

Stock code : 6838



2024

Annual Report

Market Observation Post System

<https://maps.twse.com.tw>

Company Website

<http://formosapharma.com>

Printing Date: April 22, 2025

I. Names, Titles, Contact Telephone Numbers, and Email Addresses of Spokesperson and Deputy Spokesperson

	Spokesperson	Deputy Spokesperson
Name	Wei, Ching-Cheng	Tsao, Nai-Hsien
Title	Chief Business & Strategy Officer	Finance Director
TEL	(02) 2755-7659	(02) 2755-7659
E-Mail	ir@fbrmosapharma.com	ir@fbrmosapharma.com

II. Addresses and Telephone Numbers of Headquarters, Branches, and Factories:

1. Headquarters: 8F-6, No. 57, Fuxing North Road, Songshan District, Taipei City Telephone: (02) 2755-7659

2. Branches: None

3. Factories: None

III. Name, Address, Website, and Telephone Number of Stock Transfer Agency

Name: KGI Securities Co., Ltd. Stock Affairs Agency Department

Address: 5F, No. 2, Section 1, Chongqing South Road, Taipei City

Website: <http://www.KGI.com.tw>

Telephone: 02-2389-2999

IV. Names, Accounting Firm, Address, Website, and Telephone Number of Certified Public Accountants for the Most Recent Year's Financial Report:

CPAs for the Most Recent Year's Financial Report: Yen, Yu-Fang, Teng, Sheng-Wei

Accounting Firm: PricewaterhouseCoopers Taiwan Telephone: (02) 2729-6666

Address: 27F, No. 333, Section 1, Keelung Road, Taipei City Website: <http://www.pwc.tw>

V. Name of Overseas Securities Trading Venues and Methods for Inquiring About Overseas Securities Information: Not applicable.

VI. Company Website: <https://www.fbrmosapharma.com>

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I. Letter to Shareholders

Dear Shareholders:

This year, with your continued support, Formosa Pharmaceuticals has successfully achieved each of our business objectives according to plan.

1. 2024 Business Report

(1) Implementation Results of Business Plan

The company focuses on developing drugs in therapeutic areas such as ophthalmology and oncology at the clinical stage. Our product line includes 505(b)(2) improved new drugs and biosimilars of antibody-drug conjugates (ADCs). Meanwhile, we continue to refine and deepen the APNT[®] nanoparticle formulation platform and apply this technology to the research and development of different dosage forms of drugs.

In March 2024, we received approval from the U.S. Food and Drug Administration (FDA) for the marketing of APP13007 nano-suspension eye drops as a new drug, and obtained milestone payments of US\$2 million from Eyenovia, Inc. (NASDAQ: EYEN), a U.S. company focused on the development and marketing of new ophthalmic drugs, of which US\$1 million was in the form of Eyenovia, Inc. common stock; Grand Pharmaceutical Group Limited successfully completed the unblinding of Phase III clinical trials in mainland China in November 2024. In addition to the licensing agreements in China and the United States, we signed an exclusive licensing agreement for the Brazilian region with CRISTÁLIA PRODUTOS QUÍMICOS FARMACÊUTICOS LTDA in January 2024; signed an exclusive licensing agreement for the Middle East and North Africa region with Saudi Arabia's Tabuk Pharmaceuticals Manufacturing Company in May 2024; signed an exclusive licensing agreement for the Israeli region with Israel's Tzamal Biopharma Ltd. in July 2024; signed an exclusive licensing agreement for the Canadian region with Canada's Apotex Inc. in August 2024; signed an exclusive licensing agreement for the Portuguese region with Portugal's Dávi farmacêutica in October 2024; and signed an exclusive licensing agreement for Switzerland and Liechtenstein with Switzerland's Medvisis Switzerland AG in November 2024. It is expected that after the APP13007 product launches in each licensed region, it will improve the financial position and bring stable revenue. The TSY-0110 antibody-drug conjugate biosimilar project has begun preparation work for Phase I clinical trials in the European Union, and is actively evaluating and negotiating cooperation opportunities in various regions with the United States and European Union as target markets.

(2) Research and Development Status

1. Leveraging technology platforms to accelerate the commercialization of research and development projects
 - (1) APP13007 is an ophthalmic new drug for the treatment of post-operative inflammation and pain in ophthalmic surgery, which received U.S. FDA approval for marketing in March 2024.
 - (2) APP13002 is a nano-suspension for treating infectious eye diseases and related ocular surface disorders. Preclinical study results show good antibacterial and anti-inflammatory effects, with therapeutic potential for meibomian gland dysfunction causing dry eye syndrome and blepharitis.

2. Deepening collaborative development to strengthen the progress of research and development projects

In September 2021, the company received approval from the European Medicines Agency (EMA) for the biosimilarity assessment plan, clinical trial design, and overall development plan for the TSY-0110 Antibody-Drug Conjugate biosimilar. Subsequently, considering future market demand and global deployment, with the United States being the main region for implementing phase III clinical trials, in order to smoothly connect the EU phase I clinical trial with multinational phase III clinical trials, the company held a Type 2 biosimilar meeting with the US FDA in February 2023, confirming that TSY-0110 can be submitted through the current biosimilar regulatory pathway in the United States. The company has now completed the integration of opinions from both pharmaceutical regulatory authorities and established a plan that can connect phase III clinical trials in both European and American regions. We expect to complete international licensing in 2025 and, after integrating clinical trial submission materials with our licensing partners, submit a Clinical Trial Application (CTA) to the EMA for EU clinical trials and commence phase I clinical trials.

3. Expanding the collaboration and application of APNT[®] nanoparticle formulation platform

In addition to developing internal research projects such as APP13007 and APP13002, our company also continues to collaborate with numerous domestic and international biomedical companies, utilizing APNT[®] technology to assist in improving new drug formulations. The research results from these collaborative projects also verify that APN[®] technology can help partners overcome bottlenecks in new drug formulation development, improving formulation quality and stability, drug penetration into treatment sites, and bioavailability.

- (3) Budget implementation status: Not applicable.

- (4) Financial Income, Expenditure, and Profitability

The Company's 2024 operating revenue was NT\$143,356 thousand, an increase of NT\$112,184 thousand compared to 2023. The net loss attributable to owners of the parent company was NT\$200,933 thousand, a decrease of NT\$120,994 thousand compared to 2023. In 2024, revenue was recognized from the APP13007 US licensing agreement, resulting in increased operating revenue and thus reduced net loss.

2. Summary of 2025 Business Plan

- (1) Management Policies

The company focuses on clinical-stage drug development with continuous innovation and sustainable growth as our goals. We utilize extensive drug development experience and our globally patented proprietary technology platform to select research projects with global long-term growth value. We combine the strengths and expertise of our partners to ensure development success rates. Through flexible and diverse collaboration models, we actively seek partners and out-licensing opportunities to accelerate new drug launches, creating win-win situations with our partners.

(2) APP13007

The company has currently completed licensing agreements in China, the United States, Brazil, the Middle East and North Africa, Israel, Canada, Portugal, Switzerland, and Liechtenstein, and is actively negotiating licensing agreements with multiple pharmaceutical companies and drug distributors across different regions worldwide. Although sales of APP13007 in the United States have temporarily slowed due to the operational impact of Eynovia, Inc., it is expected that sales to the U.S. market will resume in the second half of the 2024. Our company has also initiated process scale-up studies to reduce production costs and achieve economic scale benefits for the drug.

(3) TSY-0110

TSY-0110 will leverage its development progress advantage as the first Kadcyła® biosimilar in Europe and the United States, implement project management and risk control, seek international licensing partners and, after signing licensing agreements, submit clinical trial applications in the European Union.

(4) Regarding Company Operations

The company will continue to strengthen human resource development, focusing on policies for selection, cultivation, utilization, and retention, in order to successfully develop various projects and achieve company milestones.

3. Future Company Development Strategy

(1) Short-term Plan

1. Marketing Strategy

(1) Given that the U.S. FDA is the leader in pharmaceutical regulations worldwide, when seeking licensing partners in other regional markets in the future, our company will prioritize countries that accept U.S. clinical data and recognize U.S. drug approvals. This approach will help shorten regulatory application timelines and costs, accelerate the market launch of APP13007 in various regions, increase market coverage, and create economic value for the product.

(2) Through participation in domestic and international biotech exhibitions and matchmaking meetings, we will proactively introduce the R&D progress of TSY-0110, establish networks with internationally renowned pharmaceutical companies, seek cooperation partners, and execute out-licensing.

(3) After signing licensing agreements, we will continue to communicate regularly with our licensing partners, monitor research and development or sales progress in various regions, provide timely assistance, and ensure smooth market launch and sales of the products.

2. Research and Development Aspect

(1) Focus on deepening the APNT® nanoparticle formulation platform and applying it to our own pharmaceutical project development.

(2) Based on unmet medical needs and market trends, expand the indications or applications of existing products.

(3) Through technical collaboration, jointly develop drugs with other companies to diversify development risks.

3. Production Aspect

(1) Commissioning professional pharmaceutical manufacturers in Taiwan for

production, focusing on cost structure and improving production efficiency, while collaborating with other biotech companies to create value for Taiwan's biotechnology industry.
(2)Strictly implement quality control.

4. Impact of Industrial Environment, Regulatory Environment, and Economic Environment

Pharmaceuticals directly enter the human body and affect human health. Governments worldwide have stringent regulatory requirements for drug research and production. Substantial R&D costs must be invested to clearly establish the safety and efficacy of new drugs. The development process is long and complex, yet the probability of success is highly uncertain. It is a race against time, and even after market launch, drugs still face challenges regarding market acceptance. In recent years, the significant fluctuations in the overall economic environment have affected fundraising for new drug development and caused market volatility, creating greater challenges for company operations.

The company's R&D team possesses new drug development experience from both American and Taiwanese pharmaceutical companies, spanning innovative drugs, improved new drugs, and even generic drugs or biosimilars. We focus on areas with unmet medical needs, adopting development paths with higher R&D success rates and shorter development timelines to reduce uncertainties in the drug development process. To expand and strengthen our drug development capabilities, we actively collaborate with other international companies and global strategic partners to develop our existing product lines and platform technologies, while simultaneously diversifying and reducing the risks associated with innovative drug development. The company follows and strengthens its regulatory compliance, committed to completing the three-step process of "R&D, licensing, and market launch" for each new drug project, aiming to become a pharmaceutical development company that creates sustainable value for shareholders.

We would like to express our gratitude to all shareholders, partners, and suppliers for their support and encouragement of the company, and also thank all our colleagues for their dedicated efforts. Our company will continue to develop and create greater value for our projects, meeting future medical needs and business opportunities, ensuring the company's continued growth and prosperity.

Chairman: Cheng, Chen-Yu

President: Erick Co

Finance Director Tsao, Nai-Hsien

II. Corporate Governance Report

(1) Information on Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, Heads of Departments and Branch Units:

(1) Director:

1. Information on Directors:

Unit: Shares Date: March 29, 2025

Title	Name	Gender Age	Nationality or Place of Registration	Date of First Elected	Date of Election	Term (Years)	Shares Held at Election		Number of Shares Currently Held		Shares Currently Held by Spouse and Minor Children		Shares Held in the Name of Others		Major Experience (Education)	Positions held concurrently in the Company and other Companies	Supervisors or Directors with Spousal or Second-degree Kinship Relationships			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Formosa Laboratories, Inc.	N/A.	R.O.C	2010.11.22	2024.05.23	3	61,487,653	45.84%	61,387,653	40.66%	—	—	0	0.00%	N/A.	1. Director, EirGenix, Inc. 2. Director, A. R. Z TAIWAN LIMITED 3. Director, Epione Investment Cayman Limited 4. Director and Supervisor of EPIONE PHARMACEUTICALS, INC. 5. Director, SynChem-Formosa, Inc.	None	None	None	None
	Representative: Cheng, Chen-Yu	Male 71-80 years old	R.O.C	2010.11.22	2024.05.23	3	86,274	0.06%	86,274	0.06%	197,865	0.13%	0	0.00%	1. Ph.D. in Medicinal Chemistry, University of California, San Francisco Medical Center 2. Postdoctoral Researcher in Chemistry, Massachusetts Institute of Technology (MIT) 3. Researcher at DuPont de Nemours, Inc. 4. Professor, School of Pharmacy, National Taiwan University 5. Chairman, Lian Qiao Biotechnology Co.,Ltd.	1. Chairman and President, Formosa Laboratories, Inc. 2. Institutional Representative Director, EirGenix, Inc. 3. Chairman and President, EPIONE PHARMACEUTICALS, INC. 4. Director, Rayoung Chemtech Inc. 5. Institutional Representative Director, Epione Investment Cayman Limited 6. Director, Epione Investment HK Limited 7. President, Activus Pharma Co., Ltd. 8. Institutional Representative Director, A. R. Z TAIWAN LIMITED 9. Managing Consultant, FORWARD ASSET MANAGEMENT LTD.	None	None	None	None
Director	Formosa Laboratories, Inc.	N/A.	R.O.C	2010.11.22	2024.05.23	3	61,487,653	45.84%	61,387,653	40.66%	—	—	0	0.00%	N/A.	1. Director, EirGenix, Inc. 2. Director, A. R. Z TAIWAN LIMITED 3. Director, Epione Investment Cayman Limited 4. Director and Supervisor of EPIONE PHARMACEUTICALS, INC. 5. Director, SynChem-Formosa, Inc.	None	None	None	None
	Representative: Huang, Weng-Foung	Male 71-80 years old	R.O.C	2017.10.13	2024.05.23	3	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1. Ph.D. in Social and Administrative Pharmacy, University of Minnesota, USA 2. Master of Pharmacy Administration Research, University of Minnesota, USA 3. Director-General, Bureau of Pharmaceutical Affairs, Ministry of Health and Welfare 4. Director-General, Taiwan Food and Drug Administration, Ministry of	1. Adjunct Professor, Institute of Health and Welfare Policy, National Yang Ming Chiao Tung University 2. Board Director, Development Center for Biotechnology 3. Independent Director, TaiGen Biopharmaceuticals Holdings Limited 4. Independent Director, EUSOL Biotech Co., Ltd. 5. Independent Director, AmCad BioMed Corporation 6. Corporate Representative Director,	None	None	None	None

Title	Name	Gender Age	Nationality or Place of Registration	Date of First Elected	Date of Election	Term (Years)	Shares Held at Election		Number of Shares Currently Held		Shares Currently Held by Spouse and Minor Children		Shares Held in the Name of Others		Major Experience (Education)	Positions held concurrently in the Company and other Companies	Supervisors or Directors with Spousal or Second-degree Kinship Relationships			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
														Health and Welfare 5. Director, Institute of Health and Welfare Policy, National Yang Ming Chiao Tung University	Orient PHARMA Co., Ltd. 7. Director, Panion & BF Biotech Inc. 8. Director, Bowlin Holding Co., Ltd. Seychelles 9. Director, Bowlin Holding Co., Ltd. Cayman 10. Corporate Representative Director, Cheng Fong Chemical Co., Ltd. 11. Senior Advisor, YFY Biotech Management Company 12. Corporate Representative Director, SynmyE Pharma Inc.					
Director	Ma, Hai-Yi	Female 71-80 years old	R.O.C and United States	2017.10.13	2024.05.23	3	543,268	0.40%	543,268	0.36%	0	0.00%	0	0.00%	1. Ph.D. in Physical Chemistry, Lehigh University, USA 2. Master's Degree in Inorganic Chemistry, University of Iowa, USA 3. Founder and President of ScinoPharm Taiwan Ltd. 4. Vice President, Syntex Pharmaceuticals	1. Investment Partner at Vivo Capital 2. Independent Director, Lumosa Therapeutics Co., Ltd. 3. Corporate Representative Director, OBIGEN Pharma. 4. Director, AnHorn Medicines Co., Ltd. 5. Director, Handa Pharmaceuticals, Inc. 6. Director, Senhwa Biosciences, Inc. 7. Independent Director, Steminent Corp. 8. Consultant of National Health Research Institutes 9. Member of the Academic Advisory Committee, Biomedical Translation Research Center, Academia Sinica 10. Vice President of Taiwan Bio Industry Organization	None	None	None	None
Director	Chang, Hung-Jen	Male 61-70 years old	R.O.C	2018.05.29	2024.05.23	3	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1. Master of Health Administration, Harvard School of Public Health, USA 2. Master of Preventive Medicine, Institute of Public Health, National Taiwan University 3. Deputy Minister, Ministry of Health and Welfare, Executive Yuan 4. President of National Health Insurance Administration 5. Director-General of Centers for Disease Control, Ministry of Health and Welfare, Executive Yuan	1. Vice Chairman, Taiwan Research-based Biopharmaceutical Manufacturers Association 2. Adjunct Professor, Institute of Public Health, National Yang Ming Chiao Tung University 3. Chairman and President, YFY Biotech Management Company 4. Chairman, EUSOL Biotech Co., Ltd. 5. Chairman, MICAREO TAIWAN CO., LTD. 6. Chairman, Micareo Inc.	None	None	None	None

Title	Name	Gender Age	Nationality or Place of Registration	Date of First Elected	Date of Election	Term (Years)	Shares Held at Election		Number of Shares Currently Held		Shares Currently Held by Spouse and Minor Children		Shares Held in the Name of Others		Major Experience (Education)	Current Positions Held at This Company and Other Organizations	Supervisors or Directors with Spousal or Second-degree Kinship Relationships			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
															7. Corporate Director Representative, TaiGen Biopharmaceuticals Holdings Limited 8. Corporate Director Representative, TaiGen Biotechnology Co., Ltd. 9. Director, EXCELSIOR BIOPHARMA INC. 10. Corporate Director Representative, Taiwan Capital Biotechnology Corporation 11. Independent Director, TOT BIOPHARM International Company Limited 12. Xiang Yong Biotech Management Consultant Co.,Ltd. Chairman 13. Director, TCCD Angels Investment Co., Ltd. 14. Independent Director, Maywufa Co, Ltd. 15. Director, AmMax Bio Inc. 16. Corporate Director Representative, eYe Optics Technology Co., Ltd.					
Director	CDIB Capital Healthcare Ventures II Limited Partnership	N/A.	R.O.C	2021.07.09	2021.07.09	3	3,000,000	3.03%	6,003,653	3.98%	—	—	0	0.00%	N/A.	1. Corporate Director, Precision Health Inc. 2. Corporate Director, TaiHao Medical Inc. 3. Corporate Director, Micronbrane Medical Company Limited 4. Corporate Director, Win Coat Corporation 5. Corporate Director, Anbogen Therapeutics, Inc.	None	None	None	Note 1

