or advisable to carry out any or all of its activities.

Article 4

The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of the Company paid-up capital. Any matters regarding the reinvestment must be approved and handled in accordance with the rules approved by the Board of Directors and the applicable laws and regulations.

Article 5

The Company may provide endorsement and guarantee and act as a guarantor to the matters related to the business of the Company.

Section II — Capital Stock

Article 6

The total capital of the Company is TWD 4 billion, divided into 400 million shares for a value of TWD 10 per share, to be issued in several tranches by the Board of Directors as authorized.

Among the total capital in the preceding paragraph, an amount of TWD 100 million shall be reserved, to be divided into 10,000,000 shares for a value of TWD 10 per share, to be issued as employee stock options in several tranches by the Board of Directors as authorized according to the Company Act of the Republic of China and the applicable laws of the Republic of China.

Article 6-1

The Company may distribute the shares by way of new shares to be issued by the Company or existing shares to be re-purchased by the Company to qualified employees. The Company may also enter into a share subscription right agreement with or issue restricted stock for qualified employees. Qualified employees herein include the employees of parent company or subsidiaries of the Company who meet certain requirements.

The Company may issue employee stock options to employee at a price lower than the closing price of the issuance date, or transfer the treasury shares to employees at a price lower than the Company's average acquisition cost providing such issuance or transfer proposal is approved by more than two-third (2/3) of attending shareholders with voting rights in the shareholders' meeting attended by shareholders holding the majority of the Company's total outstanding shares.

Article 7

The share certificates of the Company shall be name-bearing share certificates signed by or affixed with the signatures or personal seals of the director representing the Company and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance. The Company may issue shares without printing share certificates and the shares shall be registered with a domestic securities depository enterprise as per relevant rules and regulations.

Article 8

Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Article 8-1

All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Company shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations of the Republic of China.

Section III — Shareholders Meetings

Article 9

Shareholders' meetings of the Company are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened whenever necessary in accordance with the relevant laws, rules and regulations of the Republic of China. The

Company's shareholders meeting shall be held via video conference or other communication media that announced by the regulatory authorities.

Article 9-1

Meeting notices, specifying the date, venue, and purposes of the meeting, shall be sent to each shareholder and publicly announced for the convening of shareholders' meetings, at least thirty (30) days prior to regular meetings, and at least fifteen (15) days prior to special meetings. With the consent of the counterparty, the notices may be sent by electronic means.

For shareholders holding less than one thousand registered shares, the notices prescribed in the preceding paragraph may be conducted via public announcement.

Article 10

If a shareholder is unable to attend a meeting, he/she may appoint a representative by providing a Shareholder Proxy Form issued by the Company, specifying the scope of the proxy's authorization, and signed by or affixed with the signatures or personal seals of the shareholder, to attend the meeting on his/her behalf.

Article 11

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

Article 12

Except where otherwise provided by the Company Act of the Republic of China, resolutions of shareholders' meeting shall be adopted by an affirmative vote of a majority of the voting rights represented by shareholders in attendance at the meeting attended by shareholders representing more than one-half of the total issued shares. In accordance with regulations set by the regulatory authority, shareholders of this Company may also exercise their voting rights via an electronic voting system, and such electronic participation shall be deemed equivalent to attendance in person; all relevant matters of electronic voting shall be conducted in accordance with relevant laws and regulations.

Article 12-1

Resolutions of a shareholders' meeting shall be recorded in the meeting minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting and distributed to each shareholder within twenty (20) days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The distribution of the meeting minutes prescribed in the preceding paragraph may be conducted by means of a public announcement on the MOPS.

Such minutes shall record the year, month, day, and place of the meeting, the chairman's name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results, and shall be retained for the duration of the existence of the Company. The attendance book of shareholders and the proxy forms shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act of the Republic of China, the attendance book and proxy forms shall be retained until the conclusion of the litigation.

Article 12-2

When withdrawing shares from public offering, it shall be carried out only after a special resolution is passed at a shareholders' meeting, and this provision shall remain unchanged throughout the listing period on Taiwan Stock Exchange.

Section IV — Directors

Article 13

The Company shall have five (5) to thirteen (13) directors with a term of three (3) years, to be elected from among the persons of legal capacity at the shareholders' meeting and eligible for reelection.

Article 13-1

Among the abovementioned number of directors, there shall be at least three (3) independent directors and no less than one-fifth (1/5) of the directors shall be independent directors.

The election of directors adopts the candidates nomination system as stipulated in Article 192-1 of the Company Act of the Republic of China. Matters related to the acceptance and announcement of director candidates' nomination shall be handled in accordance with relevant laws and regulations under the Company Act and the Security and Exchange Act of the Republic of China. Both independent directors and non-independent directors shall be elected at the same time, with the number of elected positions calculated separately for each category. Professional qualifications, restrictions on shareholding and concurrent jobs, determination of independence, nomination and election methods, exercise of powers and authority, and other matters to be compiled with for independent directors shall be handled in accordance with relevant regulations issued by the securities regulatory authorities of the Republic of China.

Article 13-2

The election of directors of the Company adopts cumulative voting method, where each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights may be combined to vote for one person, or divided to vote for several persons. Candidates receiving the ballots representing more voting rights will be elected as directors.

Article 14

The Board of Directors is comprised of directors. The directors shall elect a chairman from among themselves, requiring the approval of a majority of the attending directors at a meeting where two-thirds or more of the directors are present. The chairman of the Board represents the Company externally. The Board may also elect a vice chairman from among the directors in the same manner. In the case where the chairman of the Board is on leave or unable to exercise his/her duties for any reason, proxy shall be managed in accordance with Article 208 of the Company Act of the Republic of China.

Article 14-1

The meeting of the Board of Directors shall be held at least once every quarter upon a notice sent to each director, at least seven days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the reasons for convening a meeting. The notice for convening a Board of Directors' meeting may be issued through written communication, fax, email, or any other means.

Article 14-2

A meeting of the Board of Directors may only proceed if attended by more than half of the directors. A director may appoint another director, by issuing a proxy form stating the scope of authorization, to represent him/her at a board meeting, with a director limited to representing only one other Director. Resolutions at such meetings shall be adopted by the affirmative vote of a majority of the attending directors, unless otherwise stipulated in the Company Act of the Republic of China.

Article 15

If a Board of Directors' meeting is conducted by means of video conference, any Director attending the meeting via videoconference shall be deemed attendance in person.

The meeting minutes shall be signed or chopped by the chairman and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. and the meeting minutes shall be deemed important corporate records and be retained during the existence of the Company.

The meeting minutes of paragraph 2 may be produced and distributed in electronic form.

Article 16

The Board of Directors are authorized to determine the remunerations of all directors based on their level of involvement and contribution to the operation of the Company, regardless of profitability of the Company, in accordance with the prevailing standards in the same industry.