Title	Name	Gender Age	Nationality or Place of Registration	Date of First Elected	Date of Election	Term (Years)	Shares Held at Election		Number of Shares Currently Held		Shares Currently Held by Spouse and Minor Children		Shares Held in the Name of Others		Major Experience (Education)	Current Positions Held at This Company and Other Organizations	Supervisors or Directors with Spousal or Second-degree Kinship Relationships			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
	Representative: Kung,Te-Chun	Male 31-40 years old	R.O.C	2022.05.11	2022.05.11	3	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1. Master of Commerce, National Taiwan University 2. Representative of Corporate Director, ACT Genomics Holdings Company Limited	1. Representative of Corporate Director, Trust Bio-sonics, Inc. 2. Representative of Corporate Director, Paonan Biotech Co., Ltd. 3. Representative of Corporate Director, TaiHao Medical Inc. 4. Representative Director, Corporate Entity, Elixiron Immunotherapeutics (Cayman) Limited 5. Representative Director, Corporate Entity, QT Medical, Inc. 6. Assistant Vice President, CDIB Capital Innovation Advisors Corporation 7. Representative of Corporate Director, Anbogen Therapeutics, Inc.	None	None	None	Note 1
Independent Director	Su,Yu-Hui	Female 51-60 years old	R.O.C	2021.07.09	2024.05.23	3	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1. Ph.D., of Commerce, National Taiwan University 2. Master of Commerce, National Taiwan University 3. Bachelor of Accounting, National Taiwan University 4. Department Chair, Department of Accounting, Soochow University	1. Full-time Professor, Department of Accounting, Soochow University 2. Independent Director, AnnJi Pharmaceutical Co. Ltd. 3. Independent Director, Ennoconn Corporation 4. Independent Director, MAKALOT industrial co., ltd. 5. Supervisor, China Steel Security Corporation	None	None	None	None
Independent Director	Lo, Li-Chu	Female 71-80 years old	R.O.C	2021.07.09	2024.05.23	3	1,000	0.00%	1,000	0.00%	0	0.00%	0	0.00%	1. Ph.D., University of Massachusetts (U.Mass.) 2. President, Orient PHARMA Co., Ltd. 3. President, Medical and Pharmaceutical Industry Technology and Development Center 4. Director, Technology Transfer Office, National Health Research Institutes 5. Independent Director, Welldone Co., Ltd. 6. Adjunct Professor, Department of Food Science, National Taiwan Ocean University	1. Independent Director, LYTONE Enterprise, Inc. 2. Director, FA MA TECHNOLOGY CONSULTING CO., LTD. 3. Consultant, LifeLink Co., LTD. 4. Consultant, Asia-Pacific Intellectual Property Rights Development Foundation 5. Supervisor, CAIA Medical Co., Ltd.	None	None	None	None
Independent Director	Kang, Chao-Chou	Male 61-70 years old	R.O.C	2023.05.23	2024.05.23	3	0	0.00%	0	0.00%	5,000	0.00%	0	0.00%	1. Ph.D., Department of Chemistry, University of California, San Diego 2. Dean, College of Pharmaceutical Sciences, National Yang Ming Chiao Tung University 3. Vice President, National	1. Adjunct Professor, College of Pharmaceutical Sciences, National Yang Ming Chiao Tung University 2. Adjunct Professor, Institute of Toxicology, National Taiwan University 3. Independent Director, AnnJi Pharmaceutical Co. Ltd.	None	None	None	Note 1

Title	Name	Gender Age	Nationality or Place of Registration	Date of First Elected	Date of Election	Term (Years)	Shares Held at Election		Number of Shares Currently Held		Shares Currently Held by Spouse and Minor Children		Shares Held in the Name of Others		Major Experience (Education)	Current Positions Held at This Company and Other Organizations	Supervisors or Directors with Spousal or Second- degree Kinship Relationships			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
														Yang-Ming University 4. Director, Food Safety Office, Executive Yuan 5. Director-General, Taiwan Food and Drug Administration 6. Director-General, Bureau of Pharmaceutical Affairs, Ministry of Health and Welfare 7. Director, Drug Research Center, National Taiwan University 8. Professor, Institute of Toxicology, National Taiwan University 9. Distinguished Professor, Institute of Food Safety and Health Risk Assessment, National Yang Ming Chiao Tung University	4. Independent Director, Yingsol Biotechnology & Pharmaceutical Co., Ltd. 5. Independent Director, Orient PHARMA Co., Ltd.					

Note 1: CDIB Capital Healthcare Ventures II Limited Partnership and its representative were discharged upon the complete re-election at the Annual Shareholders' Meeting on May 23, 2024.

Note 2: The current President and Chairman of the Company are not the same person, nor are they spouses or first-degree relatives.

2. Major Shareholders of Corporate Shareholders

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholders
Formosa Laboratories, Inc. (Note 1)	Cheng, Chen-Yu (6.44%)
	Taishin Life Insurance Co., Ltd (4.57%)
	Ding Li Development Limited (2.98%)
	Cathay Life Insurance Co., Ltd. (2.56%)
	Li, Hsiu-Hui (2.55%)
	Moraga Inc. (2.24%)
	Ou Jia Si Ta Investment Co.,Ltd. (1.89%)
	Hygica biotech Ltd. (1.41%)
	TransGlobe Life Insurance Inc. (1.40%)
	Wang,Li-Li (1.35%)
CDIB Capital Healthcare Ventures II Limited Partnership (Note 2)	Mega International Commercial Bank Co., Ltd. (28.94%)
	KGI Life Insurance Co., Ltd. (20.90%)
	Yao-Hwa Co., Ltd. Management Commission (18.33%)
	CDIB Venture Capital Corporation (11.43%)
	TransGlobe Life Insurance Inc. (6.43%)
	ShareHope Medicine Co., Ltd. (3.22%)
	Taiwan Cooperative Venture Capital Co., Ltd. (1.61%)
	WORLDWIDE LINK INVESTMENT LIMITED (1.61%)
	WIN Semiconductors Corp. (1.61%)
	CDIB Capital Innovation Advisors Corporation (1.00%)

Note 1: Data sourced from Formosa Laboratories, Inc.'s 2024 annual report, as of April 22, 2025.

Note 2: CDIB Capital Healthcare Ventures II Limited Partnership resigned after complete re-election at the annual shareholders' meeting on May 23, 2024. Data sourced from the Ministry of Economic Affairs Business Registration System and registration change forms.

3. Major shareholders of legal entity shareholders that are legal entities:

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholders
Taishin Life Insurance Co., Ltd	Taishin Financial Holding Co., Ltd. (100%)
Moraga Inc.	Li, Hsiu-Hui (64.29%), Lin, Wen-Ching (7.14%)
Cathay Life Insurance	Cathay Financial Holdings Co., Ltd. (100.00%)
Ding Li Development Limited	Hu, Ting-Wu (100.00%)
Ou Jia Si Ta Investment Co.,Ltd.	Li, Hsiu-Hui (57.14%), Cheng, Chen-Yu (14.29%), Cheng, Ta-Jung (14.29%), Cheng, Ta-Yueh (14.28%)
Hygica Biotech Ltd.	Li, Chien-Hung (100%)
TransGlobe Life Insurance Inc.	CWY Holding CO., LTD. (100%)
Mega International Commercial Bank Co., Ltd.	Mega Holdings (100.00%)
China Life Insurance Co., Ltd.	China Development Financial Holdings (100%)

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholders
Yao-Hwa Co., Ltd. Management Commission	It is a management commission overseen by the Ministry of Economic Affairs
CDIB Venture Capital Corporation	CDIB Capital Group (100.00%)
TransGlobe Life Insurance Inc.	CWY Holding CO., LTD. (100%)
ShareHope Medicine Co., Ltd.	MISSIONCARE CO. (29.01%), Su, Ching-Jung (1.30%), Yang Chen, Tsai-Pi (1.12%), HSBC Commercial Bank Co., Ltd. as custodian for Morgan Stanley International Limited investment account (1.12%), Wu, Hung-Lin (1.02%), Yang, Hung-Jen (0.73%), Huang, Lien-Hsin (0.67%), Huang, En-Hui (0.67%), Wu, Lung-Jung (0.66%), Li, Chung-Yen (0.62%)
Taiwan Cooperative Venture Capital Co., Ltd.	Taiwan Cooperative Financial Holding Co., Ltd. (100%)
WORLDWIDE LINK INVESTMENT LIMITED H	Huang, Chih-Ming 30%, Chien, Ling-Hui 30%, Huang, Chun-Hua 20%, Huang, Chun-Kai 20%
WIN Semiconductors Corp.	Cathay Life Insurance (5.6%), CTBC Bank as custodian for Avago Technologies International Sales Pte. Limited investment account (4.72%), Tian He Int'l Enterpris Co., Ltd. (4.21%), Chen, Chin-Tsai (3.01%), Nan Shan Life Insurance Company, Ltd. (2.2%), Yeh, Kuo-Yi (1.90%), CTBC Bank as trustee for WIN Semiconductors Corp. Employee Stock Ownership Trust Account (1.89%), Yeh, Li-Chuan (1.81%), Yeh, Li-Cheng (1.81%), JPMorgan Chase Bank Taipei Branch as custodian for Saudi Central Bank investment account (1.72%)
CDIB Capital Innovation Advisors Corporation	CDIB Capital Group

4. Disclosure of information on directors' and supervisors' professional qualifications and independence of independent directors:

Name	Criteria	Professional qualifications and experience	Independence	Number of other public companies where the individual serves as an independent director concurrently
Formosa Laboratories, Inc. Representative Cheng, Chen-Yu		Chairman Cheng, Chen-Yu holds a Ph.D. in Pharmaceutical Chemistry from the University of California, San Francisco Medical Center. He previously served as a researcher at DuPont de Nemours, Inc., a professor in the Department of Pharmacy at National Taiwan University, and Chairman of Lian Qiao Biotechnology Co.,Ltd. Currently, he serves as the Chairman and President of Formosa	Not an independent director, not applicable.	0

Name	Criteria	Professional qualifications and experience	Independence	Number of other public companies where the individual serves as an independent director concurrently
		Laboratories, Inc. and as a director of EirGenix, Inc. He has over 20 years of entrepreneurial experience in the biotech industry and extensive industry expertise. Does not fall under any of the conditions stated in Article 30 of the Company Act.		
Formosa Laboratories, Inc. Representative Huang, Weng-Foung		Director Huang, Weng-Foung holds a Ph.D. in Social and Administrative Pharmacy from the University of Minnesota. He previously served as the Director, the Institute of Health and Welfare Research at National Yang Ming Chiao Tung University, Director, the Bureau of Pharmaceutical Affairs at the Ministry of Health and Welfare, and Director, the Taiwan Food and Drug Administration. Currently, he serves as an independent director of TaiGen Biopharmaceuticals Holdings Limited, an independent director of EUSOL Biotech Co., Ltd., an independent director of AmCad BioMed Corporation, and a director of Panion & BF Biotech Inc. He excels in crisis management, possesses industry knowledge, and is a leader in the medical biotechnology industry. Does not fall under any of the conditions stated in Article 30 of the Company Act.	Not an independent director, not applicable.	3
Ma, Hai-Yi		Director Ma, Hai-Yi holds a Ph.D. in Chemistry from Lehigh University. He previously served as the founder and President of ScinoPharm Taiwan Ltd. and Vice President of Syntex Pharmaceuticals. Currently, he serves as an independent director of Lumosa Therapeutics Co., Ltd., a director of Senhwa Biosciences, Inc., and a director of Handa Pharmaceuticals, Inc. He has over 40 years of international pharmaceutical industry experience. Does not fall under any of the conditions stated in Article 30 of the Company Act.	Not an independent director, not applicable.	2

Name	Criteria	Professional qualifications and experience	Independence	Number of other public companies where the individual serves as an independent director concurrently
Chang, Hung-Jen	Director Chang, Hung-Jen holds a Master's degree in Health Administration from the Harvard School of Public Health. He previously served as the Deputy Minister of the Ministry of Health and Welfare and President of the National Health Insurance Administration. Currently, he serves as an adjunct professor at the Institute of Public Health at National Yang Ming Chiao Tung University, Chairman and President of EUSOL Biotech Co., Ltd., director of TaiGen Biopharmaceuticals Holdings Limited, and director of EXCELSIOR BIOPHARMA INC. His professional expertise spans health insurance, disease control, biopharmaceuticals, health information systems, and venture capital. Does not fall under any of the conditions stated in Article 30 of the Company Act.	Not an independent director, not applicable.	2	
Su, Yu-Hui	Independent director Su, Yu-Hui holds a Ph.D. from the Graduate Institute of Business Administration at National Taiwan University. She previously served as the Chairperson of the Department of Accounting at Soochow University. Currently, she serves as a full-time professor in the Department of Accounting at Soochow University, an independent director of Ennoconn Corporation, an independent director of MAKALOT industrial co., ltd., and an independent director of TAIMED BIOLOGICS INC. She possesses strong accounting and financial analysis skills, crisis management abilities, and an international market perspective. Does not fall under any of the conditions stated in Article 30 of the Company Act.	Independent director Su, Yu-Hui, her spouse, and relatives within the second degree of kinship (or using others' names) do not hold any shares of the Company, nor do they serve as directors, supervisors, or employees of the Company or its affiliated enterprises. In the past two years, they have	3	

Name	Criteria	Professional qualifications and experience	Independence	Number of other public companies where the individual serves as an independent director concurrently
		not provided business, legal, financial, accounting, or other services to the Company or its affiliated enterprises for compensation.		
Lo, Li-Chu	Independent director Lo, Li-Chu holds a Ph.D. from the University of Massachusetts (U.Mass.). She previously served as an adjunct professor in the Department of Food Science at National Taiwan Ocean University, President of Genovate Biotechnology Co., Ltd., and President of the PIDTC. Currently, she serves as an independent director of LYTONE Enterprise, Inc. and an advisor to the Asia Pacific Intellectual Property Association. She possesses rich industry experience and professional expertise. Does not fall under any of the conditions stated in Article 30 of the Company Act.	Independent director Lo, Li-Chu, her spouse, and relatives within the second degree of kinship (or using others' names), only she herself holds 1,000 shares of the Company, and none of them serve as directors, supervisors, or employees of the Company or its affiliated enterprises. In the past two years, they have not provided business, legal, financial, accounting, or other services to the Company or its affiliated enterprises for compensation.	1	
Kang, Chao-Chou	Independent director Kang, Chao-Chou holds a Ph.D. from the Department of Chemistry at the University of California, San Diego. He previously served as the	Independent director Kang, Chao-Chou, his spouse, and	3	

Name	Criteria	Professional qualifications and experience	Independence	Number of other public companies where the individual serves as an independent director concurrently
	<p>Director, the Food Safety Office of the Executive Yuan, Director-General of the Taiwan Food and Drug Administration, and Director, the Pharmaceutical Affairs Department of the Ministry of Health and Welfare. Currently, he serves as an adjunct professor at the College of Pharmaceutical Sciences at National Yang Ming Chiao Tung University, an independent director of AnnJi Pharmaceutical Co. Ltd., an independent director of Anxo Pharmaceutical Co. Ltd., and an independent director of Orient PHARMA Co., Ltd. He possesses extensive expertise in biotechnology-related fields. Does not fall under any of the conditions stated in Article 30 of the Company Act.</p>	<p>relatives within the second degree of kinship (or using others' names), only his spouse holds 5,000 shares of the Company, and none of them serve as directors, supervisors, or employees of the Company or its affiliated enterprises. In the past two years, they have not provided business, legal, financial, accounting, or other services to the Company or its affiliated enterprises for compensation.</p>		

5. Diversity and Independence of the Board of Directors:

(1) Board Diversity

The Company's "Articles of Incorporation" specify a board of five to eleven directors. The Company's "Articles of Incorporation," "Director Election Rules," and "Corporate Governance Best Practice Principles" clearly establish guidelines for board diversity and disclose them on the Market Observation Post System. Board members should be diverse, have different professional backgrounds, emphasize gender equality, and generally possess the knowledge, skills, and qualities necessary to perform their duties. It is also clearly stipulated that among the above-mentioned number of directors, the number of independent directors shall not be less than three. The current board of directors of the Company consists of seven directors, including three independent directors, with implementation as follows:

A. Diverse professional backgrounds: Board members include those with professional backgrounds in the biotechnology industry, at least one with financial and accounting expertise, and at least one with a management background.

B. Implementation of gender equality: Each gender accounts for at least one-third of board seats.

Title	Name	Gender	Age	Nationality	Professional Background in Biotechnology Industry	Business and Financial Work Experience	Planning, Management, and Leadership Experience	College/University Lecturer or Professional Technical Certification
Chairman	Representative of Formosa Laboratories, Inc., Cheng, Chen-Yu	Male	71~80	R.O.C	✓	✓	✓	✓
Director	Representative of Formosa Laboratories, Inc., Huang, Weng-Foung	Male	71~80	R.O.C	✓	✓	✓	✓
Director	Ma, Hai-Yi	Female	71~80	R.O.C and United States	✓	✓	✓	—
Director	Chang, Hung-Jen	Male	61~70	R.O.C	✓	✓	✓	✓
Independent Director	Su, Yu-Hui	Female	51~60	R.O.C	—	✓	✓	✓
Independent Director	Lo, Li-Chu	Female	71~80	R.O.C	✓	✓	✓	✓
Independent Director	Kang, Chao-Chou	Male	61~70	R.O.C	✓	—	✓	✓

(2) Independence of the Board of Directors

The Company currently has three independent directors, all of whom comply with the relevant independence regulations as stipulated in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. There are no spousal or second-degree relatives among all directors, and no circumstances specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. Therefore, the Board of Directors of the Company already possesses considerable independence in its practical operations.

(2) Compensation paid to directors, supervisors, president, and vice presidents in the most recent year d Branch

Unit: Shares Date: March 29, 2025

Title	Name	Gender	Nationality	Date of Appointment	Shareholding		Shareholding of Spouse or Minor Children		Shares Held in the Name of Others		Major Experience (Education)	Current Positions Held in Other Companies	Manager with a spouse or relatives within the second degree of kinship			Status of Managers' Acquisition of Employee Stock Options	Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
General manager	Erick Co	Male	United States	2013.03.06	370,000	0.22%	200,000	0.13%	0	0.00%	Ph.D. in Organic Chemistry, University of California, Los Angeles, USA Bachelor of Chemistry, California Institute of Technology, USA Exelixis, Inc. Senior Scientist Takeda Pharmaceuticals Senior Scientist Nitto Denko Corp. Chief Scientist and Project Manager Director, New Drug Development, ScinoPharm Taiwan Ltd.	Director, Activus Pharma Co., Ltd.	None	None	None	Note 3	None
Chief Business & Strategy Officer	Wei, Ching-Cheng	Male	R.O.C	2023.11.03	33,000	0.02%	2,000	0.00%	0	0.00%	Master's Degree, Institute of Health Policy and Management, National Taiwan University Vice President of International Trade Department, Greenyn Biotechnology Co., Ltd. International Business Manager, Standard Chem & Pharm CO., LTD. Vice President of International Business, Golden Biotechnology Corp.	None	None	None	None	Note 3	None
R&D Manager	Chen, Yu-Chi	Male	R.O.C	2013.11.03	201,238	0.13%	0	0.00%	0	0.00%	Ph.D. in Health Sciences, University of Shizuoka, Japan Master of Health Sciences, University of Shizuoka, Japan Bachelor of Food Engineering, Da-Yeh University Professor, Department of Cosmetic Science, Vanung University Postdoctoral Research Fellow, National Health Research Institutes Advisory Committee Member, Health Promotion Administration, Ministry of Health and Welfare Strategic Guidance Project for Cosmetic Manufacturing Facilities Complying with GMP Expert Committee Member, Health Promotion Administration, Ministry of Health and Welfare Research Advisory Group for Promoting Compliance with Good Manufacturing Practices in Cosmetic Manufacturing Facilities	None	None	None	None	Note 3	None
Director, Program Management	Tsan, Ya-Chuun	Female	R.O.C	2022.03.01	381,788	0.25%	0	0.00%	0	0.00%	Master's Degree, Institute of Toxicology, University of Michigan, USA Bachelor's Degree, Department of Animal Science, National Taiwan University Manager, Protech Pharmaservices Corporation	None	None	None	None	-	None

Title	Name	Gender	Nationality	Date of Appointment	Shareholding		Shareholding of Spouse or Minor Children		Shares Held in the Name of Others		Major Experience (Education)	Current Positions Held in Other Companies	Manager with a spouse or relatives within the second degree of kinship			Status of Managers' Acquisition of Employee Stock Options	Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
Director, CMC & Production	Yu, Kuo-Ming	Male	R.O.C	2023.10.16	0	0.00%	0	0.00%	0	0.00%	Doctor of Philosophy in Biochemistry, Hong Kong Polytechnic University Master's Degree in Biochemistry, Imperial College London, UK Bachelor's Degree, Department of Life Sciences, National Tsing Hua University Athenex, Inc. Director of Biologics Avalon Biomedical Scientific Director R&D Manager, Tanvex BioPharma Inc.	None	None	None	None	-	None
Senior Manager, Regulatory Affairs & Quality Assurance	Ho, I-Ting	Female	R.O.C	2023.11.13	30,000	0.02%	0	0.00%	0	0.00%	Doctor of Philosophy in Applied Chemistry, National Chiao Tung University Master's Degree in Applied Chemistry, National Chiao Tung University Bachelor's Degree in Applied Chemistry, National Chiao Tung University Postdoctoral Researcher, National Chiao Tung University Postdoctoral Researcher, Department of Chemistry, The University of Texas at Austin Associate Director, Regulatory Affairs, Sunny Pharmtech Inc.	None	None	None	None	-	None
Chief Financial Officer and Corporate Governance Officer	Pan, Li-Fang	Female	R.O.C	2023.05.24 (Note 1)	71,000	0.05%	0	0.00%	0	0.00%	Master of Accounting, National Chung Cheng University Bachelor of Accounting, National Chengchi University Manager, Lumosa Therapeutics Co., Ltd. Deputy Manager, Accounting Department, TTY Biopharm Company Limited Deputy Manager, Finance & Accounting Department, EDOM Technology Team Leader, PricewaterhouseCoopers (PwC)	None	None	None	None	None	None
Director, Finance Division and Corporate Governance Officer	Tsao, Nai-Hsien	Male	R.O.C	2024.08.28 (Note 2)	270,000	0.18%	0	0.00%	0	0.00%	EMBA Biotechnology and Healthcare Program, National Chengchi University Master's Degree in Accounting and Law, National Chung Cheng University Bachelor's Degree in Accounting, Chung Yuan Christian University Senior Accounting Specialist, New Chiens Biotech Co., Ltd.	None	None	None	None	Note 3	None

Note 1: Chief Financial Officer Pan, Li-Fang resigned on August 28, 2024.

Note 2: Finance Director Tsao, Nai-Hsien took office on August 28, 2024.

Note 3: Please refer to Section III, Part 5 of this annual report for information on employee stock options.

2. Compensation paid to directors, supervisors, president, and vice presidents in the most recent year:

(1) 2024 Directors' Compensation (Individually Disclosed)

Unit: NT\$ thousand

Title	Name	Director's Remuneration								The sum of the four items A, B, C, and D		Compensation Received for Concurrent Employee Positions								The sum of the seven items A, B, C, D, E, F, and G		The sum of the seven items A, B, C, D, E, F, and G as a percentage of net income after tax (%)		Remuneration Received from Invested Companies Other Than Subsidiaries or Parent Company		
		Remuneration (A)		Pension upon Retirement (B)		Director Remuneration (C) (Note 1)		Business Execution Expenses (D)				Salary, bonuses, and special disbursements, etc. (E) (Note 2)		Retirement Pension (F)		Employee Compensation (G)										
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	All Companies in the Financial Report		The Company	All Companies in the Financial Report
Chairman	Formosa Laboratories, Inc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Representative Cheng, Chen-Yu (Note 3)	0	0	0	0	0	0	48	48	48	48	(0.02)	(0.02)	0	0	0	0	0	0	0	0	48	48	(0.02)	(0.02)	9,619
Director	Formosa Laboratories, Inc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Representative Huang, Weng-Foung	0	0	0	0	0	0	48	48	48	48	(0.02)	(0.02)	0	0	0	0	0	0	0	0	48	48	(0.02)	(0.02)	600
Director	Ma, Hai-Yi	0	0	0	0	0	0	42	42	42	42	(0.02)	(0.02)	0	0	0	0	0	0	0	0	42	42	(0.02)	(0.02)	0
Director	Chang, Hung-Jen	0	0	0	0	0	0	30	30	30	30	(0.01)	(0.01)	0	0	0	0	0	0	0	0	30	30	(0.01)	(0.01)	0
Director	CDIB Capital Healthcare Ventures II Limited Partnership	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Representative Kung, Te-Chun (Note 5)	0	0	0	0	0	0	18	18	18	18	(0.01)	(0.01)	0	0	0	0	0	0	0	0	18	18	(0.01)	(0.01)	0
Independent Director	Su, Yu-Hui	600	600	0	0	0	0	60	60	660	660	(0.33)	(0.33)	0	0	0	0	0	0	0	0	660	660	(0.33)	(0.33)	0
Independent Director	Lo, Li-Chu	600	600	0	0	0	0	42	42	642	642	(0.32)	(0.32)	0	0	0	0	0	0	0	0	642	642	(0.32)	(0.32)	0
Independent Director	Kang, Chao-Chou	600	600	0	0	0	0	48	48	648	648	(0.32)	(0.32)	0	0	0	0	0	0	0	0	648	648	(0.32)	(0.32)	0

Note 1: The Company's Board of Directors approved on March 11, 2025 not to distribute directors' remuneration for fiscal year 2024, which will be reported at the 2025 Annual Shareholders' Meeting.

Note 2: This refers to the compensation received in the most recent fiscal year by directors who also serve as employees (including concurrent positions as President, Vice President, other managers, and staff), including salary, job allowances, severance pay, various bonuses, incentive payments, transportation allowances, special disbursements, various subsidies, dormitory, company car, and other physical benefits, etc. If housing, cars, and other means of transportation or personal expenses are provided, the nature and cost of the provided assets, actual or fair market value of the rent, fuel costs, and other payments should be disclosed. In addition, if a driver is assigned, please note the relevant compensation paid by the company to the driver, but this is not included in the remuneration. Additionally, salary expenses recognized in accordance with IFRS 2 "Share-based Payment," including obtaining employee stock options, restricted employee shares, and participation in cash capital increase share subscriptions, should also be included in the remuneration.

Note 3: The Company's Chairman, Cheng, Chen-Yu, is the Chairman and President of the parent company, Formosa Laboratories, Inc.

Note 4: The Company's net loss after tax for fiscal year 2024 was NT\$201,014 thousand.

Note 5: CDIB Capital Healthcare Ventures II Limited Partnership and its representative were discharged upon the complete re-election at the Annual Shareholders' Meeting on May 23, 2024.

(2) Remuneration for the President and Vice Presidents in fiscal year 2024:

Unit: NT\$ thousand

Title	Name	Salary(A)		Pension upon Retirement (B) (Note 1)		Bonus and Allowance (C) (Note 2)		Employee Compensation(D)				The Sum of A, B, C and D as a Percentage of Net Income After Tax (%) (Note 5)		Remuneration Received from Invested Companies Other Than Subsidiaries or Parent Company
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company		All Companies in the Financial Report		The Company	All Companies in the Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General manager	Erick Co	4,414	4,414	108	108	6,966	6,966	0	0	0	0	(5.72)	(5.72)	0
Chief Business & Strategy Officer	Wei, Ching-Cheng	2,736	2,736	108	108	3,656	3,656	0	0	0	0	(3.23)	(3.23)	0
R&D Manager	Chen, Yu-Chi	2,664	2,664	108	108	3,359	3,359	0	0	0	0	(3.05)	(3.05)	0
Chief Financial Officer and Corporate Governance Officer	Pan, Li-Fang (Note 3)	1,747	1,747	71	71	3,316	3,316	0	0	0	0	(2.55)	(2.55)	0
Director, Finance Division and Corporate Governance Officer	Tsao, Nai-Hsien (Note 4)	1,730	1,730	81	81	3,485	3,485	0	0	0	0	(2.63)	(2.63)	0

Note 1: The retirement pension shown in the table above represents the total amount of pension contribution, and the actual payment amount is NT\$0.

Note 2: The amount listed in this item is primarily the salary expense recognized based on IFRS 2 "Share-based Payment" (non-cash expenditure).

Note 3: Pan, Li-Fang resigned on August 28, 2024.

Note 4: Tsao, Nai-Hsien took office on August 28, 2024.

Note 5: The Company's net loss after tax for fiscal year 2024 was NT\$201,014 thousand.

(3) Remuneration of the Top Five Highest-Paid Executives of TWSE/TPEX Listed companies:

Unit: NT\$ thousand

Title	Name	Salary(A)		Pension upon Retirement (B) (Note 1)		Bonus and Allowance (C) (Note 2)		Employee Compensation(D)				The Sum of A, B, C and D as a Percentage of Net Income After Tax (%) (Note 5)		Remuneration Received from Invested Companies Other Than Subsidiaries or Parent Company
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company		All Companies in the Financial Report		The Company	All Companies in the Financial Report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General manager	Erick Co	4,414	4,414	108	108	6,966	6,966	0	0	0	0	(5.72)	(5.72)	0
Chief Business & Strategy Officer	Wei, Ching-Cheng	2,736	2,736	108	108	3,656	3,656	0	0	0	0	(3.23)	(3.23)	0
R&D Manager	Chen, Yu-Chi	2,664	2,664	108	108	3,359	3,359	0	0	0	0	(3.05)	(3.05)	0
Director, Finance Division and Corporate Governance Officer	Tsao, Nai-Hsien (Note 3)	1,730	1,730	81	81	3,485	3,485	0	0	0	0	(2.63)	(2.63)	0
Chief Financial Officer and Corporate Governance Officer	Pan, Li-Fang (Note 4)	1,747	1,747	71	71	3,316	3,316	0	0	0	0	(2.55)	(2.55)	0

Note 1: The retirement pension shown in the table above represents the total amount of pension contribution, and the actual payment amount is NT\$0.

Note 2: The amount listed in this item is primarily the salary expense recognized based on IFRS 2 "Share-based Payment" (non-cash expenditure).

Note 3: Tsao, Nai-Hsien took office on August 28, 2024.

Note 4: Pan, Li-Fang resigned on August 28, 2024.

Note 5: The Company's net loss after tax for fiscal year 2024 was NT\$201,014 thousand.

(4) Distribution of Employee Compensation to Managers: The Company did not distribute any employee compensation in 2024.

Title	Name	Stock Amount	Cash Amount	Total	Ratio of Total to Net Income After Tax (%)
Managers	Individual	0	0	0	0

(5) Comparative analysis of the ratio of total remuneration paid to the Company's directors, supervisors, president, and vice presidents by the Company and all companies in the consolidated financial statements to net income after tax in individual or separate financial reports for the past two years, and explanation of remuneration policies, standards and combinations, procedures for determining remuneration, and their correlation with operating performance and future risks

1. The ratio of total remuneration paid to the Company's directors, president, and vice presidents to net income after tax in individual financial reports for the past two years:

Unit: NT\$ thousand

Item Title	The Company and all companies in the financial reports			
	2023		2024	
	Total remuneration	Total remuneration as a ratio to net income after tax in financial reports	Total remuneration	Total remuneration as a ratio to net income after tax in financial reports
Director	1,966	(0.61)	2,136	(1.06)
President/vice president	14,224	(4.42)	34,549	(17.18)

2. Remuneration policies, standards, combination, the procedure for determining the remunerations, and their relation to business performance

(1) Directors: The Board of Directors of the Company has resolved to approve the "Remuneration Method for Directors, Independent Directors, and Managers," and the director remuneration payment policy has been stipulated in the Articles of Incorporation. If the Company has profits for the year, the Board of Directors shall resolve to allocate no less than 5% as employee remuneration and no more than 2% as director remuneration. However, if the Company still has accumulated losses, it should reserve the amount for covering the losses first, and report to the shareholders' meeting.

(2) President and Vice President: The Company's policy for paying remuneration to the President and Vice President is based on their positions, educational and professional backgrounds, and with reference to salary levels at other companies, to provide reasonable compensation. The manager's salary is distributed after being resolved by the Remuneration Committee and then approved by the Board of Directors.

In summary, the remuneration of directors and managers of the Company takes into consideration the Company's operational situation, potential future operational risks and their responsibilities, providing competitive compensation to achieve a balance between the Company's risk management and sustainable operations.

(3) Corporate Governance Implementation:

(1) Board of Directors Operations:

In the most recent fiscal year (2024) and up to the printing date of this year, the Board of Directors has held 9 meetings (A), with directors' attendance as follows:

Title	Name	Actual Attendance (B)	Attendance by proxy	Actual Attendance Rate (%) (B/A)	Remarks
Chairman	Cheng, Chen-Yu (Representative of Formosa Laboratories, Inc.)	9	0	100%	—
Director	Huang, Weng-Foung (Representative of Formosa Laboratories, Inc.)	9	0	100%	—
Director	Ma, Hai-Yi	8	1	89%	—
Director	Chang, Hung-Jen	6	3	67%	—
Director	CDIB Capital Healthcare Ventures II Limited Partnership	2	0	100%	Dismissed after the full re-election on May 23, 2024
Independent Director	Su, Yu-Hui	9	0	100%	—
Independent Director	Lo, Li-Chu	8	1	89%	—
Independent Director	Kang, Chao-Chou	9	0	100%	—

Additional information:

1. If any of the following circumstances occur in the operation of the Board of Directors, the date of the board meeting, session, content of the proposal, opinions of all independent directors, and the company's handling of independent directors' opinions should be specified:

(1) Matters listed in Article 14-3 of the Securities and Exchange Act

Date of Board Meeting (Session)	Proposal item	Independent Director's Opinion	Company's Handling of Independent Director's Opinion
2024.02.19 (The 16th Meeting of the 5th Board)	Amendment of the Company's Rules and Regulations	Agree	No Special Circumstances
	Election of the Company's 6th Board of Directors	Agree	No Special Circumstances
	Evaluation of Independence and Suitability of Certified Public Accountants and Approval of Their Remuneration	Agree	No Special Circumstances
2024.05.06 (The 17th Meeting of the 5th Board)	Amendment of the Company's Rules and Regulations	Agree	No Special Circumstances
	Ratification of the Contracts Signed with Formosa Laboratories, Inc. in Previous Years	Agree	No Special Circumstances
	Lending Funds to Japanese Subsidiary Activus Pharma Co., Ltd.	Agree	No Special Circumstances
2024.05.23 (The 1st Meeting of the 6th Board)	No matters listed under Article 14-3 of the Securities and Exchange Act	-	-
2024.06.20 (The 2nd Meeting of the 6th Board)	Proposal for Cash Capital Increase and Issuance of New Shares for Public Offering Prior to the Company's Stock Listing	Agree	No Special Circumstances
2024.07.11 (The 3rd Meeting of the 6th Board)	No matters listed under Article 14-3 of the Securities and Exchange Act	-	-
2024.08.05 (The 4th Meeting of the 6th Board)	Amendment to the Company's Internal Control System	Agree	No Special Circumstances
	Agreement on Signing a Supply Contract with Formosa Laboratories, Inc.	Agree	No Special Circumstances
	Licensing Agreement for APP13007	Agree	No Special Circumstances
2024.08.28 (The 5th Meeting of the 6th Board)	Appointment of the Company's Financial and Accounting Manager	Agree	No Special Circumstances
	Amendment of the Company's Rules and Regulations	Agree	No Special Circumstances
2024.11.11 (The 6th Meeting of the 6th Board)	Entrusting Director Formosa Laboratories, Inc. to Provide Patent and Intellectual Property Services	Agree	No Special Circumstances
	Leasing Case from Related Party	Agree	No Special Circumstances
	Amendment of the Company's Rules and Regulations	Agree	No Special Circumstances
2025.03.11 (The 7th Meeting of the 6th Board)	Amendment and Revision of the Company's Regulations and Procedures	Agree	No Special Circumstances
	Evaluation of Independence and Suitability of Certified Public Accountants and Approval of Their Remuneration	Agree	No Special Circumstances
	Lease Agreement with Related Party	Agree	No Special Circumstances

	Commissioning Director Formosa Laboratories, Inc. to Provide Testing and Analysis Services	Agree	No Special Circumstances
	Signing a Supplementary Supply Agreement with Director Formosa Laboratories, Inc.	Agree	No Special Circumstances

(2) Apart from the aforementioned matters, other board resolutions that were objected to or had reservations expressed by independent directors, with records or written statements: None.