Article 16-1

During the term of the directors and key officers, the Company shall procure liability insurance for them for the potential claims for damages filed by parties of interest arising from their execution of duties within their scope of responsibilities.

Article 16-2

In consideration of strengthening supervision and management functions, the Board of Directors may form Audit, Remuneration, Nomination, Risk Management or any other functional committees, taking into account the scale of Board and the number of independent directors. An Environment, Social and Governance (ESG) or related committee may also be established based on the vision of corporate social responsibility and sustainable business operation.

Article 16-3

The Company establishes an Audit and Risk Committee pursuant to Article 14-4 of Securities and Exchange Act, composed by all independent directors.

The composition, powers and duties, rules of procedure, and other matters to be compiled with for the Audit and Risk Committee of the Company shall be handled in accordance with relevant laws and regulations and the bylaws of the Company.

Article 16-4

The Company establishes a Remuneration Committee pursuant to Article 14-6 of Securities and Exchange Act.

The composition, powers and duties, rules of procedure, and other matters to be compiled with for the Remuneration Committee of the Company shall be handled in accordance with relevant laws and regulations and the bylaws of the Company.

Article 16-5

The board of directors of this company may establish additional functional committees, the organizational regulations of which shall be approved by the board of directors.

Section V — Management

Article 17

The Company may appoint one General Manager, and one President for registered branch, with their appointment, dismissal and remuneration handled in accordance with Article 29 of the Company Act of the Republic of China.

Section VI — Accounting

Article 18

After the close of each fiscal year, the following documents shall be prepared by the Board of Directors, and submitted to the Audit and Risk Committee for review and, in accordance with law, presented to the regular meeting of shareholders for recognition:

1. Business report,
2. Financial statements,
3. Proposals for profit distribution or deficit offset.

Article 19

The Company shall, if any profits are earned in a fiscal year, allocate no less than 1% of the annual profits as employees' compensation, with at least one-third of this amount distributed to non-executive employees, no more than 10% of the annual profit as directors' remuneration, provided that the Company shall reserve an amount of the profits in advance to offset any accumulated losses.

The term "profits earned by the Company" stipulated in the preceding paragraph refers to pre-tax profits for the year, before deducting the said employees' additional compensation and directors' remuneration.

The additional compensation to employees shall be distributed in the form of cash or stock. The distribution method, amount and stock numbers shall acquire approval of a majority of the attending directors at a meeting of Board of Directors attended by two-thirds or more of the directors and be reported to the shareholders' meeting.

The remuneration to directors' (including independent directors) shall be distributed in cash. The distribution ratio shall be recommended by the Remuneration Committee to the Board of Directors, which is authorized to determine the distribution ratio within the prescribed limit by adopting a resolution with the approval by a majority of the attending directors at a meeting of Board of Directors attended by two-third or more of the directors and reporting to the shareholders' meeting.

Employees who are entitled to employees' additional compensation are limited to those employed by the Company, formally appointed, and entitled to labor insurance benefits, including employees of subsidiaries who meet certain conditions. Temporary employees and probationary employees are not included.

Article 19-1

The Company shall, after covering all losses incurred in the past years and paying all taxes and dues, set aside a legal capital reserve at 10 % of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Company, and then set aside special capital reserve in accordance with relevant laws or regulations of the Republic of China or as requested by the competent authorities. If any remaining profits are available, plus the beginning undistributed earnings, it will be the accumulated distributable earnings and Board of Directors will draft the proposal for earnings distribution or no distribution under scenarios approved by Board of Directors, and have it passed by the resolution of shareholders' meeting before distribution or modification.

The board of directors is authorized to pay dividends and bonuses, legal reserves, and capital surpluses in whole or in part in cash, providing a resolution has been adopted by a majority of the attending directors at a meeting of the Board of Directors attended by two-thirds or more of the directors and such a resolution shall be reported to the shareholders' meeting.

Article 19-2

Considering the Company is in an industry in a growth phase, profits may be distributed in total after taking into consideration financial, business, and operational factors, and to be distributed upon approved by the shareholders' meeting. It is expected that the dividends, subject to the shareholders' approval, are in the range of 10% to 100% of distributable profits of a year, among which cash dividend shall not be less than 10% of total distribution. Dividend payout may be adjusted by the Board of Directors based on changes in the internal and external environment.

Section VII — Supplementary Provisions

Article 20

In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

Article 21

The internal organization of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 22

These Articles of Incorporation are agreed to and signed on May 25th, 1966.

The first Amendment was made on February 1st, 1974.

The second Amendment was made on August 17th, 1974.

The third Amendment was made on June 26th, 1975.

The fourth Amendment was made on August 13th, 1976.

The fifth Amendment was made on April 23rd, 1977.

The sixth Amendment was made on December 9th, 1978.

The seventh Amendment was made on April 24th, 1981.

The eighth Amendment was made on December 10th, 1982.

The ninth Amendment was made on July 16th, 1985.

The tenth Amendment was made on September 2nd, 1989.

The eleventh Amendment was made on October 11th, 1995.

The twelfth Amendment was made on June 16th, 1998.

The thirteenth Amendment was made on February 17th, 2001.

The fourteenth Amendment was made on April 20th, 2002.
The fifteenth Amendment was made on June 14th, 2003.
The sixteenth Amendment was made on August 23rd, 2003.
The seventeenth Amendment was made on June 18th, 2005.
The eighteenth Amendment was made on June 23rd, 2006.
The nineteenth Amendment was made on June 27th, 2008.
The twentieth Amendment was made on June 16th, 2009.
The twenty-first Amendment was made on June 17th, 2010.
The twenty-second Amendment was made on June 5th, 2012.
The twenty-third Amendment was made on June 3rd, 2013.
The twenty-fourth Amendment was made on February 17th, 2014.
The twenty-fifth amendment was made on March 3rd, 2015. The deletion of the articles in relation to Supervisors and the amendment to the articles in relation to the Audit Committee take effect on the date when the audit committee is established.
The twenty-sixth Amendment was made on June 27th, 2016.
The twenty-seventh Amendment was made on October 25th, 2016.
The twenty-eighth Amendment was made on December 16th, 2016.
The twenty-ninth Amendment was made on June 27th, 2017.
The thirtieth Amendment was made on June 24th, 2019.
The thirty-first Amendment was made on June 30th, 2020.
The thirty-second Amendment was made on June 30th, 2022.
The thirty-third Amendment was made on June 15th, 2023.
The thirty-fourth Amendment was made on June 13th, 2024.
The thirty-fifth Amendment was made on June 26th, 2025.