2. Implementation of recusal by directors for proposals with conflicts of interest, please specify the name of the director, content of the proposal, reason for recusal due to conflict of interest, and status of participation in voting:

Date of Board Meeting	Director Name	Proposal item	Reason for Recusal due to Conflict of Interest	Voting Participation Status
2024.05.06 (The 17th Meeting of the 5th Board)	Cheng, Chen-Yu Huang, Weng-Foung	Ratification of the Contracts Signed with Formosa Laboratories, Inc. in Previous Years	Proposals related to the legal entity represented	After explaining the important content of their own conflict of interest to the board of directors, they recused themselves and did not participate in the voting
2024.08.05 (The 4th Meeting of the 6th Board)	Cheng, Chen-Yu Huang, Weng-Foung	Agreement on Signing a Supply Contract with Formosa Laboratories, Inc.	Proposals related to the legal entity represented	After explaining the important content of their own conflict of interest to the board of directors, they recused themselves and did not participate in the voting
2024.11.11 (The 6th Meeting of the 6th Board)	Cheng, Chen-Yu Huang, Weng-Foung	Entrusting Director Formosa Laboratories, Inc. to Provide Patent and Intellectual Property Services	Proposals related to the legal entity represented	After explaining the important content of their own conflict of interest to the board of directors, they recused themselves and did not participate in the voting
		Leasing Case from Related Party	Proposals related to the legal entity represented	After explaining the important content of their own conflict of interest to the board of directors, they recused themselves and did not participate in the voting
2025.03.11 (The 7th Meeting of the 6th Board)	Cheng, Chen-Yu Huang, Weng-Foung	Lease Agreement with Related Party	Proposals related to the legal entity represented	After explaining the important content of their own conflict of interest to the board of directors, they recused themselves and did not participate in the voting
		Commissioning Director Formosa Laboratories, Inc. to Provide Testing and Analysis Services	Proposals related to the legal entity represented	After explaining the important content of their own conflict of interest to the board of directors, they recused themselves and did not participate in the voting
		Signing a Supplementary Supply Agreement with Director Formosa Laboratories, Inc.	Proposals related to the legal entity represented	After explaining the important content of their own conflict of interest to the board of directors, they recused themselves and did not participate in the voting

3. TWSE/TPEX Listed companies should disclose information such as the evaluation cycle and period,

scope, method, and content of the board of directors' self (or peer) evaluation, and complete the attached table on the implementation status of board evaluation:

Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Implemented once a year	2024/01/01 ~ 2024/12/31	Board of Directors, individual board members, and functional committees	Board of Directors, individual board members internal self-assessment questionnaire, and functional committees self-assessment questionnaire	<p><u>Board Performance Evaluation:</u></p> <ol style="list-style-type: none"> 1. Level of participation in company operations 2. Improving the quality of board decisions 3. Board composition and structure 4. Selection and continuing education of directors 5. Internal controls <p><u>Individual Director Performance Evaluation:</u></p> <ol style="list-style-type: none"> 1. Understanding of company goals and mission 2. Awareness of director responsibilities 3. Level of participation in company operations 4. Internal relationship management and communication 5. Director's expertise and continuing education 6. Internal control <p><u>Performance evaluation of functional committees:</u></p> <ol style="list-style-type: none"> 1. Level of participation in company operations 2. Awareness of functional committee responsibilities 3. Improving the quality of functional committee decisions 4. Composition and member selection of functional committees 5. Internal controls

The Company has completed the board of directors' performance self-evaluation for 2024 and submitted the evaluation results to the first quarter board meeting of 2025 as a basis for review and improvement. The performance evaluation of the board of directors and board members shows that all directors (including independent directors) have given positive recognition to the efficiency and operation of the board of directors and functional committees.

4.Goals and implementation assessment for strengthening board functions for the current and most recent year (such as establishing an audit committee, enhancing information transparency, etc.):

- (1) The Company has established an audit committee and remuneration committee to assist the board of directors in fulfilling its supervisory responsibilities.
- (2) At each board meeting, directors are provided with reports on the implementation status of

previous meetings, important financial and business updates, and audit reports, to ensure the board has full understanding of the company's project progress and to implement business decisions effectively.

- (3) The Company has purchased "Directors and Officers Liability Insurance" to diversify the legal liability risks of directors and enhance corporate governance capabilities.
- (4) All directors of the Company continue to participate in corporate governance practical training courses.
- (5) The Company has established a spokesperson and deputy spokesperson system, and discloses significant financial and business information on the Market Observation Post System and company website as required.

(2) Operation of the Audit Committee or Supervisors' participation in the Board of Directors:

1. Operation of the Audit Committee:

In the most recent fiscal year (2024) and up to the printing date, the Audit Committee has held 7 meetings (A), with Independent Directors' attendance as follows:

Title	Name	Actual Attendance (B)	Attendance by proxy	Actual Attendance Rate (%) (B/A)	Remarks
Independent Director (Convener)	Su, Yu-Hui	7	0	100%	—
Independent Director	Lo, Li-Chu	7	0	100%	—
Independent Director	Kang, Chao-Chou	7	0	100%	—

Additional information:

1. If any of the following circumstances occur in the operation of the Audit Committee, the date and session of the Audit Committee meeting, the content of the proposal, the contents of Independent Directors' dissenting opinions, reservations, or significant recommendations, the resolution of the Audit Committee, and the company's response to the Audit Committee's opinions shall be specified
(1) Matters listed in Article 14-5 of the Securities and Exchange Act

Audit Committee Date (Session)	Proposal item	Independent Directors' Dissenting Opinions, Reservations, or Significant Recommendations	Audit Committee Resolution Results	The Company's response to the Audit Committee's opinions
2024.02.19 (The 14th Meeting of 1st Session)	Issuance of the 2023 Statement of Internal Control	None	Agree	No Special Circumstances
	Approval of the 2023 Financial Statements	None	Agree	No Special Circumstances
	Evaluation of Independence and	None	Agree	No Special

	Suitability of Certified Public Accountants and Approval of Their Remuneration			Circumstances
2024.05.06 (The 15th Meeting of 1st Session)	Amendment of the Company's Rules and Regulations	None	Agree	No Special Circumstances
	Ratification of the Contracts Signed with Formosa Laboratories, Inc. in Previous Years	None	Agree	No Special Circumstances
	Lending Funds to Japanese Subsidiary Activus Pharma Co., Ltd.	None	Agree	No Special Circumstances
2024.06.20 (The 1st Meeting of 2nd Session)	Proposal for Cash Capital Increase and Issuance of New Shares for Public Offering Prior to the Company's Stock Listing	None	Agree	No Special Circumstances
2024.08.05 (The 2nd Meeting of 2nd Session)	Amendment to the Company's Internal Control System	None	Agree	No Special Circumstances
	Agreement on Signing a Supply Contract with Formosa Laboratories, Inc.	None	Agree	No Special Circumstances
2024.08.28 (The 3rd Meeting of 2nd Session)	Appointment of the Company's Financial and Accounting Manager	None	Agree	No Special Circumstances
2024.11.11 (The 4th Meeting of 2nd Session)	Entrusting Director Formosa Laboratories, Inc. to Provide Patent and Intellectual Property Services	None	Agree	No Special Circumstances
	Leasing Case from Related Party	None	Agree	No Special Circumstances
	Amendment of the Company's Rules and Regulations	None	Agree	No Special Circumstances
114.03.11 (The 5th Meeting of 2nd Session)	Issuance of the 2024 Internal Control Statement	None	Agree	No Special Circumstances
	Approval of the 2024 Financial Statements	None	Agree	No Special Circumstances
	Evaluation of Independence and Suitability of Certified Public Accountants and Approval of Their Remuneration	None	Agree	No Special Circumstances
	Lease Agreement with Related Party	None	Agree	No Special Circumstances
	Commissioning Director Formosa Laboratories, Inc. to Provide Testing and Analysis Services	None	Agree	No Special Circumstances
	Signing a Supplementary Supply Agreement with Director Formosa Laboratories, Inc.	None	Agree	No Special Circumstances

(2). Apart from the aforementioned matters, other resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: None.

2. Implementation of recusal by independent directors for proposals with conflicts of interest: Please specify the director's name, proposal content, reason for recusal due to conflict of interest, and participation in voting: None.

3. Communication between independent directors, the internal audit supervisor, and the accountants

(should include significant matters, methods, and results of communication regarding the company's financial and operational status).

The independent directors of the company communicate with the accountants and audit supervisor through face-to-face tripartite meetings at least once a year, and may convene meetings at any time to discuss significant or unusual matters.

(1) Communication between independent directors and the internal audit supervisor:

The internal audit supervisor of the company regularly completes the audit report every month and submits it to the independent directors for review in the following month, and routinely reports at board meetings. The Audit Committee, composed of all independent directors, reviews the company's internal control, internal audit operations, and the results of the company's self-inspection, regularly examines financial statements, and issues review reports. The internal audit supervisor communicates with the independent directors in meetings at least once a year, and may convene meetings at any time to discuss significant or unusual matters.

(2) Communication between independent directors and accountants:

For the company's semi-annual and annual financial reports, the certifying accountants attend the Audit Committee meetings regularly to explain and communicate about the audit status; in case of major, special matters or requirements under relevant laws and regulations, they attend the Audit Committee meetings on an irregular basis for explanation and communication.

(3) Corporate governance operations and the differences and reasons compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies:

Assessment Item	Operational situation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary explanation	
1. Has the company established and disclosed corporate governance principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established its "Corporate Governance Best Practice Principles" based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," which has been approved by the Board of Directors and disclosed on the Market Observation Post System and the Investor Relations section of the Company's website.	No significant difference.
2. Company's shareholding structure and shareholders' rights				
(1) Has the company established internal operating procedures to handle shareholder suggestions, doubts, disputes, and litigation matters, and implemented them according to these procedures?	✓		(1) The Company has appointed a spokesperson and deputy spokesperson to handle shareholder-related issues for the Company and its subsidiaries, supported by stock affairs and legal personnel. Shareholders can contact the company through various channels including inquiries, corporate website mailbox, and dedicated email, which are used to address shareholder suggestions, doubts, disputes, and litigation matters.	No significant difference.
(2) Does the company maintain a list of major shareholders who actually control the company and the ultimate controllers of these major shareholders?	✓		(2) Monthly reporting data is obtained from directors who are major shareholders and disclosed on the Market Observation Post System as required by law. Information on all shareholders is managed through the shareholder register provided by the Taiwan Depository & Clearing Corporation. Information regarding the top ten major shareholders is obtained annually and disclosed in the annual report for the shareholders' meeting.	No significant difference.
	✓			No significant

Assessment Item	Operational situation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary explanation	
<p>(3) Has the company established and implemented risk control mechanisms and firewalls between the company and its affiliated enterprises?</p> <p>(4) Has the company established internal regulations prohibiting insiders from trading securities using undisclosed market information?</p>	✓		<p>(3) The Company has established control mechanisms including the "Management Regulations for Transactions with Related Parties, Specific Companies, and Group Enterprises," "Operating Regulations for Financial and Business Interactions between Affiliated Enterprises," and "Regulations for Supervision and Management of Subsidiaries."</p> <p>(4) The Company has established "Procedures for Handling Material Internal Information" and "Management Regulations for the Prevention of Insider Trading" to regulate the securities trading behavior of insiders. When new directors and managers take office, the Company also provides relevant regulatory information for their education and reminds them of matters requiring attention regarding insider trading.</p>	difference.
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the Board of Directors formulated a diversity policy, specific management objectives, and implemented them effectively?</p>	✓		<p>(1) Diversity of the Board of Directors' members</p> <p>1 Diversity policy for directors: The Company, by resolution of the shareholders' meeting, has established five to eleven directors. The Company's "Articles of Incorporation," "Director Election Procedures," and "Corporate Governance Best Practice Principles" clearly stipulate that the diversity guidelines for the composition of the Board of Directors are disclosed on the Market Observation Post System. Board members should be diverse, have different professional backgrounds, emphasize</p>	No significant difference.

Assessment Item	Operational situation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary explanation	
(2) In addition to establishing the Remuneration Committee and	✓		<p>gender equality, and generally possess the knowledge, skills, and qualities necessary to perform their duties. It is also clearly stipulated that among the above-mentioned number of directors, the number of independent directors shall not be less than three.</p> <p>2. Specific management objectives and implementation of diversity policy: Seven directors were elected in May 2024, with the following objectives and implementation:</p> <p>(1) Diverse professional backgrounds: Among the director members, there are those with professional backgrounds in the biotech industry, at least one with financial and accounting expertise, and at least one with a management background; the Company's Board of Directors already meets this diversity objective.</p> <p>(2) Implementing gender equality: Each gender should constitute at least one-third of the director seats; the Company's Board of Directors already meets this diversity objective.</p> <p>(3) Professional qualifications for performing duties: At least one seat should be filled by someone with professional accounting qualifications; the Company's Board of Directors already meets this diversity objective.</p> <p>(2) As of the printing date, the functional committees established by the Company's Board of Directors include the Remuneration Committee, the</p>	<p>In the future, the establishment of other functional committees will be considered based on development needs. No significant difference.</p>

Assessment Item	Operational situation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary explanation	
<p>Audit Committee as required by law, has the Company voluntarily established other types of functional committees?</p> <p>(3) Has the Company established regulations and methods for evaluating the performance of the Board of Directors, conducting regular performance evaluations annually, submitting the evaluation results to the Board of Directors, and using them as a reference for individual directors' remuneration and nomination for reappointment?</p> <p>(4) Does the Company regularly evaluate the independence of its certifying accountants?</p>	<p>✓</p> <p>✓</p>		<p>Audit Committee, and the Sustainable Development Committee. In the future, the necessity of establishing other functional committees will be evaluated based on operational development needs.</p> <p>(3) The Company established the "Board of Directors Performance Evaluation Regulations" on September 14, 2023, and has completed the performance evaluations of the Board of Directors, Board members, Audit Committee, and Remuneration Committee for 2024. The results were reported to the Board of Directors on March 11, 2025, and the Board performance evaluation results were submitted to the competent authority on March 31, 2025, as required by regulations.</p> <p>(4) The Company regularly evaluates the independence of its certifying accountants, and the evaluation of accountant independence for 2024 was approved by the Board of Directors on March 11, 2025.</p>	<p>No significant difference.</p>

Assessment Item	Operational situation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary explanation	
4. Has the TWSE/TPEX Listed companies company assigned a sufficient number of qualified personnel for corporate governance and designated a corporate governance officer responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with necessary information for performing their duties, assisting directors and supervisors in complying with laws and regulations, legally handling matters related to board meetings and shareholders' meetings, and preparing minutes of board meetings and shareholders' meetings)?	✓		<p>The Company, through a Board of Directors resolution on August 28, 2024, appointed Financial and Accounting Manager Tsao, Nai-Hsien as the concurrent Corporate Governance Officer, responsible for corporate governance-related matters, including Board of Directors, Audit Committee, Remuneration Committee, and shareholders' meetings, assisting directors with their onboarding and continuing education, providing directors with necessary information for performing their duties, and helping directors comply with laws and regulations. As the highest-ranking corporate governance officer, he has more than three years of experience in finance, shareholder services, and meeting administration.</p> <p>2024 Business Operations:</p> <ol style="list-style-type: none"> 1. Assist independent directors and general directors in formulating annual training plans and arranging courses based on the company's industry characteristics and directors' academic and professional backgrounds. 2. Periodically convene communication meetings between accountants, independent directors, and the internal audit supervisor to implement the internal audit and control system. 3. Handle matters related to Board of Directors and committee meetings in accordance with laws and regulations: notify all directors and committee members of attendance seven days before Board and committee meetings and provide sufficient meeting materials to help directors understand the content of agenda items; if directors have conflicts of interest with meeting 	No significant difference.

Assessment Item	Operational situation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary explanation	
			<p>matters, either personally or representing a legal entity, provide advance reminders about interest recusal; distribute meeting minutes to all directors within twenty days after the meeting.</p> <p>4. Responsible for publishing material information or announcements regarding major resolutions on the same day after Board of Directors and shareholders' meetings, ensuring the legality and accuracy of disclosed information to protect equal access to information for investors.</p> <p>5. Periodically provide directors with information on newly promulgated laws and regulations related to business execution, corporate governance, or business operations.</p> <p>6. Handle matters related to shareholders' meetings in accordance with laws and regulations: prepare and file meeting notices, procedural manuals, and minutes within the statutory timeframe and before deadlines, and process registration changes when amending the Articles of Incorporation or re-electing directors.</p>	
5. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the company website,	✓		The company has established a unified point of contact for initial engagement with stakeholders. After understanding the situation, this is transferred to various professional units for further communication with stakeholders. We provide sufficient information to financial institutions and creditors we work with, and maintain good communication channels with employees. In accordance with regulations, relevant information is disclosed on the Market Observation Post System, enabling stakeholders to have adequate information	No significant difference.

Assessment Item	Operational situation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary explanation	
and appropriately responded to important corporate social responsibility issues of concern to stakeholders?			to make judgments and protect their interests. Furthermore, we have designated spokespersons and external contact windows for stakeholders as additional communication channels. The company's website has established a stakeholder section to build good communication channels with investors, enabling the company to appropriately respond to important corporate social responsibility issues of concern to stakeholders.	
6. Has the company appointed a professional stock affairs agency to handle matters related to shareholders' meetings?	✓		The company has appointed a professional and independent stock affairs agency, the stock agencies of KGIS Securities, to handle shareholders' meetings and various stock affairs matters.	No significant difference.
7. Information Disclosure (1) Has the company established a website to disclose financial, operational, and corporate governance information?	✓		(1) The company has established a corporate website (https://www.formosapharma.com/zh) in both Chinese and English versions, providing additional channels beyond the Market Observation Post System to disclose financial, operational, and corporate governance information.	No significant difference.
(2) Has the company adopted other methods of information disclosure (such as establishing an English website, designating specific personnel responsible for the collection and disclosure	✓		(2) The company has designated personnel responsible for the collection and disclosure of information, and has appointed a spokesperson and deputy spokesperson. Regarding the implementation of the spokesperson system, the spokesperson frequently interacts with investors and is invited to participate in institutional investor conferences. Such information and materials are announced on the Market Observation Post System.	No significant difference.