Attachment 7: The Company proposes to issuing common shares or/and issuing common shares for sponsor of the issuance of global depositary receipts (GDR) or/and issuing common shares via private placement or/and issuing convertible bond via private placement

In order to fund the operational needs, to repay the outstanding debt, to maintain fundraising flexibility for potential portfolio acquisition opportunities or any other needs for the Company's long term development, the Company proposes to submit to the shareholders' meeting for authorization of the BOD to choose from or combine the fundraising routes as stated in the following, in order to raise domestic capital through issuing common shares or/and issuing common shares for sponsor of the issuance of global depositary receipts (GDR) or/ and issuing common shares via private placement or/ and issuing convertible bond via private placement up to 75,000 thousand common shares, in compliance with applicable law, the Company's Articles of Incorporation and other regulation promulgated by the competent authorities, in consideration of the market condition for immediate financing needs and actual capital needs.

- I. If adopting the proposal of "raising domestic capital by issuing common shares", the Company proposes to authorize the BOD to conduct the following steps:
 - i. According to article 267 of the Company Act, this proposal of "raising domestic capital by issuing common shares" will reserve 10% to 15% of new shares for subscription by the Company's employees. The rest new shares shall be sold by either of (1) that the remaining shares will be proposed to the shareholders' meeting to approve that the pre-emptive rights to subscribe to the remaining shares to be waived by the shareholders and such remaining shares will be offered to the public via book building, or (2) that at least 10% of the new shares will be sold to the public through the underwriter(s) and the remaining 75% to 80% of the shares will be subscribed to by the existing shareholders of the Company in accordance with their shareholding. It is proposed that any new common shares not subscribed by employees and existing shareholders of the Company will be sold to the person(s) designated by the Chairman of BOD and/or persons designated by the Chairman of BOD individually or jointly at the issue price.
 - ii. The actual issuing price shall be determined by the authorized the Chairman of BOD together with the underwriter, after considering the market condition and applicable law.
 - iii. The new shares issued in this capital raise shall bear the same rights and obligations as the original shares.
 - iv. The final issuing shares of this offering and issuing proposal, the method of underwriting, employee subscription ratio, issuing price and conditions, actual offering capital, capital utilization plan (including plan target, estimated progress, estimated benefits etc.) and other issuing matters shall be managed at the proper timing by the authorized Chairman of BOD or persons designated by the Chairman of BOD; In the future if due to the approval of the competent authorities, the evaluation of operation, demands from capital markets, or adapting to the circumstance, it becomes necessary to adjust, the Company proposes to authorize the Chairman of BOD or persons designated by the Chairman of BOD individually or jointly to take whole management of it.
 - v. This offering and issuing proposal will authorize the BOD to decide the record date after the approval of the competent authorities and authorize the BOD to decide the payment term, recordation date of the capital increase and other relevant offering matters.

- vi. In cooperation with this "raising domestic capital by issuing common shares," the Company proposes to the shareholders' meeting to authorize the Chairman of BOD or persons designated by the Chairman of BOD to individually or jointly represent the Company to execute any relevant contracts and documents regarding "raising domestic capital by issuing common shares," and manage all relevant matters.
- II. If adopting the proposal of "raising capital through issuing common shares for sponsor of the issuance of GDR", the Company proposes to the shareholders' meeting to authorize the BOD to conduct the following steps:
- i. According to article 267 of the Company Act, this proposal of "raising capital through issuing common shares for GDR" will reserve 10% to 15% of new shares for subscription by the Company's employees. According to article 28-1 of the Securities and Exchange Act, the rest of the shares shall be publicly offered as the underlying securities to sponsor the issuance of GDR. If the employee subscription is insufficient or waived, the Company proposes to authorize the Chairman of the BOD or persons designated by the Chairman of BOD to individually or jointly contact specific persons for subscription based on the issuing price, or, depending on the demands of the market, to list it as original securities for issuing GDR.
 - ii. The basis and rationale to determine the issuing price:

The issuing price of this "raising capital through issuing common shares for sponsor of the issuance of GDR" shall be based on the Self Regulation of Taiwan Securities Association for Underwriter Members Advising Public Companies of Offering and Issuing Securities (the Underwriter Self Regulation). The issuing price shall not be lower than the closing price of the Company's common share at Taiwan Stock Exchange on the price fixing date or 90 % of the average stock price (the basic price) after ex-rights/ex-dividend (or ex-rights of capital reduction) of issuance of bonus shares deducted from simple arithmetic mean of the closing price of the common shares selected from whichever of the prior 1, 3, or 5 business day. Should the domestic law amends, the price setting can be adjusted in compliance with the law; Considering drastic short term fluctuation of domestic stock price, in order to attract foreign investors and obtain their supports, within the above authorization scope, the authorized Chairman of BOD or persons designated by the Chairman of BOD will, notifying the securities firms, decide the actual issuing price based on international customs, taking international capital market, domestic price and book building conditions into consideration as well.
 - iii. The impacts to the shareholders' interests:

To the original shareholders, the dilution of their shares will amount to 22.01% utmost if calculated based on raising capital through issuing common shares for sponsor of the issuance of GDR up to 75,000 thousand shares. The benefit of capital raise will strengthen the Company's competitiveness and benefit shareholders through reduced interest expenses and consolidation of stronger portfolio; regarding the issuing price of GDR, the price shall be based on the fair market price of the common share in domestic securities exchange market. The original shareholders may still purchase common shares in domestic market with a price close to the issuing price of GDR, without taking the risk of currency exchange and circulation. Thus, there should be no material impact to the original shareholders.
 - iv. The new shares issued in this capital raise shall bear the same rights and obligations as the original shares.

- v. The final issuing shares of this offering and issuing proposal, employee subscription ratio, issuing price and conditions, actual offering capital, capital utilization plan (including plan target, estimated progress, estimated benefits etc.) and other issuing matters shall be managed at the proper timing by the authorized Chairman of BOD or persons designated by the Chairman of BOD; In the future if due to the approval of the competent authorities, the evaluation of operation, demands from capital markets, or adapting to the circumstance, it becomes necessary to adjust, the Company proposes to authorize the Chairman of BOD or persons designated by the Chairman of BOD to individually or jointly take whole management of it.
 - vi. This offering and issuing proposal will authorize the BOD to decide the record date after the approval of the competent authorities and authorize the BOD to decide the payment term, recordation date of the capital increase and other relevant offering matters.
 - vii. In cooperation with this "raising capital through issuing common shares for sponsor of the issuance of GDR," the Company proposes to the shareholders' meeting to authorize the Chairman of BOD or persons designated by the Chairman of BOD to individually or jointly represent the Company to execute any relevant contracts and documents regarding "raising domestic capital through issuing common shares for sponsor of the issuance of GDR," and manage all relevant matters.
- III. If adopting the proposal of "raising capital through issuing common shares via private placement or issuing convertible bond via private placement ", the Company proposes to the shareholders' meeting to authorize the BOD to conduct the following steps within one year from the date of shareholders' meeting at one tranche or multiple tranches (no more than three):
- i. The basis and rationale to determine the private placement price:
 - A. The private placement price shall be set at no less than 80% of the reference price. The reference price is set as the higher of the following two basis prices:
 - a. The simple average closing price of the common shares of the Company for either the one, three, or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 - b. The simple average closing price of the common shares of the Company for the thirty business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
 - B. The issue price of the private placement convertible bond should no less than 80% of the theoretical price.
 - C. It is proposed to authorize the BOD to determine the final issuing price, based on the market condition and the negotiation with the specific parties, within the range approved by the shareholders' meeting.
 - D. The private placement price of common shares and the issue price of private placement of convertible bond shall be determined in compliance with the relevant regulations outlined in "Directions for Public Companies Conducting Private Placements of Securities" after taking consideration of the Company's market price and theory price.