Assessment Item	Operational situation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary explanation	
<p>of company information, implementing a spokesperson system, posting institutional investor conference proceedings on the company website, etc.)?</p> <p>(3) Does the company announce and file its annual financial reports within two months after the end of the fiscal year, and announce and file its first, second, and third quarter financial reports and monthly operating results before the required deadlines?</p>	✓		<p>(3) The company has not yet announced and filed its annual financial reports within two months after the end of the fiscal year. The company reports its financial statements and monthly operating results in a timely manner in accordance with the regulations specified in the "Checklist of Required Matters for Issuers of Listed Securities".</p>	<p>We will continue to evaluate the feasibility of announcing and filing annual financial reports within two months after the end of the fiscal year.</p>
<p>8. Does the company have other important information that helps understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, continuing</p>	✓		<p>1. Employee rights: The company pursues harmonious labor-management relations and values employees' right to express their opinions, protecting employees' legal rights in accordance with the Labor Standards Act.</p> <p>2. Employee care: Through a comprehensive employee welfare system and a good education and training system, we establish mutually dependent and good relationships with employees.</p> <p>3. Investor relations: The company convenes shareholders' meetings in accordance with relevant laws and regulations, giving shareholders ample</p>	<p>No significant difference.</p>

Assessment Item	Operational situation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary explanation	
education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the purchase of liability insurance for directors and supervisors, etc.)?			<p>opportunity to ask questions and make proposals. Additionally, a spokesperson is designated to handle shareholder suggestions, questions, and disputes. The company also handles information disclosure and reporting matters in accordance with the regulations of the competent authorities, providing timely information that may affect investors' decisions.</p> <p>4. Supplier relations: Due to the nature of our industry, the company does not have any procurement activities. In the future, if there are relevant business needs, the company will, based on the principle of ethical management, select reputable suppliers to cooperate with in a fair and transparent manner to protect the rights and interests of both parties.</p> <p>5. Rights of stakeholders: The company has a spokesperson and provides multiple channels for stakeholders to communicate with and provide suggestions to the company, in order to protect the legitimate rights and interests of both parties.</p> <p>6. Director's continuing education: All directors of the company have professional backgrounds and continue to take relevant courses. The course schedule is listed in the company's annual report.</p> <p>7. Implementation of risk management policies and risk measurement standards: The company has established various internal management regulations according to law, and conducts various risk analyses and assessments in accordance with these regulations.</p> <p>8. Implementation of customer policy: The company adheres to the principles of</p>	

Assessment Item	Operational situation			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary explanation	
			<p>ethical management and maintains open communication channels with customers to maintain good relationships.</p> <p>9. Company's purchase of liability insurance for directors and supervisors: Liability insurance has been purchased for all directors, and important details such as the insured amount, coverage, and premium rates are reported to the board of directors annually. The most recent report was made to the board of directors in March 2025.</p>	
<p>9. Please explain the improvements made based on the results of the corporate governance evaluation released by the TWSE's Corporate Governance Center in the most recent year, and prioritize items and measures for improvement for those not yet improved: The company's stock was listed on August 13, 2024, and has not been included in the corporate governance evaluation for 2024, therefore this is not applicable.</p>				

(4) Companies that have established a compensation committee or nomination committee should disclose their composition and operation: The company has a compensation committee, but no nomination committee.

1. Remuneration Committee Member Information

Criteria		Professional qualifications and experience	Independence	Number of other public companies where the individual serves as a member of the remuneration committee concurrently
Identity Type/Name				
Independent Director (Convener)	Lo, Li-Chu	Independent director Lo, Li-Chu holds a Ph.D. from the University of Massachusetts (U.Mass.). She previously served as an adjunct professor in the Department of Food Science at National Taiwan Ocean University, President of Genovate Biotechnology Co., Ltd., and President of the PIDTC. Currently, she serves as an independent director of LYTONE Enterprise, Inc. and an advisor to the Asia Pacific Intellectual Property Association. She possesses rich industry experience and professional expertise. Does not fall under any of the conditions stated in Article 30 of the Company Act.	All Remuneration Committee members comply with the following conditions: Comply with the relevant provisions of Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. No remuneration has been received for providing commercial, legal, financial, accounting, or other services to the company or its affiliated enterprises in the past two years.	1
Independent Director	Su, Yu-Hui	Independent director Su, Yu-Hui holds a Ph.D. from the Graduate Institute of Business Administration at National Taiwan University. She previously served as the Chairperson of the Department of Accounting at Soochow University. Currently, she serves as a full-time professor in the Department of Accounting at Soochow University, an independent director of Ennoconn Corporation, an independent director of MAKALOT industrial co., ltd., and an independent		3

		<p>director of TAIMED BIOLOGICS INC. She possesses strong accounting and financial analysis skills, crisis management abilities, and an international market perspective. Does not fall under any of the conditions stated in Article 30 of the Company Act.</p>	
Independent Director	Kang, Chao-Chou	<p>Independent director Kang, Chao-Chou holds a Ph.D. from the Department of Chemistry at the University of California, San Diego. He previously served as the Director, the Food Safety Office of the Executive Yuan, Director-General of the Taiwan Food and Drug Administration, and Director, the Pharmaceutical Affairs Department of the Ministry of Health and Welfare. Currently, he serves as an adjunct professor at the College of Pharmaceutical Sciences at National Yang Ming Chiao Tung University, an independent director of AnnJi Pharmaceutical Co. Ltd., an independent director of Anxo Pharmaceutical Co. Ltd., and an independent director of Orient PHARMA Co., Ltd. He possesses extensive expertise in biotechnology-related fields. Does not fall under any of the conditions stated in Article 30 of the Company Act.</p>	3

2. Remuneration Committee Operation Information

(1) The current Remuneration Committee consists of 3 members.

(2) Term of office for current committee members: May 23, 2024 to May 22, 2027. In the most recent fiscal year (2024) and up to the date of publication, the Remuneration Committee has met 6 times (A). The qualifications and attendance of committee members are as follows:

Title	Name	Actual Attendance (B)	Attendance by proxy	Actual Attendance Rate (%) (B/A)	Remarks
Convener	Lo, Li-Chu	6	0	100%	—
Committee member	Su, Yu-Hui	6	0	100%	—
Committee member	Kang, Chao-Chou	6	0	100%	—

Additional information:

1. If the Board of Directors does not adopt or modifies the recommendations of the Remuneration Committee, the date and session of the Board meeting, content of the proposal, resolution of the Board of Directors, and the company's response to the Remuneration Committee's opinions should be specified (if the remuneration approved by the Board of Directors is better than that recommended by the Remuneration Committee, the differences and reasons should be described): Not applicable.
2. For resolutions made by the Remuneration Committee, if any committee member expresses objection or reservation and it is recorded or stated in writing, the date of the Remuneration Committee meeting, session, proposal content, opinions of all members, and the handling of such opinions should be specified: Not applicable.

(5) Implementation status of promoting sustainable development and the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons:

1. Implementation status of promoting sustainable development and the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Assessment Item	Operational situation		Summary explanation	Differences and reasons between the Company's sustainable development practices and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
1. Has the company established a governance structure to promote sustainable development, set up a dedicated (or concurrent) unit to promote sustainable development, authorized senior management to handle relevant matters under the Board's supervision, and how does the Board oversee these efforts?	✓		In order to implement energy conservation and carbon reduction, fulfill corporate social responsibility, and strengthen corporate governance, the company established a Sustainability Development Committee through a resolution of the Board of Directors on March 11, 2025. The President leads the promotion of sustainable development, addressing matters related to corporate governance, stakeholder relations, and charitable participation in accordance with the Sustainable Development Best Practice Principles, making necessary amendments as needed. The President guides employees in jointly promoting sustainable operations, with work plans including various advocacy initiatives and educational training, dedicated to maintaining a sustainable environment and supporting charitable causes. To date, there have been no disputes involving violations of the Sustainable Development Best Practice Principles.	No significant difference.
2. Has the company conducted risk assessments on environmental, social, and corporate governance issues related to company operations in accordance	✓		The company has held meetings to identify key stakeholders and has distributed questionnaires to stakeholders to investigate the material issues they are concerned about, which will serve as an important foundation for the subsequent preparation of the sustainability report. In addition, the company will also identify key topics through GRI2021 and SASB standards, combined with internal discussions among senior	No significant difference.

Assessment Item	Operational situation			Differences and reasons between the Company's sustainable development practices and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary explanation	
with the materiality principle, and established relevant risk management policies or strategies?			executives, to define the material issues of concern to the company and formulate policies and target indicators. Detailed information will be disclosed in the 2025 Sustainability Report.	
3. Environmental Issues				
(1) Has the company established an appropriate environmental management system based on the characteristics of its industry?	✓		(1) The company follows initiatives and policies of global organizations, striving for water conservation, electricity saving, emission reduction, and waste sorting, implementing environmental management in daily operations under safe conditions.	No significant difference.
(2) Has the company devoted efforts to improving energy efficiency and using renewable materials with low environmental impact?	✓		(2) The company adopts the principle of necessity for all resource usage, avoiding waste, and promotes waste sorting and recycling to reduce environmental impact.	No significant difference.
(3) Has the company assessed the potential risks and opportunities that climate change presents to the enterprise now and in the future, and taken measures to address climate-related	✓		(3) The company continues to focus on energy conservation, carbon reduction, and greenhouse gas reduction issues, incorporating potential impacts of climate change into overall operational considerations. We promote energy-saving and carbon-reduction policies, encourage employees to develop habits of turning off lights and air conditioning when not in use, promote paper recycling and reuse, and comply with resource recycling policies by sorting	No significant difference.

Assessment Item	Operational situation		Summary explanation	Differences and reasons between the Company's sustainable development practices and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
issues?			<p>recyclable items and reusing recyclable papers. In addition, we have identified the following climate-related issues and formulated corresponding strategies:</p> <ol style="list-style-type: none"> 1. Risks: Carbon reduction regulations, reputation damage, low-carbon product research and development, extreme events, increase in average annual temperature, sea level rise; 2. Opportunities: Products and services, markets, resilience, energy use efficiency. 	difference.
(4) Has the company calculated the greenhouse gas emissions, water consumption, and total waste weight for the past two years, and formulated strategies for energy conservation, carbon reduction, greenhouse gas reduction, water conservation, or other waste management?	✓		(4) The company is not classified as a high-pollution industry. The energy conservation, carbon reduction, and greenhouse gas reduction strategies are formulated as follows: (1) Encouraging colleagues to use public transportation, take stairs more often, and use elevators less; (2) Using energy-efficient lighting and requiring colleagues to turn off lights when not in use; (3) Central air conditioning system in the office is centrally controlled and only operated during working hours, while lighting and computer equipment, unless necessary, are turned off after work hours in response to energy conservation policies; (4) Promoting paperless operations to reduce the use of paper and related consumables; (5) Encouraging colleagues to use non-disposable dining utensils, and implementing garbage sorting and resource recycling.	
IV. Social Issues				

Assessment Item	Operational situation			Differences and reasons between the Company's sustainable development practices and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary explanation	
(1) Has the company established relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	✓		(1) The company has not yet established human rights protection policies and specific management programs. However, the company complies with relevant regulations, protects the legal rights of employees, and properly provides labor and health insurance, and contributes to the labor pension fund to ensure workers' rights. And has purchased group accident insurance for all employees.	No significant difference. No significant difference.
(2) Has the company established and implemented reasonable employee welfare measures, and reflected its operating performance or results in employee compensation?	✓		(2) The company provides employees with various welfare policies. Apart from labor insurance, health insurance, pension contributions, and parental leave as required by regulations, the company annually evaluates individual performance contributions as the basis for salary adjustments, bonuses, employee stock ownership, employee stock options and other rewards. The company has also established a complete job grade and level system to promote labor-management harmony.	No significant difference. No significant difference.
(3) Does the company provide employees with a safe and healthy working environment, and regularly implement safety and health education for	✓		(3) The company values employee safety and health, providing employees with a warm, safe, and comfortable office environment, and annually implements employee health examinations, group insurance, birthday parties, and other activities to help employees understand their health status, take care of themselves, and rest their bodies and minds at appropriate times. Additionally, as of the printing date of the annual	No significant difference.

Assessment Item	Operational situation		Summary explanation	Differences and reasons between the Company's sustainable development practices and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
employees?			report, the company has not experienced any occupational accidents, fires, or incidents resulting in personnel injuries or deaths.	No significant difference.
(4) Has the company established an effective career development training program for employees?	✓		(4) To encourage employees to continue learning and further education during their work, the company subsidizes the costs of external education and training courses, encouraging employees to pursue further education and enhance their personal capabilities.	
(5) Regarding issues such as customer health and safety, customer privacy, marketing and labeling of products and services, does the company comply with relevant regulations and international standards, and has it established relevant policies and grievance procedures to protect consumer or customer rights?	✓		(5) The company is engaged in new drug development, and its products are not sold to general consumers. For the marketing and labeling of products and services, the company complies with relevant regulations and international standards.	
(6) Has the company	✓		(6) The company has established "Supplier Management Operations,"	

Assessment Item	Operational situation			Differences and reasons between the Company's sustainable development practices and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary explanation	
established supplier management policies requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and what is the implementation status?			"Corporate Sustainability Development Practice Guidelines," and "Ethical Management Guidelines," which not only regulate internal personnel but also apply these requirements to the suppliers, businesses, or individuals that the company deals with. Regular assessments are conducted on major suppliers. If any supplier is found to be in violation of corporate sustainability policies and has a significant impact on the environment and society, the company will, depending on the severity of the situation, terminate or dissolve the cooperation agreement.	
5. Does the company refer to internationally accepted reporting standards or guidelines to prepare sustainability reports or other reports that disclose the company's non-financial information? Has the aforementioned report obtained assurance or guarantee opinions from a third-party verification organization?		✓	The company has not yet prepared a sustainability report and will, in accordance with legal requirements, issue a sustainability report for the year 2024 in 2025.	As summarized.

Assessment Item	Operational situation			Differences and reasons between the Company's sustainable development practices and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary explanation	
6. If the company has established its own sustainability principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe any differences between its operation and the established principles: No significant differences.				
7. Other important information that helps to understand the implementation of sustainability initiatives:				
<ol style="list-style-type: none"> 1. The company has drafted the "Sustainability Report Preparation and Assurance Operating Procedures," "Sustainability Development Committee Organization Regulations," and "Risk Management Policy and Procedures," which were approved by the Board of Directors on March 11, 2025, to facilitate the promotion of various sustainability development initiatives. 2. Our company helps colleagues understand the disclosure details of ESG reports and greenhouse gas inventory implementation through ESG knowledge sharing and educational training. 3. Our company has been promoting greenhouse gas inventory since 2024 and designing methodologies for collecting various Scope 3 data, including employee commuting, business travel, and procurement of goods and services, while also evaluating the feasibility of collecting various greenhouse gas emission metadata. 4. Since 2024, the company has also begun to design various activities from a sustainability perspective, arranging sustainable activities related to social care, charitable initiatives, and climate action as the core philosophy for team building. 5. Our company, in response to Commonwealth Magazine's initiative, will join as a partner in the "Do One Thing for Tamsui River" project, helping all employees gain a renewed understanding of water resources, and calling on our suppliers to work together for the cleanliness of the Tamsui River. 				