- ii. The method to determine specific parties, the necessity, and the expected benefits:

The participants shall be the specific parties qualified for the rules in Article 43-6, Securities and Exchange Act and have to be strategic investors who can contribute benefits to the Company's long term development and existing shareholders' equities. The Company currently has not arranged any specific parties. It is proposed to authorize the BOD to handle all the relevant matters in this regard.

The Company plans to invite strategic investors to strengthen the competitiveness, and the capital raised shall be used to fund operational needs, to repay the outstanding debt, to maintain fundraising flexibility for potential portfolio acquisition opportunities or any other needs for the Company's long term development, which shall be beneficial to shareholders' equities.

- iii. Reasons not to conduct public offering: Considering the capital market condition, time effectiveness to raise capital, feasibility, issuance cost and the need to find strategic investor(s) as well as the three-year lockup which can ensure the long term cooperation between the Company and the strategic investor(s), the Company decides to conduct private placement, not public offering.
- iv. The rights and obligations of the common shares (including those shares after conversion from private placement convertible bonds) to be issued by way of private placement shall be the same as those of the common shares or convertible bonds already issued by the Company. However, these private placement shares cannot be freely transferred within three years after the shares are delivered unless the transfer is proceeded according to Article 43-8 of the Securities Exchange Act.
- v. It is proposed to request the Shareholders Meeting to authorize the Board of Directors to determine the major plan of the private placement, including the actual issuance price, number of shares to be issued, terms and conditions, private placement amount, capital increase record date, project items, indicative timeline, expected benefits and other matters if any amendment or revision is required because of the competent authorities' request or change of market conditions.

Attachment 8: List of Candidates for Directors

Seat	Title	Name	Gender	Shareholding (Shares)(Note)	Major Education and Work Experience	Reasons of Continuing to Nominate Independent Directors
1	Candidate of Director	Representative of Alvogen Emerging Markets Holdings Limited. Petar Antonov Vazharov	M	82,446,796	Medical Doctorate, Sofia University of Medicine MBA, University of Sofia "St. Kliment Ohridski" Senior Manager of Global Business Development, Actavis Generics CEO, Lotus Pharmaceutical Co., Ltd. Director, Alvogen Korea Holdings Ltd. Director, Alvogen Korea Co., Ltd. Director, Lotus International Pte. Ltd. Director, Alvogen (Thailand) Ltd. Director, Lotus Pharmaceutical (Shanghai) Health Management Consulting Ltd. Director, Lotus Japan Holdings Co., Ltd. Director, Lotus Healthcare Malaysia Sdn. Bhd. Director, Lotus Healthcare Philippines Corp. Director, Lotus Pharma Bulgaria EOOD Director, Meishi Pharma Services Pte. Ltd.	N/A

Note: It's the information of the book closure date (April 28) of the 2025 annual general meeting of shareholders.

Attachment 9: List of Directors and Representative Released from the Non-Competition Restrictions

Position	Name	Concurrent Positions in Other Companies
Representative of Alvogen Emerging Markets Holdings Limited.	Petar Antonov Vazharov	<ul style="list-style-type: none"> • Director, Alvogen Korea Holdings Ltd. • Director, Alvogen Korea Co., Ltd. • Director, Lotus International Pte. Ltd. • Director, Alvogen (Thailand) Ltd. • Director, Lotus Pharmaceutical (Shanghai) Health Management Consulting Ltd. • Director, Lotus Japan Holdings Co., Ltd. • Director, Lotus Healthcare Malaysia Sdn. Bhd. • Director, Lotus Healthcare Philippines Corp. • Director, Lotus Pharma Bulgaria EOOD. • Director, Meishi Pharma Services Pte. Ltd.
Representative of Innobic LL Holding Company Limited.	Thariswan Tiensawat	<ul style="list-style-type: none"> • Executive Vice President, Group Corporate Finance and Strategy, PTT Public Company Limited • Director, Innobic (Asia) Co., Ltd. • Director, Alvogen Emerging Markets Holdings Ltd.

Appendix i

LOTUS PHARMACEUTICAL CO., LTD. ARTICLES OF INCORPORATION OF

(before amendments)
[English translation for reference only]

Section I — General Provisions

Article 1

The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be 美時化學製藥股份有限公司 in the Chinese language, and Lotus Pharmaceutical Co., Ltd. in the English language.

Article 2

The scope of business of the Company shall be as follows:

1. C802041 Drugs and Medicines Manufacturing
2. F208021 Retail Sale of Drugs and Medicines
3. F208031 Retail sale of Medical Equipment
4. F401010 International Trade
5. C802110 Cosmetics Ingredients Manufacturing
6. F102170 Wholesale of Food and Grocery
7. F108040 Wholesale of Cosmetics
8. F203010 Retail sale of Food and Grocery
9. I199990 Other Consultancy
10. IG01010 Biotechnology Services
11. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Company shall have its head office in Taipei, Taiwan, Republic of China, and shall be free, upon approval of government authorities in charge, to set up and dissolve factories, representative and branch offices at various locations within and without the territory of the Republic of China, wherever and whenever the Board of Directors deem it necessary or advisable to carry out any or all of its activities.

Article 4

The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of the Company paid-up capital. Any matters regarding the reinvestment must be approved and handled in accordance with the rules approved by the Board of Directors and the applicable laws and regulations.

Article 5

The Company may provide endorsement and guarantee and act as a guarantor to the matters related to the business of the Company.

Section II — Capital Stock

Article 6

The total capital of the Company is TWD 4 billion, divided into 400 million shares for a value of TWD 10 per share, to be issued in several tranches by the Board of Directors as authorized.

Among the total capital in the preceding paragraph, an amount of TWD 100 million shall be reserved, to be divided into 10,000,000 shares for a value of TWD 10 per share, to be issued as employee stock options in several tranches by the Board of Directors as authorized according to the Company Act of the Republic of China and the applicable laws of the Republic of China.