2. Implementation status of climate-related information:

Item	Implementation															
<p>1. Describe the board of directors' and management's supervision and governance of climate-related risks and opportunities.</p>	<p>Climate change-related discussions and management are conducted and evaluated by the Sustainability Development Committee, with climate change-related resolutions approved by the board of directors. The Sustainability Development Committee has established a task force (Sustainability Development Group) to coordinate with various working groups to collect relevant data and surveys, jointly review the phenomena of climate change and global warming, evaluate the various risks that will affect the company, prioritize them according to their significance, formulate response strategies, management approaches, and implementation plans for these risks, and regularly review the results.</p>															
<p>2. Describe how the identified climate risks and opportunities impact the company's business, strategy, and finances (short-term, medium-term, long-term).</p>	<p>The following are the climate-related risks and opportunities, potential financial impacts, and strategies:</p> <table border="1" data-bbox="819 707 2078 1361"> <thead> <tr> <th data-bbox="819 707 972 818">Type</th> <th data-bbox="972 707 1158 818">Climate-related risk/opportunity</th> <th data-bbox="1158 707 1288 818">Impact period</th> <th data-bbox="1288 707 1664 818">Potential financial impact</th> <th data-bbox="1664 707 2078 818">Strategy</th> </tr> </thead> <tbody> <tr> <td data-bbox="819 818 972 1145">Transition risk</td> <td data-bbox="972 818 1158 1145">Carbon reduction related regulations</td> <td data-bbox="1158 818 1288 1145">Short-term</td> <td data-bbox="1288 818 1664 1145">Due to the requirements of climate change response legislation, there is a need to increase human resource costs and consulting fees for conducting greenhouse gas inventories.</td> <td data-bbox="1664 818 2078 1145">Through educational training, employees can keep track of the progress of related policy implementation, which serves as a basis for formulating work items that should be met at each stage, achieving the goal of legal compliance.</td> </tr> <tr> <td data-bbox="819 1145 972 1361">Physical risks</td> <td data-bbox="972 1145 1158 1361">Extreme weather events</td> <td data-bbox="1158 1145 1288 1361">Short-term</td> <td data-bbox="1288 1145 1664 1361">Extreme weather causing damage to operational sites or suppliers.</td> <td data-bbox="1664 1145 2078 1361">Diversify supply chain risks by selecting geographically dispersed suppliers to reduce the impact of climate disasters in a single region</td> </tr> </tbody> </table>	Type	Climate-related risk/opportunity	Impact period	Potential financial impact	Strategy	Transition risk	Carbon reduction related regulations	Short-term	Due to the requirements of climate change response legislation, there is a need to increase human resource costs and consulting fees for conducting greenhouse gas inventories.	Through educational training, employees can keep track of the progress of related policy implementation, which serves as a basis for formulating work items that should be met at each stage, achieving the goal of legal compliance.	Physical risks	Extreme weather events	Short-term	Extreme weather causing damage to operational sites or suppliers.	Diversify supply chain risks by selecting geographically dispersed suppliers to reduce the impact of climate disasters in a single region
Type	Climate-related risk/opportunity	Impact period	Potential financial impact	Strategy												
Transition risk	Carbon reduction related regulations	Short-term	Due to the requirements of climate change response legislation, there is a need to increase human resource costs and consulting fees for conducting greenhouse gas inventories.	Through educational training, employees can keep track of the progress of related policy implementation, which serves as a basis for formulating work items that should be met at each stage, achieving the goal of legal compliance.												
Physical risks	Extreme weather events	Short-term	Extreme weather causing damage to operational sites or suppliers.	Diversify supply chain risks by selecting geographically dispersed suppliers to reduce the impact of climate disasters in a single region												

	Opportunity	Obtain subsidies or market	Medium-term	After accumulating sustainability achievements, there are opportunities to apply for relevant government incentives and subsidies, and even compete for sustainability-related collaboration opportunities.	Closely monitor government subsidy policies for sustainable development and low-carbon technologies, actively apply for relevant funding to support the company's environmental protection projects and innovative research and development.
3. Describe the financial impacts of extreme climate events and transition actions.	<ol style="list-style-type: none"> 1. If extreme climate events occur frequently, affecting suppliers' ability to produce or deliver shipments normally, this will increase the possibility of operational disruptions where factories cannot produce smoothly, resulting in decreased company revenue. Therefore, the Sustainability Development Committee will promptly identify the financial impacts of extreme climate events and transition actions. 2. In response to climate change regulations, there is a need to hire consultants to conduct carbon inventories, TCFD, and IFRS S2 compliance, which will increase labor costs and consulting fees for implementing greenhouse gas inventories. 3. The expenses derived from purchasing renewable energy and installing renewable energy equipment are financial impacts caused by climate events. 				
4. Describe how the process of identifying, evaluating, and managing climate risks is integrated into the overall risk management system.	<p>The existing risk management process will be integrated with the future TCFD risk management process through the following steps:</p> <p>Step 1: The Sustainability Development Implementation Team members will complete the collection of climate environmental background data and assessment of climate risks and operational scope.</p> <p>Step 2: Establish a list of climate risks and opportunities and develop an internal operational impact survey questionnaire.</p> <p>Step 3: The Sustainability Development Implementation Team will conduct climate risk opportunity and operational impact analysis, and determine significant risk items.</p> <p>Step 4: Establish implementation strategies and set targets.</p> <p>Step 5: Review the effectiveness of implementation strategies and targets quarterly through Sustainability Development Committee meetings.</p>				

<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used should be explained.</p>	<p>Currently, scenario analysis has not been used to assess resilience to climate change risks.</p>
<p>6. If there is a transition plan for managing climate-related risks, explain the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>Currently, there is no transition plan for managing climate-related risks.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for pricing should be explained.</p>	<p>Currently, no carbon pricing planning tools are being used.</p>
<p>8. If climate-related targets have been set, information should be provided on the activities covered, greenhouse gas emission scopes, planned timeline, annual progress toward achievement, etc.; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related targets, the source and quantity of carbon reduction credits or the quantity of Renewable Energy Certificates (RECs) should be explained.</p>	<p>Currently, no climate-related targets have been set.</p>
<p>9. Greenhouse gas inventory and verification status, along with reduction targets, strategies, and specific action plans (to be separately documented in 1-1 and 1-2).</p>	<p>Currently, this has not been implemented.</p>

(6) Implementation of Ethical Corporate Management and Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Assessment Item	Operational situation		Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons	
	Yes	No		Summary explanation
<p>1. Establishment of Ethical Management Policies and Programs</p> <p>(1) Does the company formulate an ethical corporate management policy approved by the board of directors, and clearly state the policy and practices of ethical corporate management in its regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the management policy?</p> <p>(2) Does the company establish a risk assessment mechanism for unethical behavior, regularly analyze and evaluate business activities with higher risk of unethical behavior within its business scope, and accordingly formulate programs to prevent unethical behavior, which at least cover the preventive measures for various acts specified in</p>	<p>✓</p> <p>✓</p>		<p>(1) The Company has established "Ethical Corporate Management Best Practice Principles" which have been reported to the shareholders' meeting. The Board of Directors and management exercise their authorities with prudence when conducting business operations. The Board of Directors fulfills its duty of care as good administrators, supervises the company's senior management in preventing unethical conduct, regularly reviews the implementation effectiveness and makes continuous improvements, ensuring the implementation of ethical management policies. Additionally, the directors themselves adhere to the principle of conflict of interest avoidance.</p> <p>(2) In addition to communicating the ethical management philosophy, the Company also achieves preventive effects through internal control design and contract signing, and prevents unethical business activities through the audit mechanism of the internal audit unit and the company's grievance mechanism.</p>	<p>No significant difference.</p> <p>No significant difference.</p> <p>No significant difference.</p>

Assessment Item	Operational situation		Summary explanation	Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
<p>Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?</p> <p>(3) Does the company specify operating procedures, behavioral guidelines, disciplinary and grievance systems for violations within its unethical behavior prevention program, implement them effectively, and regularly review and revise the aforementioned program?</p>	✓		<p>(3) The Company has established the "Code of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," "Procedures and Behavioral Guidelines for Ethical Management," and "Regulations for Preventing Insider Trading," which include prohibitions on unethical behavior, whistleblowing systems, penalties for violations, etc., and regularly reviews and revises these documents.</p>	
<p>2. Implementation of Ethical Corporate Management</p> <p>(1) Does the company evaluate the integrity records of its business counterparties, and include terms of ethical conduct in the contracts it signs with them?</p> <p>(2) Does the company have a dedicated unit responsible for promoting ethical corporate management that reports directly to the Board of Directors, and does this unit regularly (at least once a year) report</p>	✓		<p>(1) The Company conducts business activities in a fair and transparent manner, considers the legality of its business counterparties, and explicitly specifies ethical conduct in its contracts.</p> <p>(2) The Company has designated the Finance Department as the dedicated unit, which reports directly to the Board of Directors, to maintain sound ethical management practices and senior management leadership, guiding employees to jointly promote corporate ethical operations, staying attentive to domestic and international developments in ethical management regulations,</p>	<p>No significant difference.</p> <p>No significant difference.</p>

Assessment Item	Operational situation		Summary explanation	Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
to the Board on its ethical management policies, programs to prevent unethical conduct, and supervision of implementation?			and considering recommendations from all directors to review and improve implementation measures for effective results. Assist the Board of Directors and management in verifying and assessing whether the preventive measures established for implementing ethical management are operating effectively, and regularly report to the Board of Directors.	No significant difference.
(3) Has the company established policies to prevent conflicts of interest, provided appropriate channels for disclosure, and effectively implemented these policies?	✓		(3) The Company has established "Ethical Corporate Management Principles" which clearly stipulate that directors, managers, and employees shall not disclose material internal information they are aware of to others, shall not inquire about or collect non-public material internal information unrelated to their personal duties from those who are aware of such information, and shall not disclose non-public material internal information obtained outside of their professional duties to others. The principles prohibit directors, employees, and other insiders from profiting from information that is not available to the market.	No significant difference.
(4) Has the company established effective accounting systems and internal control systems to implement ethical corporate management, and has the internal audit unit developed relevant audit plans based on the results of risk	✓		(4) The Company has established effective accounting systems and internal control systems, and internal audit personnel regularly inspect relevant matters and prepare audit reports for submission to the Board of Directors. There has been no necessary circumstance requiring the engagement of accountants to conduct special audits in the past three years.	No significant difference.

Assessment Item	Operational situation		Summary explanation	Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
<p>assessments for unethical behavior, and accordingly verified compliance with the unethical behavior prevention programs, or appointed a CPA to conduct such audits?</p> <p>(5) Does the company regularly conduct internal and external training on ethical corporate management?</p>	✓		(5) The Company promotes regulations related to ethical management through various meetings, ensuring that employees thoroughly understand their definitions and comply with them, in order to strengthen employees' firm commitment to following ethical management standards.	
<p>3. Operation of the Company's Whistleblowing System</p> <p>(1) Has the Company established specific whistleblowing and reward systems, created convenient whistleblowing channels, and designated appropriate personnel responsible for handling reports against accused parties?</p> <p>(2) Has the Company established standard operating procedures for investigating reported matters, follow-up measures to be taken after investigations are completed, and relevant confidentiality mechanisms?</p>	✓		<p>(1) Specific reporting of illegal and unethical behaviors by employees, shareholders, and stakeholders can be made through reporting channels provided on the company website and are handled by designated personnel, with the identity of whistleblowers and the content of reports kept strictly confidential.</p> <p>(2) The Company emphasizes confidentiality in whistleblowing matters and conducts careful verification, ensuring that reported issues are clarified while protecting whistleblowers, and implements appropriate handling mechanisms in a confidential manner.</p>	<p>No significant difference.</p> <p>No significant difference.</p> <p>No significant difference.</p>

Assessment Item	Operational situation		Summary explanation	Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
(3) Has the Company adopted measures to protect whistleblowers from being subjected to inappropriate treatment as a result of their whistleblowing?	✓		(3) Regardless of the scale of the reported issue, protecting whistleblowers is a responsibility that the Company must fulfill. Under appropriate confidentiality measures, there have been no cases where whistleblowers have been subjected to inappropriate treatment as a result of their whistleblowing.	
4. Enhancing Information Disclosure (1) Has the Company disclosed the content of its Ethical Corporate Management Best Practice Principles and the results of its implementation on its website and the Market Observation Post System?	✓		(1) The Company has established Chinese and English corporate websites to provide information to the public. The websites also include dedicated sections maintained by designated personnel for announcements. Additionally, the implementation status of ethical corporate management is disclosed in the annual report/prospectus. (https://www.formosapharma.com/zh/elementor-3584/)	No significant difference
5. If the Company has established its own ethical corporate management best practice principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe any differences between the operation and the established principles: The Company has established the "Ethical Corporate Management Best Practice Principles" and "Procedures and Guidelines for Ethical Corporate Management" based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," and there are no significant differences between their operation and the established principles.				
6. Other important information that helps to understand the Company's ethical corporate management operations (such as the Company's promotion of its commitment and policies on ethical corporate management to business partners, inviting them to participate in education and training, and reviewing and amending the Company's ethical corporate management principles): None.				

(7). Other important information that helps to enhance understanding of the Company's corporate governance operation: The Company continues to strengthen its corporate governance operations and promptly discloses major announcements and corporate governance information on the Market Observation Post System.

(8) Implementation Status of Internal Control System:

1. Statement of Internal Control: Please refer to the Company's internal control statement announcement on the Market Observation Post System (<https://mopsov.twse.com.tw/mops/web/t06sg20>)
2. If the Company has commissioned CPAs to conduct a special audit of the internal control system, the CPA audit report should be disclosed: None.

(9) Major resolutions of the shareholders' meeting and board of directors in the most recent year and up to the date of printing:

1. Major resolutions of the shareholders' meeting

Date of Shareholders' Meeting		Major Resolutions
Annual Shareholders' Meeting	2024.05.23	Matters for Recognition: 1. Recognition of the restatement of the Company's 2021 and 2022 parent company only financial statements 2. Recognition of the Company's 2023 financial statements and business report. 3. Recognition of the Company's 2023 deficit compensation plan. Matters for Discussion: 1. Approval of the amendments to the Company's "Articles of Association". 2. Approval of the Company's "Procedures for Acquisition or Disposal of Assets". Election Matters: 1. Approval of the re-election of the Company's 6th Board of Directors. Other Matters: 1. Approval of the release of restrictions on the prohibition of competitive activities for directors of the Company's 6th Board of Directors and their representatives.

2. Major Resolutions of the Board of Directors

Date of Board Meeting		Major Resolutions
Board of Directors	2024.02.19	1. Approval of the Company's "Statement on Internal Control System" for the fiscal year 2023 2. Approval of the Company's "Evaluation Form for Financial Report Preparation Capabilities" 3. Approval of the financial statements and business report for the fiscal year 2023 4. Approval of the proposal for loss offset for the fiscal year 2023 5. Approval of the amendment to the Company's regulations and bylaws 6. Approval of the comprehensive re-election of the Company's 6th Board of Directors 7. Approval of the list of candidates for the 6th Independent Directors nominated by the Board of Directors 8. Approval of the removal of non-competition restrictions for the Company's 6th Directors and their representatives 9. Approval of the time, venue, and agenda for the Company's 2024 Annual General Meeting of Shareholders 10. Approval of matters related to the acceptance of shareholder proposals and nominations for Independent Director candidates for the Company's 2024

Date of Board Meeting		Major Resolutions
		Annual General Meeting of Shareholders 11. Approval of the assessment of the independence, suitability, and remuneration for the appointment of the certifying accountants
Board of Directors	2024.05.06	1. Approval of the amendment to the Company's regulations and bylaws 2. Approval of the ratification of the alliance contract, Statement of Work (SOW), and termination agreement signed between the Company and AimMax Therapeutics, Inc. in previous years 3. Approval of the ratification of the co-development agreement, extension agreement, and supplemental agreement signed between the Company and AimMax Therapeutics, Inc. in previous years 4. Approval of the ratification of the contracts signed between the Company and Formosa Laboratories, Inc. in previous years 5. Approval of the 2024 First Quarter Financial Report 6. Approval of loans to Japanese subsidiary Activus Pharma Co., Ltd. 7. Approval of the resolutions made by the Company's Compensation Committee
Board of Directors	2024.05.23	1. Approval of the election of the Company's Chairman 2. Approval of the appointment of Compensation Committee members
Board of Directors	2024.06.20	1. Approval of cash capital increase and issuance of new shares for public offering before the Company's stock listing 2. Approval of the Company's managers' participation in the allocation of shares from the cash capital increase
Board of Directors	2024.07.11	1. Approval of setting the record date and related matters for the issuance of new shares from the conversion of the Company's employee stock options
Board of Directors	2024.08.05	1. Approval of the amendment to the Company's internal control system 2. Approval of the supply contract between the Company and Formosa Laboratories, Inc. 3. Approval of the financial report for the second quarter of 2024 4. Approval of the external licensing of APP13007 5. Approval of the joint development project with Eyenovia, Inc.
Board of Directors	2024.08.28	1. Approval of the appointment of the Company's financial and accounting officer 2. Approval of the appointment of the Company's spokesperson 3. Approval of the amendment to the Company's regulations and bylaws
Board of Directors	2024.11.11	1. Approval of the resolutions of the Company's Remuneration Committee 2. Approval of the Company's audit plan for 2025 3. Approval of the financial report for the third quarter of 2024 4. Approval of the Company's proposal to appoint its director, Formosa Laboratories, Inc., to provide patent and intellectual property consulting services 5. Approval of the Company's proposal to lease from related parties 6. Approval of the amendment to the Company's regulations and bylaws 7. Approval of the Company's 2025 budget 8. Approval of setting the record date and related matters for the issuance of new shares from the conversion of the Company's employee stock options
Board of Directors	2025.02.11	1. Approval of the resolutions of the Company's Remuneration Committee 2. Approval of the Company's "Statement of Internal Control System" for the year 2024 3. Approval of the Company's financial statements and business report for the year 2024 4. Approval of the Company's deficit compensation plan for the year 2024 5. Approval of the report on directors' remuneration for the Company's year 2024 6. Approval of amendments to partial articles of the "Articles of Association" 7. Approval of removing the non-competition restrictions for the Company's directors (including independent directors) 8. Approval of the time, location, and reasons for convening the Company's 2025 Annual General Meeting of Shareholders 9. Approval of matters related to accepting shareholder proposals for the

Date of Board Meeting		Major Resolutions
		<p>Company's 2025 Annual General Meeting of Shareholders</p> <ol style="list-style-type: none"> 10. Approval of additions and amendments to the Company's regulations and procedures 11. Approval of the assessment of the independence, suitability, and remuneration for the appointment of the certifying accountants 12. Approval of the Company's proposal to lease from related parties 13. Approval of the Company's proposal to engage director Formosa Laboratories, Inc. to provide testing and analysis services 14. Approval of the Company's proposal to sign a supplementary supply contract with director Formosa Laboratories, Inc. 15. Approval of the Company's proposal to sign a supplementary joint development agreement with AimMax Therapeutics, Inc. 16. Approval of the proposal to establish a Sustainability Development Committee

(10) The main content of any recorded or written statements made by directors or supervisors who had dissenting opinions on major resolutions passed by the Board of Directors in the most recent year and up to the printing date of the annual report: There were no such occurrences.

(4) Information on fees paid to Certified Public Accountants:

(1) Information on fees paid to Certified Public Accountants:

Unit: NT\$ thousand; %

Name of CPA Firm	CPA Name	Audit Period	Audit fees	Non-audit fees	Total	Remarks
PricewaterhouseCoopers	Yen, Yu-Fang	2024/1/1~ 2024/12/31	1,950	1,923	3,873	
	Teng, Sheng-Wei					
Please specify the content of non-audit fee services:						
1. IPO internal control review and prospectus examination						
2. Business income tax audit certification						
3. Application for Income Tax Article 25 and tax refund application						
4. Service fee for registration of changes in cash issuance of new shares						

(2) When changing accounting firms, if the audit fee paid in the year of change is less than the audit fee in the year before the change, the amounts of audit fees before and after the change and the reasons should be disclosed: Not applicable.

(3) If the audit fee has decreased by 10% or more compared to the previous year, the amount of the decrease, the percentage, and the reason should be disclosed: Not applicable.

(5) Information on change of accountants: Not applicable.**(6) The company's chairman, president, or managers responsible for financial or accounting affairs who have worked in the accounting firm of the certifying accountant or its affiliated enterprises within the last year: Not applicable.****(7) Changes in equity transfer and equity pledge of directors, supervisors, managers, and shareholders with shareholding ratio exceeding 10% in the most recent year and up to the printing date of the annual report:**

(1) Status of equity changes for directors, managers, and major shareholders:

Unit: Share

Title	Name	2024		As of March 29, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman	Formosa Laboratories, Inc.	100,000	0	0	0
	Representative: Cheng, Chen-Yu	0	0	0	0
Director	Formosa Laboratories, Inc.	100,000	0	0	0
	Representative: Huang, Weng-Foung	0	0	0	0
Director	Ma, Hai-Yi	0	0	0	0
Director	Chang, Hung-Jen	0	0	0	0
Director	CDIB Capital Healthcare Ventures II Limited Partnership	0	0	0	0
	Representative: Kung, Te-Chun	0	0	0	0
Independent Director	Su, Yu-Hui	0	0	0	0

Title	Name	2024		As of March 29, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Independent Director	Lo, Li-Chu	0	0	0	0
Independent Director	Kang, Chao-Chou	0	0	0	0
General manager	Erick Co	70,000	0	0	0
Director, Nanotechnology Department	Chen, Yu-Chi	10,000	0	0	0
Chief Business & Strategy Officer	Wei, Ching-Cheng	20,000	0	0	0
Chief Financial Officer and Corporate Governance Officer	Pan, Li-Fang (Note 1)	9,000	0	0	0
Director, Finance Division and Corporate Governance Officer	Tsao, Nai-Hsien (Note 2)	30,000	0	0	0
Shareholders holding more than five percent of the total shares	Formosa Laboratories, Inc.	100,000	0	0	0

Note1: Pan, Li-Fang resigned on August 28, 2024.

Note2: Tsao, Nai-Hsien assumed the positions of Accounting and Financial Officer and Corporate Governance Officer on August 28, 2024.

(2) Information regarding stock transfers to related parties: Not applicable.

(3) Information regarding stock pledges to related parties: Not applicable.

(8) Information on relationships between the top ten shareholders, including related parties, spouses, or relatives within the second degree of kinship:

Unit: Shares Date: March 29, 2025

Shareholders by Shareholding Percentage	Shareholding of individual		Shareholding of Spouse or Minor Children		Shares Held in the Name of Others		Names and relationships of top ten shareholders who are related parties, spouses, or relatives within the second degree of kinship to each other		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Formosa Laboratories, Inc. Representative: Cheng, Chen-Yu	61,387,653	40.66	0	0	0	0	None	None	
	86,274	0.06	197,865	0.13	0	0	Moraga Inc. Representative: Li, Hsiu-Hui	Spouse	
CDIB Capital Healthcare Ventures II Limited Partnership Representative: CDIB Capital Innovation	6,003,653	3.98	0	0	0	0	None	None	
	0	0	0	0	0	0	None	None	

Advisors Corporation									
Representative of Shanshui Biotech Venture Capital Limited Partnership: Xiang Yong Biotech Management Consultant Co.,Ltd.	2,436,000	1.61	0	0	0	0	0	None	None
	0	0	0	0	0	0	0	None	None
Fubon Financial Holding Venture Capital Co., Ltd. Representative: Tsai Ming-Chung	2,400,000	1.59	0	0	0	0	0	None	None
	0	0	0	0	0	0	0	None	None
Lo, Lun-Yu	1,926,164	1.28	0	0	0	0	0	None	None
Eastpharm Investment Co., Ltd. Representative: Chen, Tse-Min	1,823,316	1.21	0	0	0	0	0	None	None
	0	0	0	0	0	0	0	None	None
Moraga Inc. Representative: Li, Hsiu-Hui	1,522,021	1.01	0	0	0	0	0	None	None
	197,865	0.13	86,274	0.06	0	0	0	Cheng, Chen-Yu	Spouse
UMC CAPITAL Representative: Hung, Chia-Tsung	1,497,000	0.99	0	0	0	0	0	None	None
	0	0	0	0	0	0	0	None	None
Cathay Venture Inc. Representative: Chang, Jen-Ho	1,248,365	0.83	0	0	0	0	0	None	None
	0	0	0	0	0	0	0	None	None
Chaico Investment Corporation Representative: Cheng, Hsiu-Tzu	980,000	0.65	0	0	0	0	0	None	None
	0	0	0	0	0	0	0	None	None

(9) Number of shares held by the Company, by directors, supervisors, managers, and by enterprises directly or indirectly controlled by the Company in the same investee company, and the combined calculation of the comprehensive shareholding ratio:

December 31, 2024 Unit: shares; %

Reinvestment Business (Note)	Company's Investment		Investment by directors, supervisors, managers and directly or indirectly controlled enterprises		Comprehensive Investment	
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio
Activus Pharma Co.,Ltd.	1,942	99.23%	0	0%	1,942	99.23%

III. Fundraising Status

1. Capital and Shares

(1) Source of share capital

1. Types of Shares

Unit: shares; Date: March 29, 2025

Types of Shares	Authorized capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Common Stock	150,977,100	49,022,900	200,000,000	The Company's stock is not listed on any stock exchange or over-the-counter market

2. Source of Capital Stock:

Unit: Thousand Shares; NT\$ Thousand

Year/Month	Issue Price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital Contributed by Assets Other than Cash	Others
2010.12	10	5,000	50,000	2,500	25,000	Establishment Investment of NT\$25,000 Thousand	None	Note 1
2021.07	10	5,000	50,000	5,000	50,000	Cash Capital Increase of NT\$25,000 Thousand	None	Note 2
2013.02	10	8,500	85,000	8,500	85,000	Cash Capital Increase of NT\$35,000 Thousand	None	Note 3
2014.12	10	12,000	120,000	12,000	120,000	Cash Capital Increase of NT\$35,000 Thousand	None	Note 4
2016.09	10	15,800	158,000	15,800	158,000	Cash Capital Increase of NT\$38,000 Thousand	None	Note 5
2017.06	10	19,800	198,000	19,800	198,000	Cash Capital Increase of NT\$40,000 Thousand	None	Note 6
2017.08	10	34,921	349,208	31,381	318,708	Cash Capital Increase of NT\$120,708 Thousand	None	Note 7
2017.12	10	80,000	800,000	36,821	368,208	Cash Capital Increase of NT\$49,500 Thousand	None	Note 8
2017.12	12.5	80,000	800,000	49,861	498,608	Cash Capital Increase of NT\$130,400 Thousand	None	Note 9
2018.12	20	80,000	800,000	64,860	648,608	Cash Capital Increase of NT\$150,000 Thousand	None	Note 10
2020.05	20	120,000	1,200,000	72,832	728,321	Cash Capital Increase of NT\$79,713 Thousand	None	Note 11

Year/Month	Issue Price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital Contributed by Assets Other than Cash	Others
2021.05	24	200,000	2,000,000	98,832	988,321	Cash Capital Increase of NT\$250,000 Thousand	None	Note 12
	10					Employee Stock Options of NT\$10,000 Thousand	None	
2022.08	34	200,000	2,000,000	113,642	1,136,421	Cash Capital Increase of NT\$148,100 Thousand	None	Note 13
2023.08	49	200,000	2,000,000	134,142	1,341,421	Cash Capital Increase of NT\$205,000 Thousand	None	Note 14
2024.08	39.7	200,000	2,000,000	134,162	1,341,621	Employee Stock Options Conversion of NT\$200 Thousand	None	Note 15
2024.09	36	200,000	2,000,000	150,962	1,509,621	Cash Capital Increase of NT\$168,000 Thousand	None	Note 16
2024.11	38.5	200,000	2,000,000	150,977	1,509,771	Employee Stock Options Conversion of NT\$150 Thousand	None	Note 17

Note 1: Approved by Letter No. 09932923460 from the Ministry of Economic Affairs on December 6, 2010.

Note 2: Approved by Letter No. 10132239400 from the Ministry of Economic Affairs on July 10, 2012.

Note 3: Approved by Letter No. 10233135470 from the Ministry of Economic Affairs on February 1, 2013.

Note 4: Approved by Letter No. 10333923030 from the Ministry of Economic Affairs on December 2, 2014.

Note 5: Approved by Letter No. 10590805170 from the Municipal Economic Affairs Bureau on September 8, 2016.

Note 6: Approved by Letter No. 10690870560 from the Municipal Economic Affairs Bureau on June 7, 2017.

Note 7: Approved by Letter No. 10690965210 from the Municipal Economic Affairs Bureau on August 24, 2017.

Note 8: Approved by Letter No. 10691101390 from the Municipal Economic Affairs Bureau on December 20, 2017.

Note 9: Approved by Letter No. 10691120940 from the Municipal Economic Affairs Bureau on December 29, 2017.

Note 10: Approved by Letter No. 1071149620 from the Ministry of Economic Affairs on December 4, 2018.

Note 11: Approved by Letter No. 10901072840 from the Ministry of Economic Affairs on May 13, 2020.

Note 12: Approved by Letter No. 11001065820 from the Ministry of Economic Affairs on May 3, 2021.

Note 13: Approved by Letter No. 11101158090 from the Ministry of Economic Affairs on August 18, 2022.

Note 14: Approved by Letter No. 11230135150 from the Ministry of Economic Affairs on August 10, 2023.

Note 15: Approved by Letter No. 11330132700 from the Ministry of Economic Affairs on August 2, 2024.

Note 16: Approved by Letter No. 11330156910 from the Ministry of Economic Affairs on September 13, 2024.

Note 17: Approved by Letter No. 11330206650 from the Ministry of Economic Affairs on November 28, 2024.

3. Information related to the comprehensive reporting system: None.

(2) List of Major Shareholders:

Unit: shares; % Date: March 29, 2025

Name of major shareholder	Number of shares held (shares)	Shareholding Percentage (%)
1. Formosa Laboratories, Inc.	61,387,653	40.66
2. CDIB Capital Healthcare Ventures II Limited Partnership	6,003,653	3.98
3. Shanshui Biotech Venture Capital Limited Partnership	2,436,000	1.61
4. Fubon Financial Holding Venture Capital Co., Ltd.	2,400,000	1.59
5. Lo, Lun-Yu	1,926,164	1.28
6. Eastpharm Investment Co., Ltd.	1,823,316	1.21
7. Moloca Investment Co., Ltd.	1,522,021	1.01
8. UMC CAPITAL	1,497,000	0.99
9. Cathay Venture Inc.	1,248,365	0.83
10. Chaico Investment Corporation	980,000	0.65
Total	81,224,172	53.81

(3) Company Dividend Policy and Implementation Status:

1. Company Dividend Policy

The Company shall, after paying all taxes and covering previous losses from its annual net profit, allocate 10% as legal reserve. However, this restriction does not apply when the legal reserve has reached the total amount of the Company's paid-in capital. After setting aside or reversing special reserve in accordance with relevant laws and regulations, and adding the undistributed earnings from previous periods to the shareholders' accumulated distributable earnings, the Board of Directors shall prepare a profit distribution proposal and submit it to the shareholders' meeting for resolution on distribution or retention as deemed necessary for business operations. In alignment with current and future development plans, considering the investment environment, capital requirements, domestic and international competition, and shareholder interests, the accumulated distributable earnings to shareholders may be appropriately retained or distributed in the form of stock dividends, cash dividends, or a combination of both. The cash dividends shall not be less than 10% of the total shareholders' dividends distributed, with the remainder being stock dividends.

2. Implementation Status: The Company has accumulated losses as of 2024, therefore there is no distribution of earnings.

(4) Impact of the proposed stock dividends without compensation on the Company's business performance and earnings per share at this shareholders' meeting: None.

(5) Employee, Director, and Supervisor Compensation

1. Percentage or Range of Employee and Director Compensation as Stipulated in the Company's Articles of Association:

If the Company has profits for the year, the Board of Directors shall resolve to allocate no less than five percent as employee compensation and no more than two percent

as directors' compensation. However, if the Company still has accumulated losses, it shall first reserve the amount for offsetting such losses, and report to the shareholders' meeting. Employee compensation may be distributed in the form of stock or cash, and the recipients may include employees of controlling or subsidiary companies who meet certain conditions, with the method to be determined by the Board of Directors.

2. Basis for Estimating Employee and Director Compensation for the Current Period, Calculation Basis for Number of Shares for Employee Compensation Distributed in Stock, and Accounting Treatment for Discrepancies Between Actual Distribution Amount and Estimated Amount

The Company has accumulated losses as of 2024, therefore the estimated and actual amounts of employee and director compensation are both NT\$0. There is no calculation basis for the number of shares for employee compensation distributed in stock, and no discrepancy between the actual distribution amount and the estimated amount. If in the future, after deducting accumulated profits and losses based on the annual profit status, if there is still a balance, the estimated basis will be the amount of current year's pre-tax net profit before deducting employee and director compensation multiplied by the distribution percentage specified in the Articles of Association, and this will be recognized as operating expenses for the current year. If, after the end of the fiscal year, there is a significant change in the amount resolved by the Board of Directors for distribution, resulting in a discrepancy between the actual distribution amount and the estimated amount, it will be treated as a change in accounting estimate.

3. Status of Compensation Distribution Approved by the Board of Directors:

(1) Amount of employee compensation and director/supervisor compensation distributed in cash or stock. If there is a discrepancy between this amount and the estimated amount recognized as an expense for the year, the difference, reason, and handling method should be disclosed: The Company has accumulated losses as of 2024, therefore this is not applicable.

(2) The ratio of employee compensation distributed in stock to the sum of current after-tax net income and total employee compensation: The Company has accumulated losses as of 2024, therefore this is not applicable.

4. Actual distribution of employee and director compensation in the previous year (including number of shares distributed, amount, and share price), and if there is a discrepancy between this and the recognized employee and director compensation, the difference, reason, and handling method should be explained:

The Company has accumulated losses as of 2024, therefore this is not applicable.

(6) Status of the Company's repurchase of its own shares: None.

2. Status of Corporate Bonds (Including Overseas Corporate Bonds): None.

3. Status of Preferred Shares: None.

4. Status of Global Depository Receipts: None.

5. Status of Employee Stock Options:

(1) Status of Employee Stock Options:

March 29, 2025

Types of Employee Stock Options	2021 Second Employee Stock Options
Date of Effective Registration and Total Units	January 7, 2022, 600 units
Issuance Date	First Phase: March 9, 2022
Duration	5
Number of Units Issued (Note)	600 units
Number of Units Available for Issuance	0 units
Ratio of Subscribable Shares to Total Issued Shares (%)	0.45%
Exercise Period	From the second anniversary of issuance to the fifth anniversary of issuance
Exercise Method	Issuance of New Shares
Restricted Exercise Period and Ratio (%)	Upon the second anniversary of issuance: 50% Upon the third anniversary of issuance: 75% Upon the fourth anniversary of issuance: 100%
Number of Shares Acquired through Exercise	0 shares
Amount of Exercise	NT\$0
Number of Unexercised Stock Options (Note)	455,000 shares
Exercise Price per Share for Unexercised Options	NT\$38.5
Ratio of Number of Unexercised Stock Options to Total Issued Shares	0.30%
Impact on Shareholders' Equity	This stock option plan is designed to attract and retain necessary talent for the company, as well as to motivate employees and enhance their loyalty, with the aim of creating mutual benefits for the company and shareholders, thus having a positive impact on shareholders' equity.

Note: Unexercised stock options of 110,000 shares from departed employees have become invalid, and employees have exercised and converted a total of 35,000 shares, so the remaining exercisable amount is 455,000 shares.

(2) Names of Managers Who Have Acquired Employee Stock Options and the Top Ten Employees Who Have Acquired the Most Stock Options, Along with Their Acquisition and Subscription Status:

March 29, 2025 Unit: Thousand shares; NT\$ thousand; %

	Title	Name	Number of Shares Acquired (Note 1)	Percentage of Acquired Shares to Total Issued Shares	Exercised				Unexercised			
					Number of Shares Subscribed	Subscription Price	Subscription Amount	Percentage of Shares Subscribed to Total Issued Shares	Number of Shares Subscribed	Subscription Price	Subscription Amount	Percentage of Shares Subscribed to Total Issued Shares
Managers	Chief Executive Officer	Erick Co	150	0.10%	0	41.7	0	-	150	38.5	5,775	0.10%
	R&D Manager	Chen, Yu-Chi										
	Auditing Manager	Wang, Yu-Chi (Note 1)										
Employee	Employee 1	Wei ○ Cheng	450	0.30%	35	39.7 及 38.5	1,372	0.02%	415	38.5	15,978	0.28%
	Employee 2	Chan ○ Chun										
	Employee 3	Tsao ○ Hsien										
	Employee 4	Chung ○ Chia										
	Employee 5	Sung ○ Hsuan										
	Employee 6	Chen ○ En										
	Employee 7	Wu ○ Hsuan (Note 1)										
	Employee 8	Lee ○ Hsun										
	Employee 9	Chen ○ Ru (Note 1)										
	Employee 10	Chu ○ Qin (Note 1)										

Note 1: Former employees, a total of 110 thousand shares unexercised have become invalid.

Note 2: Managers and employees are listed according to their job titles at the time of obtaining employee stock options.

(3) Status of private placement of employee stock options in the last three years and up to the date of the annual report: Not applicable.

6. Status of restricted stock awards: None.

7. Status of new shares issuance in connection with mergers or acquisitions: None.

8. Status of capital allocation plan implementation:

As of the end of the quarter preceding the printing date of the annual report, there were no previous public offerings or private placements of securities that were either incomplete or completed within the last three years with benefits not yet realized: Not applicable.

IV. Operational Overview

1. Business Content

(1) Business Scope

1 The registered business activities of the company are as follows

1. IG01010 Biotechnology Services.
2. IG02010 Research and Development Services.
3. F107200 Wholesale of Chemical Feedstock.
4. F107990 Wholesale of Other Chemical Products.
5. F108021 Western Pharmaceuticals Wholesale Industry.
6. F108040 Cosmetics Wholesale Industry.
7. F401010 International Trade.
8. C801030 Precision Chemical Materials Manufacturing.
9. C802100 Cosmetics Manufacturing Industry.
10. C802110 Cosmetic Pigments Manufacturing Industry.
11. C802990 Other Chemical Products Manufacturing.

2 Main Product Categories and Business Proportion

The Company is engaged in new drug research and development, with its operating income primarily derived from licensing income, royalty income after drug launches, and revenue from supplying products to licensing partners. The Company's new drug APP13007, a nanoparticle suspension eye drop, received FDA approval in the United States in March 2024, and was just launched for sale in September 2024. The Company's main product categories and their proportion of operating income for the past two years are as follows:

Unit: NT\$1,000; %

Item	2023		2024	
	Operating revenue	Operating revenue	Operating revenue	Operating Proportion
Licensing revenue	31,172	100.00	128,001	89.29
Service revenue	0	0.00	7,534	5.25
Sales revenue	0	0.00	7,821	5.46
Total	31,172	100.00	143,356	100.00

3 Current major products (services), specifying product information (state whether self-developed or licensed), product indications, clinical (target patient) application groups and target markets, etc. For products that have reached commercial production and sales progress, explain the product sales model, sales targets, and sales channels

Our company focuses on developing drugs in therapeutic areas such as ophthalmology and oncology at the clinical stage. Our product line includes 505(b)(2) improved new drugs and biosimilars of antibody-drug conjugates (ADCs). Meanwhile, we continue to refine and deepen the APNT[®] nanoparticle formulation platform and apply this technology to the research and development of different dosage forms of drugs.