Article 6-1

The Company may distribute the shares by way of new shares to be issued by the Company or existing shares to be re-purchased by the Company to qualified employees. The Company may also enter into a share subscription right agreement with or issue restricted stock for qualified employees. Qualified employees herein include the employees of parent company or subsidiaries of the Company who meet certain requirements.

The Company may issue employee stock options to employee at a price lower than the closing price of the issuance date, or transfer the treasury shares to employees at a price lower than the Company's average acquisition cost providing such issuance or transfer proposal is approved by more than two-third (2/3) of attending shareholders with voting rights in the shareholders' meeting attended by shareholders holding the majority of the Company's total outstanding shares.

Article 7

The share certificates of the Company shall be name-bearing share certificates signed by or affixed with the signatures or personal seals of the director representing the Company and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance. The Company may issue shares without printing share certificates and the shares shall be registered with a domestic securities depository enterprise as per relevant rules and regulations.

Article 8

Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Article 8-1

All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Company shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations of the Republic of China.

Section III — Shareholders Meetings

Article 9

Shareholders' meetings of the Company are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened whenever necessary in accordance with the relevant laws, rules and regulations of the Republic of China. The

Company's shareholders meeting shall be held via video conference or other communication media that announced by the regulatory authorities.

Article 9-1

Meeting notices, specifying the date, venue, and purposes of the meeting, shall be sent to each shareholder and publicly announced for the convening of shareholders' meetings, at least thirty (30) days prior to regular meetings, and at least fifteen (15) days prior to special meetings. With the consent of the counterparty, the notices may be sent by electronic means.

For shareholders holding less than one thousand registered shares, the notices prescribed in the preceding paragraph may be conducted via public announcement.

Article 10

If a shareholder is unable to attend a meeting, he/she may appoint a representative by providing a Shareholder Proxy Form issued by the Company, specifying the scope of the proxy's authorization, and signed by or affixed with the signatures or personal seals of the shareholder, to attend the meeting on his/her behalf.

Article 11

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

Article 12

Except where otherwise provided by the Company Act of the Republic of China, resolutions of shareholders' meeting shall be adopted by an affirmative vote of a majority of the voting rights represented by shareholders in attendance at the meeting attended by shareholders representing more than one-half of the total issued shares. In accordance with regulations set by the regulatory authority, shareholders of this Company may also exercise their voting rights via an electronic voting system, and such electronic participation shall be deemed equivalent to attendance in person; all relevant matters of electronic voting shall be conducted in accordance with relevant laws and regulations.

Article 12-1

Resolutions of a shareholders' meeting shall be recorded in the meeting minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting and distributed to each shareholder within twenty (20) days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The distribution of the meeting minutes prescribed in the preceding paragraph may be conducted by means of a public announcement on the MOPS.

Such minutes shall record the year, month, day, and place of the meeting, the chairman's name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results, and shall be retained for the duration of the existence of the Company. The attendance book of shareholders and the proxy forms shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act of the Republic of China, the attendance book and proxy forms shall be retained until the conclusion of the litigation.**Article 12-2**

When withdrawing shares from public offering, it shall be carried out only after a special resolution is passed at a shareholders' meeting, and this provision shall remain unchanged throughout the listing period on Taiwan Stock Exchange.

Section IV — Directors

Article 13

The Company shall have five (5) to thirteen (13) directors with a term of three (3) years, to be elected from among the persons of legal capacity at the shareholders' meeting and eligible for reelection.

Article 13-1

Among the abovementioned number of directors, there shall be at least three (3) independent directors and no less than one-fifth (1/5) of the directors shall be independent directors.

The election of directors adopts the candidates nomination system as stipulated in Article 192-1 of the Company Act of the Republic of China. Matters related to the acceptance and announcement of director candidates' nomination shall be handled in accordance with relevant laws and regulations under the Company Act and the Security and Exchange Act of the Republic of China. Both independent directors and non-independent directors shall be elected at the same time, with the number of elected positions calculated separately for each category. Professional qualifications, restrictions on shareholding and concurrent jobs, determination of independence, nomination and election methods, exercise of powers and authority, and other matters to be compiled with for independent directors shall be handled in accordance with relevant regulations issued by the securities regulatory authorities of the Republic of China.

Article 13-2

The election of directors of the Company adopts cumulative voting method, where each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights may be combined to vote for one person, or divided to vote for several persons. Candidates receiving the ballots representing more voting rights will be elected as directors.

Article 14

The Board of Directors is comprised of directors. The directors shall elect a chairman from among themselves, requiring the approval of a majority of the attending directors at a meeting where two-thirds or more of the directors are present. The chairman of the Board represents the Company externally. The Board may also elect a vice chairman from among the directors in the same manner. In the case where the chairman of the Board is on leave or unable to exercise his/her duties for any reason, proxy shall be managed in accordance with Article 208 of the Company Act of the Republic of China.

Article 14-1

The meeting of the Board of Directors shall be held at least once every quarter upon a notice sent to each director, at least seven days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the reasons for convening a meeting. The notice for convening a Board of Directors' meeting may be issued through written communication, fax, email, or any other means.

Article 14-2

A meeting of the Board of Directors may only proceed if attended by more than half of the directors. A director may appoint another director, by issuing a proxy form stating the scope of authorization, to represent him/her at a board meeting, with a director limited to representing only one other Director. Resolutions at such meetings shall be adopted by the affirmative vote of a majority of the attending directors, unless otherwise stipulated in the Company Act of the Republic of China.

Article 15

If a Board of Directors' meeting is conducted by means of video conference, any Director attending the meeting via videoconference shall be deemed attendance in person.

The meeting minutes shall be signed or chopped by the chairman and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting, and the meeting minutes shall be deemed important corporate records and be retained during the existence of the Company.

The meeting minutes of paragraph 2 may be produced and distributed in electronic form.

Article 16

The Board of Directors are authorized to determine the remunerations of all directors based on their level of involvement and contribution to the operation of the Company, regardless of profitability of the Company, in accordance with the prevailing standards in the same industry.

Article 16-1

During the term of the directors and key officers, the Company **shall** procure liability insurance for them for the potential claims for damages filed by parties of interest arising from their execution of duties within their scope of responsibilities.

Article 16-2

In consideration of strengthening supervision and management functions, the Board of Directors may form Audit, Remuneration, Nomination, Risk Management or any other functional committees, taking into account the scale of Board and the number of independent directors. An Environment, Social and Governance (ESG) or related committee may also be established based on the vision of corporate social responsibility and sustainable business operation.

Article 16-3

The Company establishes an Audit Committee pursuant to Article 14-4 of Securities and Exchange Act, composed by all independent directors.

The composition, powers and duties, rules of procedure, and other matters to be compiled with for the Audit Committee of the Company shall be handled in accordance with relevant laws and regulations and the bylaws of the Company.

Article 16-4

The Company establishes a Remuneration Committee pursuant to Article 14-6 of Securities and Exchange Act.

The composition, powers and duties, rules of procedure, and other matters to be compiled with for the Remuneration Committee of the Company shall be handled in accordance with relevant laws and regulations and the bylaws of the Company.

Article 16-5

The board of directors of this company may establish additional functional committees, the organizational regulations of which shall be approved by the board of directors.

Section V — Management

Article 17

The Company may appoint one General Manager, and one President for registered branch, with

their appointment, dismissal and remuneration handled in accordance with Article 29 of the Company Act of the Republic of China.

Section VI — Accounting

Article 18

After the close of each fiscal year, the following documents shall be prepared by the Board of Directors, and submitted to the Audit Committee for review and, in accordance with law, presented to the regular meeting of shareholders for recognition:

1. Business report,
2. Financial statements,
3. Proposals for profit distribution or deficit offset.

Article 19

The Company shall, if any profits earned by the Company for a fiscal year, distribute no less than 1% of the annual profits as employees' compensation and no more than 10% of the annual profit as directors' remuneration, provided that the Company shall reserve an amount of the profits in advance to offset any accumulated losses.

The term "profits earned by the Company" stipulated in the preceding paragraph refers to pre-tax profits for the year, before deducting the said employees' additional compensation and directors' remuneration.

The additional compensation to employees shall be distributed in the form of cash or stock. The distribution method, amount and stock numbers shall acquire approval of a majority of the attending directors at a meeting of Board of Directors attended by two-thirds or more of the directors and be reported to the shareholders' meeting.

The remuneration to directors' (including independent directors) shall be distributed in cash. The distribution ratio shall be recommended by the Remuneration Committee to the Board of Directors, which is authorized to determine the distribution ratio within the prescribed limit by adopting a resolution with the approval by a majority of the attending directors at a meeting of Board of Directors attended by two-third or more of the directors and reporting to the shareholders' meeting.

Employees who are entitled to employees' additional compensation are limited to those employed by the Company, formally appointed, and entitled to labor insurance benefits, including employees of subsidiaries who meet certain conditions. Temporary employees and probationary employees are not included.

Article 19-1

The Company shall, after covering all losses incurred in the past years and paying all taxes and dues, set aside a legal capital reserve at 10 % of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Company, and then set aside special capital reserve in accordance with relevant laws or regulations of the Republic of China or as requested by the competent authorities. If any remaining profits are available, plus the beginning undistributed earnings, it will be the accumulated distributable earnings and Board of Directors will draft the proposal for earnings distribution or no distribution under scenarios approved by Board of Directors, and have it passed by the resolution of shareholders' meeting before distribution or modification.

The board of directors is authorized to pay dividends and bonuses, legal reserves, and capital

surpluses in whole or in part in cash, providing a resolution has been adopted by a majority of the attending directors at a meeting of the Board of Directors attended by two-thirds or more of the directors and such a resolution shall be reported to the shareholders' meeting.

Article 19-2

Considering the Company is in an industry in a growth phase, profits may be distributed in total after taking into consideration financial, business, and operational factors, and to be distributed upon approved by the shareholders' meeting. It is expected that the dividends, subject to the shareholders' approval, are in the range of 10% to 100% of distributable profits of a year, among which cash dividend shall not be less than 10% of total distribution. Dividend payout may be adjusted by the Board of Directors based on changes in the internal and external environment.

Section VII — Supplementary Provisions

Article 20

In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

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The internal organization of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.

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The fourth Amendment was made on August 13th, 1976.

The fifth Amendment was made on April 23rd, 1977.

The sixth Amendment was made on December 9th, 1978.

The seventh Amendment was made on April 24th, 1981.

The eighth Amendment was made on December 10th, 1982.

The ninth Amendment was made on July 16th, 1985.

The tenth Amendment was made on September 2nd, 1989.

The eleventh Amendment was made on October 11th, 1995.

The twelfth Amendment was made on June 16th, 1998.

The thirteenth Amendment was made on February 17th, 2001.

The fourteenth Amendment was made on April 20th, 2002.

The fifteenth Amendment was made on June 14th, 2003.

The sixteenth Amendment was made on August 23rd, 2003.

The seventeenth Amendment was made on June 18th, 2005.

The eighteenth Amendment was made on June 23rd, 2006.

The nineteenth Amendment was made on June 27th, 2008.

The twentieth Amendment was made on June 16th, 2009.

The twenty-first Amendment was made on June 17th, 2010.

The twenty-second Amendment was made on June 5th, 2012.

The twenty-third Amendment was made on June 3rd, 2013.

The twenty-fourth Amendment was made on February 17th, 2014.

The twenty-fifth amendment was made on March 3rd, 2015. The deletion of the

articles in relation to Supervisors and the amendment to the articles in relation to the Audit Committee take effect on the date when the audit committee is established.

The twenty-sixth Amendment was made on June 27th, 2016.

The twenty-seventh Amendment was made on October 25th, 2016.

The twenty-eighth Amendment was made on December 16th, 2016.

The twenty-ninth Amendment was made on June 27th, 2017.

The thirtieth Amendment was made on June 24th, 2019.

The thirty-first Amendment was made on June 30th, 2020.

The thirty-second Amendment was made on June 30th, 2022.

The thirty-third Amendment was made on June 15th, 2023.

The thirty-fourth Amendment was made on June 13th, 2024.

Appendix ii

LOTUS PHARMACEUTICAL CO., LTD RULES AND PROCEDURES OF SHAREHOLDERS' MEETING

[English translation for reference only]

Approved on 2024/06/13

1. Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures of Shareholders' Meeting (hereinafter "Rules and Procedures") unless otherwise provided by relevant laws and regulations.
2. The Company shall specify in its Meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding Paragraph, shall be at least 30 minutes prior to the time the Meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel shall be assigned to handle the registrations.

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

The Company shall prepare an attendance book for the attending shareholders to sign, or attending shareholders may submit a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

3. A Meeting shall be held at the head office of the Company or at any other place that is convenient for the shareholders to attend and suitable for a shareholders meeting. The time to start a Meeting shall not be earlier than 9 a.m. or later than 3 p.m., and full consideration shall be given to the opinions of the independent directors with respect to the place and time of the Meeting.
4. If a Meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall preside at the Meeting. In case the Chairman is on leave or for any reason unable to exercise his/her powers, the Vice Chairman shall act as chair. If there is no Vice Chairman or the Vice Chairman is also on leave or for any reason unable to exercise his/her powers, the Chairman shall designate one of the managing directors to act as chair. If there are no managing directors, the Chairman shall designate one of the directors to act as chair. If the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to act as chair.

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

If a Meeting is convened by any person with power to convene but other than the Board of Directors, the convening party shall chair the Meeting. If there are two or more such convening persons, they shall mutually select from among themselves to act as chair.

5. The Company may appoint its designated legal counsels, certified public accountants (CPAs), or other related persons to attend a Meeting in a non-voting capacity.

Staff handling administrative affairs of a Meeting shall wear identification cards or badges.

6. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Meeting, and the voting and vote counting procedures. The recorded materials shall be retained for at least one year. If a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the recording shall be preserved until the conclusion of the litigation.

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

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

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

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted in accordance with Article 175, paragraph 1 of the Company Act. The Company shall notify all shareholders of the tentative resolution and call another Meeting within one (1) month.

If, prior to conclusion of the Meeting, the attending shareholders represent a majority of the total number of issued shares, the Chairman may resubmit the tentative resolution for a vote by the Meeting in accordance with Article 174 of the Company Act.

8. The agenda of a Meeting shall be set by the Board of Directors if a Meeting is convened by the Board of Directors. Votes shall be cast on each individual proposal in the agenda (including special motions and amendments to the original proposals set out in the agenda), and the Meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to Meetings convened by a person with the power to convene but not the Board of Directors.

The Chairman may not declare the Meeting adjourned before the completion of deliberation on the meeting addenda of the preceding two paragraphs (including special motions), except by a resolution of the shareholders meeting. If the Chairman declares the Meeting adjourned in violation of the Rules and Procedures, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the Meeting.

9. Unless otherwise specified by laws or regulations, the Meeting shall be convened by the Board of Directors.

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

The Company shall prepare electronic versions of the meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) thirty (30) days before the date of a regular Shareholders Meeting or fifteen (15) days before the date of a special Shareholders Meeting. The Company shall prepare electronic versions of the meeting agenda and supplemental meeting materials and upload them to the MOPS thirty (30) days before the date of a regular Shareholders Meeting or fifteen (15) days before the date of the special Shareholders Meeting. In addition, the Company shall also have prepared the meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time fifteen (15) days before the date of the shareholders meeting. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The Company shall distribute meeting agenda and supplemental meeting materials, prescribed in the preceding paragraph, on the date of and on-site at the Meeting to make them available to shareholders for review.

When the relevant parties grant their consent, notification may be performed using electronic means.

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be enumerated in the meeting notice of the reasons for convening the Meeting and the main content thereof explained, and shall not be proposed as special motions in the Meeting.

If the re-election of all Directors as well as the date of assumption of office are specified in the notice of the reasons for convening the Meeting, after the completion of the re-election in said Meeting, such date of assumption of office may not be changed by special motions or any other means during the same Meeting.

Shareholders holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion for the regular Shareholders Meeting, provided that the number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the Meeting agenda. If a proposal put forth by shareholders falls under any of the circumstances specified in any subparagraph of Article 172-1, paragraph 4 of the Company Act, the Board of Directors may choose not to include it in the agenda.

A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the Meeting agenda.

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

Shareholder-submitted proposals are limited to three hundred (300) characters in length, And no proposal containing more than three hundred (300) characters will be included in the Meeting agenda. The shareholder making the proposal shall attend the regular Shareholders' Meeting in person or by proxy and participate in the discussion with regard to the proposed item.

Prior to the date for issuance of notice of a Meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the Meeting notice the proposals that conform to the aforesaid provisions. At the Meeting, the Board of Directors shall explain the reasons for the exclusion of any shareholder proposals not included in the agenda.

10. Before speaking, an attending shareholder must specify on a Speech Note the subject of the speech, the shareholder's account number (or attendance card number) and account name. The order in which shareholders speak shall be decided by the Chairman.

A shareholder in attendance who has submitted a Speech Note but does not actually speak shall be deemed to have not spoken. When the content of the speech of a shareholder is inconsistent with the subject given on the Speech Note, the spoken content shall prevail.

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

11. Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the preceding paragraph or exceeds the scope of the agenda item, the Chair may terminate the speech.

12. For each Meeting, a shareholder may appoint a proxy to attend the Meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given Meeting, and shall deliver the proxy form to the Company five (5) days before the date of the Meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

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

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

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

13. After a speech of an attending shareholder, the Chairman may respond in person or direct relevant personnel to respond.

14. Voting at a Meeting shall be calculated based on the number of shares.

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

15. The Chairman shall allow ample opportunity during the Meeting for explanation and discussion of proposals, amendments or special motions proposed by shareholders; when the Chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chairman may announce the discussion closed and call for a vote with sufficient time for voting.
16. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a Meeting, it shall adopt the exercise of voting rights by either correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the Meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the Meeting in person and have waived his/her rights with respect to the special motions and amendments to original proposals of that Meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two (2) days before the date of the Meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the Meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two (2) business days before the date of the Meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a Meeting, the voting rights exercised by the proxy in the Meeting shall prevail.

Except otherwise specified in the Company Act or the Company's Articles of Incorporation, a resolution shall be adopted by an affirmative vote of a majority of the voting rights represented by the attending shareholders. In voting, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, shareholders shall vote on each agenda item individually. After the conclusion of the Meeting, the results for each proposal, based on the number of votes for and against and the number of abstentions, shall be entered into the MOPS.

17. If there is an amendment or a substitute for a proposal, the Chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one of them is adopted, others shall be deemed rejected, and no further voting shall be required.
18. The personnel to monitor and the personnel to count the ballots for the voting shall be appointed by the Chairman, provided that all monitoring personnel shall be shareholders of the Company. The result of voting shall be announced at the Meeting and placed on record. Vote counting for Meeting proposals or elections shall be conducted in public at the place of the Meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the Meeting, and made as a record.

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

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election of Directors shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one (1) year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

19. Matters relating to the resolutions of a Meeting shall be recorded in the Meeting minutes. The Meeting minutes shall be signed or sealed by the Chairman of the Meeting and a copy shall be distributed to each shareholder within twenty (20) days after the conclusion of the Meeting. The Meeting minutes may be produced and distributed in electronic form.

The Company may distribute the Meeting minutes of the preceding paragraph by means of a public announcement on the MOPS.

The Meeting minutes shall accurately record the year, month, day, and place of the Meeting, the Chairman's full name, the methods by which resolutions were adopted, a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each elected Director when there is an election of Directors. The minutes shall be retained for the duration of the existence of the Company.

20. During the Meeting, the Chairman may, at his/her discretion, set time for intermission. In the event of force majeure, the Chairman may rule the Meeting temporarily suspended and announce a time when, in view of the circumstances, the Meeting will be resumed.

If the Meeting venue is no longer available for continued use before all the items (including special motions) are resolved, the Meeting may adopt a resolution to resume the Meeting at another venue. A resolution may be adopted at a Meeting to defer or resume the Meeting within five (5) days in accordance with Article 182 of the Company Act.

21. The Chairman may direct the proctors or security personnel to assist in maintaining order at the Meeting place. Such proctors or security personnel shall wear an identification card or badge marked "Proctors."

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

When a shareholder violates the Rules and Procedures and defies the Chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the Chairman may instruct the proctors or security personnel to escort the shareholder from the Meeting.

22. On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means and shall make an express disclosure of the same at the place of the shareholders meeting.

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

23. These Rules and Procedures shall be effective from the date it is approved by a Shareholders' Meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix iii

LOTUS PHARMACEUTICAL CO., LTD RULES FOR ELECTION OF DIRETORS

[English translation for reference only]

Approved on 2020/06/30

1. Unless otherwise provided in the relevant laws or regulations or the Articles of Incorporation of the Company, the Directors of the Company shall be elected in accordance with these Rules.
2. The Directors of the Company shall be elected from the persons with capacity. The election shall be conducted in accordance with the candidate nomination system and procedures and held at the shareholders' meeting. The composition of the Board of Directors shall be determined by taking diversity into consideration and the Company shall formulate an appropriate policy on diversity based on the its business operations, types of operation, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- I . Basic requirements and values: Gender, age, nationality, and culture, etc.
- II . Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience, etc.

Each Board member shall have the necessary knowledge, skill, and experience to perform his/her duties. The capability criteria shall include but not limit to the following:

- I . The ability to make judgments about operations.
- II . Accounting and financial analysis ability.
- III . Business management ability.
- IV . Crisis management ability.
- V . Knowledge of the industry.
- VI . An international market perspective.
- VII . Leadership ability.
- VIII . Decision-making ability.

In the election of Directors of the Company, the cumulative voting method shall be used for election. Each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights may be combined to vote for one person, or divided to vote for several persons.

The following relationships shall not exist among more than half or the Company's Directors:

- I . Spouse;
- II . A familial relationship within the second degree of kinship.

The Board of Directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

3. At the beginning of the election, the chairman shall appoint persons each to check and record the ballots. The persons to check the ballots shall be appointed among the shareholders.
4. In election of Directors of the Company, the voting rights for Independent Directors and Non-independent Directors shall be separately calculated, and based on the voting rights for the

number of seats set forth in the Articles of Incorporation of the Company, candidates who acquire more votes, based on the number of votes received, shall win the seats of Directors. If two or more persons acquire the same number of votes, such persons acquiring the same votes shall draw lots to decide who shall win the seats, and the chairman shall draw lots on behalf on the candidate who is not present.

5. The qualification of the Company's Independent Directors shall be in compliance with Article 2, 3 and 4 of "Rules Governing Establishment of Independent Directors for Public Companies".

The election of the Company's Independent Directors shall be in compliance with Article 5, 6, 7, 8, and 9 of "Rules Governing Establishment of Independent Directors for Public Companies" and Article 24 of "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies".

When the number of directors falls below the lower limit number of the directors prescribed in the Company's Articles of Incorporation due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next Shareholders Meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Incorporation, the Company shall call a special Shareholders Meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the provision of Article 14-2, Paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation Rules Governing the Review of Listings, a by-election shall be held at the next Shareholders Meeting to fill the vacancy. When the independent directors are dismissed en masse, a special Shareholders Meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Among the seats of the Company's Directors, no less than two (2) seats and no less than one-fifth (1/5) of total seats of Directors shall be Independent Directors.

6. The Board of Directors shall prepare ballots for Directors numbered according to the number of Attendance Card with a note of number of voting rights, which shall then be distributed to the attending shareholders at the Shareholders Meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
7. If the candidate is a shareholder of the Company, voters shall fill in the candidate's name and the shareholder's number of the candidate in the "candidate" column. If the candidate is a government or corporate shareholder, the full name of the government or corporate shareholder or the name of government or corporate shareholder and the name of its representative shall be filled in the "candidate" column. If there are multiple representatives, the names of each respective representative shall be entered. If the candidate is not a shareholder of the Company, voters shall fill in the candidate's name and the candidate's ID number in the "candidate" column.
8. Ballots shall be deemed invalid in either one of the following conditions:
 - I . Ballots not prepared by the Board of Directors;
 - II . Blank ballots not completed by the voters and placed in the ballot box;
 - III . Illegible writing or being erased or changed;
 - IV . Ballots with other written characters or symbols in addition to candidate's name or shareholder's number (ID number) and the number of voting rights allotted;

- V. The name of the candidates filled in the ballots being the same as another candidates name and respective shareholder's number (ID number) not indicated to distinguish them;
 - VI. If the candidate is a shareholder of the Company, the name or the shareholder's number of the candidate filled in the ballot inconsistent with the shareholder's register. If the candidate is not a shareholder of the Company, the name or ID number of the candidate filled in the ballot is incorrect;
9. The ballots shall be calculated during the meeting right after the vote casting and the results of the election shall be announced by the chairman at the meeting. The ballots for the election referred shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Law of the Republic of China, the ballots shall be retained until the conclusion of the litigation.
 10. Any other items not specified herein shall be conducted in accordance with the Company Law of the Republic of China and relevant regulations.
 11. These Rules and any revision thereof shall become effective after approval at the shareholders' meeting.

Appendix iv

LOTUS PHARMACEUTICAL CO., LTD. SHAREHOLDING OF DIRECTORS

1. Our company's paid-in capital is NT\$2,658,138,120, with a total of 265,813,812 ordinary shares issued.
2. As of the book closure date (April 28, 2025) shares retained by directors and independent directors are as follows:

Position	Name	Shareholding (Shares)	Shareholding ratio (%)
Chairman	Vilhelm Robert Wessman	0	0
Director	Petar Antonov Vazharov	1,000,000	0.38
Director	Arni Hardarson	0	0
Director	Oranee Tangphao Daniels	0	0
Director	Yves Hermes	0	0
Director	Representative of Innobic LL Holding Company Limited. Nat Ativitavas	17,517,348	6.59
Director	Representative of Innobic LL Holding Company Limited. Thariswan Tiensawat	17,517,348	6.59
Director	Representative of Innobic LL Holding Company Limited. Krisana Winitthumkul	17,517,348	6.59
Independent Director	Jennifer Wang	0	0
Independent Director	Karl Alexius Tiger Karlsson	0	0
Independent Director	Ivy Yang	0	0
Total		18,517,348	6.97

Note: All directors collectively hold a number of shares reaching the statutory minimum requirement of 12,000,000 shares.