Research and Development Products	Self-Developed or Licensed	Product Indications	Clinical (Target Patient) Application Group	Target Market	Product Sales Model, Sales Targets and Sales Channels
APP13007 Nanoparticle suspension eye drops	Acquisition and Co-development	Treatment of Post-ophthalmic Surgery Pain and Inflammation	Patients Receiving Cataract Surgery or Other Ophthalmic Surgeries	United States, China, Brazil, European Union, North America, Latin America, Middle East, Australia and New Zealand, etc.	Out-licensing, products are manufactured in Taiwan and exported to licensing partners, who sell them in local markets. To date, licensing has been completed for 33 countries (regions) including China (including Hong Kong and Macau), United States, Brazil, Saudi Arabia, United Arab Emirates, Kuwait, Yemen, Oman, Bahrain, Qatar, Iraqi Kurdistan, Lebanon, Jordan, Iraq, Syria, Algeria, Morocco, Israel, Canada, Portugal, Switzerland, Liechtenstein, India, Nepal, Sri Lanka, Bangladesh, Malaysia, Myanmar, Kenya, Nigeria, South Africa, Argentina, and Colombia.
TSY-0110ADC Biosimilar	Technology Transfer and Co-development	HER2-Positive Breast Cancer	Early-Stage Breast Cancer and Metastatic Breast Cancer Patients	United States, Latin America, European Union, Asia-Pacific Markets	Out-licensing, products are manufactured in Taiwan and exported to licensing partners, who sell them in local markets.
APP13002 Eye Suspension	Acquisition	Anterior Segment Eye Infections	Bacterial Conjunctivitis, Blepharitis, Lid margin	United States, China, European	Out-licensing, products are manufactured in Taiwan and

Research and Development Products	Self-Developed or Licensed	Product Indications	Clinical (Target Patient) Application Group	Target Market	Product Sales Model, Sales Targets and Sales Channels
			inflammation, and Dry Eye Syndrome, etc.	Union Markets	exported to licensing partners, who sell them in local markets.
APP13002 Inhalation Solution	Acquisition and Co-development	Respiratory Tract Infections	Bronchiectasis, Cystic Fibrosis, Non-tuberculous Mycobacterial Lung Disease, and Mycoplasma Pneumonia, etc.	United States, China, European Union Markets	Out-licensing, products are manufactured in Taiwan and exported to licensing partners, who sell them in local markets.
TSY-0210 Novel Antibiotic	Technology Transfer	Infections Caused by Multidrug-Resistant Bacteria	Neisseria Gonorrhoeae Infection	US and EU Markets	Out-licensing, products are manufactured in Taiwan and exported to licensing partners, who sell them in local markets.
APNT® nanoparticle formulation platform	Acquisition	Nanoscale Formulation Development Platform	Not applicable (technology platform is not for a specific drug)	US, China, Japan, and EU Markets	Provide formulation development services to partners and participate in future supply and profit-sharing rights through a co-development model.

APP13007 Nanoparticle suspension eye drops

Currently, the company's leading research and development project is APP13007, a novel nanoparticle suspension eye drops formulation developed through the APNT® nanoparticle formulation technology, with indications for post-ophthalmic surgery anti-inflammation and pain relief. APP13007 was acquired by the company through the acquisition of Japan's Activus Pharma Co., Ltd. in 2017. APP13007's primary target market is the United States. The company has conducted one Phase II clinical trial and two Phase III clinical trials in the US, with a total enrollment of 748 patients in the Phase III trials. In 2022, the Phase III clinical trials were successively completed with successful unblinding, statistically demonstrating that its efficacy was significantly superior to placebo ($p < 0.001$). During the 14-day treatment course, only two eye drops per day are required to quickly achieve therapeutic effect and provide continuous anti-inflammatory and pain relief.

APP13007 nanoparticle suspension eye drops were submitted to the U.S. Food and Drug Administration for New Drug Application review in May 2023; thanks to the efforts of the research and development team, the U.S. drug approval was successfully obtained in March 2024 and the product was launched for sale in September 2024. In terms of out-licensing in the US market, after discussions and negotiations with multiple potential licensing partners, we selected Eyenovia, Inc. (NASDAQ: EYEN; hereinafter referred to as Eyenovia), a US-based company specialized in developing and selling ophthalmic new drugs, and signed an exclusive licensing agreement for the US territory with them in August 2023. During our negotiations with Eyenovia regarding the licensing of APP13007, Eyenovia's new mydriatic drug Mydcombi simultaneously completed FDA review and received marketing approval in the United States. Eyenovia's strategy in licensing APP13007 is to leverage their own sales team to simultaneously promote the pre-surgical mydriatic agent Mydcombi and the post-surgical anti-inflammatory and pain relief steroid APP13007 to ophthalmic surgeons as a bundled offering, sharing sales resources, enhancing development efficiency, and expanding their revenue base. Unlike the main competing drugs that generate revenue and market share by applying to be included in insurance company formularies and receiving insurance reimbursement. In this drug market category, there is a gradual shift toward generic drugs, and insurance reimbursements are beginning to favor the use of generics, resulting in brand-name drugs requiring higher copayments from patients and manufacturers needing to provide higher rebates to insurance companies. In view of this, Eyenovia has adopted a non-insurance reimbursement strategy, where patients can purchase medications at their own expense with a prescription through online specialized pharmacy distribution channels such as Amazon Pharmacy. Eyenovia also directly reflects the costs of traditional expensive distribution channels and insurance company rebates in sales discounts offered to patients.

Based on capital management considerations, after completing Phase II clinical trials in 2021, the company licensed the development rights for the China region to Grand Pharmaceutical Group Limited (hereinafter referred to as Grand Pharmaceutical), with Grand Pharmaceutical bearing the related costs of Phase III clinical trials and drug registration applications, which began enrolling patients in the fourth quarter of 2023. Grand Pharmaceutical is one of the leading ophthalmic pharmaceutical manufacturers in mainland China, with nearly 30 ophthalmic products being sold in the market. They have established a professional promotion team and comprehensive sales channels. After APP13007 obtains drug approval in China, Grand Pharmaceutical plans to apply for inclusion of APP13007 in China's medical insurance system, compete for national or provincial public and private hospital tenders, and complete hospital drug listings to gain market share.

Beyond the U.S. and Chinese markets, the company is also actively negotiating with numerous specialty pharmaceutical companies and drug vendors in different regions globally to seek licensing opportunities. Currently, exclusive licensing agreements have been signed with CRISTÁLIA for Brazil in January 2024, with Tabuk for 14 countries in the Middle East and North Africa in May 2024, with Tzamal for Israel in July 2024, with Apotex for Canada in August 2024, with DÁVI for Portugal in October 2024, with Medvisis for Switzerland and Liechtenstein in November 2024, and with Cipla for India and 10 other countries in March 2025. In the future, we will continue to expand licensing to Europe, South America, and the Asia-Pacific region.

TSY-0110ADC Biosimilar

Another research focus of the company is ADC biosimilars, where our R&D team leverages their extensive experience and advantages in medicinal chemistry to develop Antibody-Drug Conjugate (ADC) medications for breast cancer treatment. TSY-0110 is an ADC biosimilar of Kadcyla® (ado-trastuzumab emtansine), an antibody-drug conjugate marketed by Roche in 2013, with target indications for the treatment of metastatic breast cancer and early breast cancer. After receiving the technology transfer of TSY-0110 from Formosa Laboratories, Inc. in 2018, the company has led the development of manufacturing processes, clinical planning, and production scale-up integration. We use the antibody EG12014 manufactured by EirGenix Inc., while Formosa Laboratories, Inc. is responsible for the conjugation process of the antibody with the small molecule drug and the final product filling. Given that health authorities in various countries, led by the United States and Europe, have begun encouraging the market introduction of biosimilars with equivalent quality and therapeutic efficacy to reduce healthcare burdens, TSY-0110 targets the U.S. and EU markets while actively evaluating and negotiating collaboration opportunities across different regions. Currently, TSY-0110 has completed scientific advisory meetings with both the European EMA and the U.S. FDA regulatory agencies, and has integrated feedback from both parties to plan the Phase I clinical program. The European Clinical Trial Application (CTA) is expected to be submitted to the EMA in 2025, after which the Phase I clinical trial will commence.

APP13002 Novel Anti-infectious Disease Drug

APP13002 originates from the Japanese Activus Pharma Co., Ltd., which was acquired by the company in 2017. It is a new drug developed using the APNT® nanoparticle technology platform, utilizing a non-fluoroquinolone active pharmaceutical ingredient. This active ingredient has therapeutic potential for various anterior segment eye infections, including Bacterial Conjunctivitis, Blepharitis, Lid margin inflammation, and Dry Eye Syndrome, etc. After further confirmation of the clinical application population, Phase II clinical trials for this ophthalmic drug will be initiated via the 505(b)(2) pathway. In addition, this active pharmaceutical ingredient is also a first-line treatment for respiratory infections caused by various pulmonary diseases such as bronchiectasis, cystic fibrosis, non-tuberculous mycobacterial lung disease, and mycoplasma pneumonia. Our company plans to apply this formulation to respiratory infections through inhalation administration, and to initiate Phase II clinical trials for pulmonary infection medications via the 505(b)(2) pathway.

TSY-0210 Novel Antibiotic

In 2021, the company acquired the TSY-0210 technology from Formosa Laboratories, Inc. TSY-0210 is an antibiotic with broad-spectrum antimicrobial capabilities that can inhibit nearly half of the priority pathogens listed by the World Health Organization. Currently in the early stages of development, it is being planned for the treatment of *Neisseria gonorrhoeae* infections as its indication, and will be combined with the APNT® nanoparticle formulation platform to develop a dosage form with unique advantages.

APNT® nanoparticle formulation platform

The APNT® nanoparticle formulation technology was acquired by the company through the acquisition of Japanese Activus Pharma Co., Ltd. in 2017. The APNT® nanoparticle formulation technology is an innovative and breakthrough nanotechnology and formulation development technology. It works on the principle of reducing the particle size of poorly soluble drugs, using grinding and formulation techniques to help increase the drug's penetration ability to treatment sites and its bioavailability. The APNT® nanoparticle formulation technology platform has extensive applicability and has successfully demonstrated its drug development potential through the development of APP13007 nanoparticle suspension eye drops.

4 Planned New Product Development

Our company will utilize the established proprietary APNT® nanoparticle formulation technology platform to continue developing other high-market-demand and high-profit-potential drugs through either independent research and development or collaborative development of nanoformulations with other biotech pharmaceutical companies. The clinical success of the company's APP13007 nanoparticle suspension eye drops validates the drug development potential of the APNT® nanoparticle formulation technology platform and its benefits for efficacy and safety. Currently, it has attracted attention and interest from multiple pharmaceutical companies and biotech firms, who have actively sought to establish collaborative relationships with the company. These collaborations include signing a memorandum of cooperation in March 2022 with HCmed Innovations Co., Ltd. for joint development of nebulizer-delivered nanomedicines; in February 2023, we signed a collaborative development agreement with US-based Eyenovia, whereby both parties will jointly develop new drugs for treating ophthalmic dry eye syndrome based on the company's APNT® nanoparticle formulation technology platform and Eyenovia's Optejet microdose drug delivery technology.

(2) Industry Overview

1 Current Status and Development of the Industry

With technological advances extending human life expectancy, the global pharmaceutical market maintains a stable growth trend. According to IQVIA's statistics, the global pharmaceutical market size was approximately 1.42 trillion USD in 2021, representing growth of about 12.51% compared to 1.27 trillion USD in 2019.

Ophthalmic Drug Market

The eye is the most important sensory organ in the human body, with over 80% of external information being acquired through the visual system formed by the eyes. The structure of the eye is complex and precise; problems in any part of this structure could potentially cause disease and affect visual function. According to data published in The Lancet Global Health, approximately 1.1 billion people worldwide experienced varying degrees of vision impairment due to eye diseases in 2020, with 43 million suffering from blindness, the most severe form of visual impairment. With the influence of multiple factors such as global population growth, accelerating aging, and changing lifestyles, the number of eye disease patients worldwide will further increase in the future. Without effective intervention and treatment under current circumstances, the number of people suffering from vision impairment will continue to rise. It is predicted that by 2050, there will be approximately 1.7 billion patients with vision impairment globally, and the number of blindness patients will increase to 61 million. Cataracts are one of the most common causes of blindness. According to Frost & Sullivan's 2022 report, approximately 26.4 million people in the United States and about 192 million people in China are cataract patients.

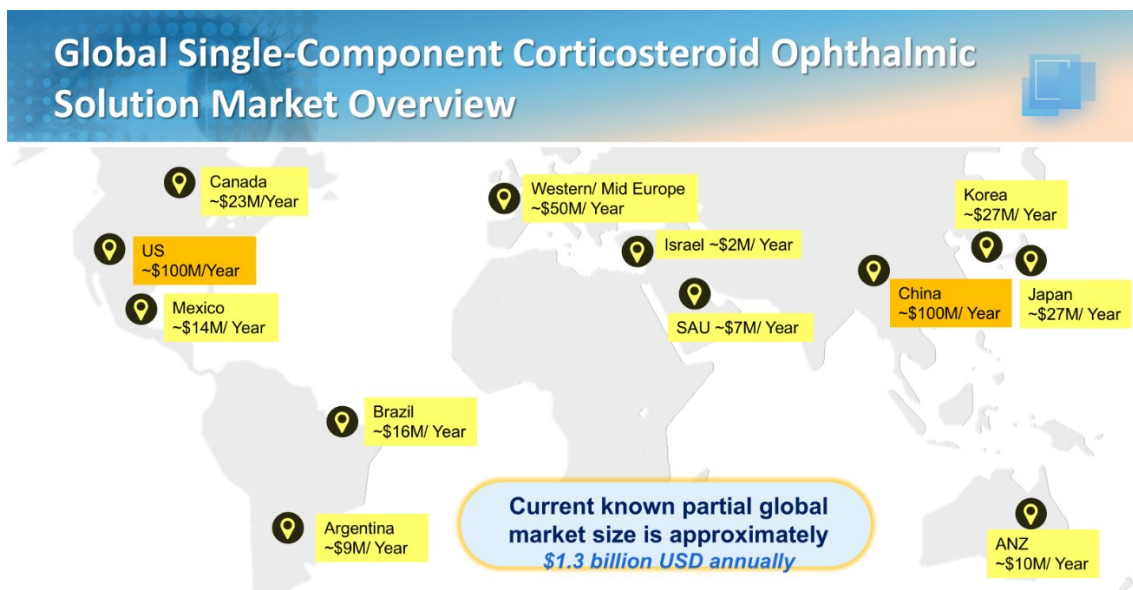
The Frost & Sullivan report also indicates that the global ophthalmic drug market size increased from \$27.7 billion in 2016 to \$32.7 billion in 2020, with a compound annual growth rate of 4.2%. With the future development and launch of more innovative ophthalmic drugs, the market is expected to reach \$46.4 billion by 2025 and \$73.9 billion by 2030. Due to technological advancement, high healthcare expenditure, and the presence of leading companies, the United States holds a dominant position in the ophthalmic drug market; the Asia-Pacific region, including the emerging Chinese market, represents the fastest-growing ophthalmic drug market due to its large patient population, increasing demand, and the development of healthcare technologies.

From the perspective of overall research and development competition in the global market, the current focus of ophthalmic drug R&D is primarily concentrated in four major areas: retinal diseases, eye inflammation (such as post-surgical inflammation and pain) and infections, dry eye syndrome, and glaucoma. Surgical treatment is the first-line therapy for certain ophthalmic diseases that still have no effective medications (such as cataracts or severe glaucoma). After ophthalmic surgery, it is standard practice for ophthalmologists to prescribe steroid eye drops to control post-operative inflammation and pain. Based on market data provided by the Company's partners in the United States and China, as well as potential collaborators in Canada, the European Union, Australia/New Zealand, Japan/Korea, and the Middle East, the current global market for single-agent ophthalmic steroids

is estimated to be approximately \$1.3 billion.

The United States is the largest single market globally. According to statistics from MarketScope and EvaluatePharma, there are approximately 7.7 million cataract surgeries performed annually in the United States, accounting for about 60% of all ophthalmic surgeries; while Lasik, myopia surgeries, advanced glaucoma, retinal surgeries, etc. account for 40%. Nearly 100% of patients receive the same eye treatment regimen, including steroid eye drops and antibiotic eye drops or a combination of both, with end-distribution sales amounting to approximately \$1.05 billion. The second largest market is China, where the market size is currently about \$100 million due to the rapid popularization of cataract surgeries and myopia surgeries.

Data source: Source(s): IQVIA MIDAS, provided by negotiating partners (2019~2022)



HER2-Positive Breast Cancer Biologics Market

Biological drugs have advantages of high specificity, good efficacy, and low side effects, making them the preferred option for cancer patients. Most biological drugs experience rapid sales growth after market launch, often developing into best-selling products in a short period of time. According to research by IQVIA, the **global** biologics market size was approximately \$385 billion in 2021, and it is estimated that by 2026, the global biologics market size will reach \$622 billion, with a compound annual growth rate of about 9-12%, which is higher than the growth rate of the global pharmaceutical market, and accounting for 33% of the global pharmaceutical market.

Over the past 20 years, the scale of biological drugs has grown rapidly. As the patents for these biological drugs expire, many best-selling biological drugs have also created market opportunities for biosimilars. The popularization of biosimilars can restrain the high prices of original drugs, helping to reduce medical **expenditures**. Health authorities in various countries are gradually improving the regulatory standards for biosimilar product market approval, and the number of globally approved biosimilars is increasing year by year. According to IQVIA ForecastLink's survey, the global biosimilar market size was approximately \$17.9 billion in 2020,

and it is estimated that by 2030, the market size will reach \$75 billion, with a compound annual growth rate of 15%.

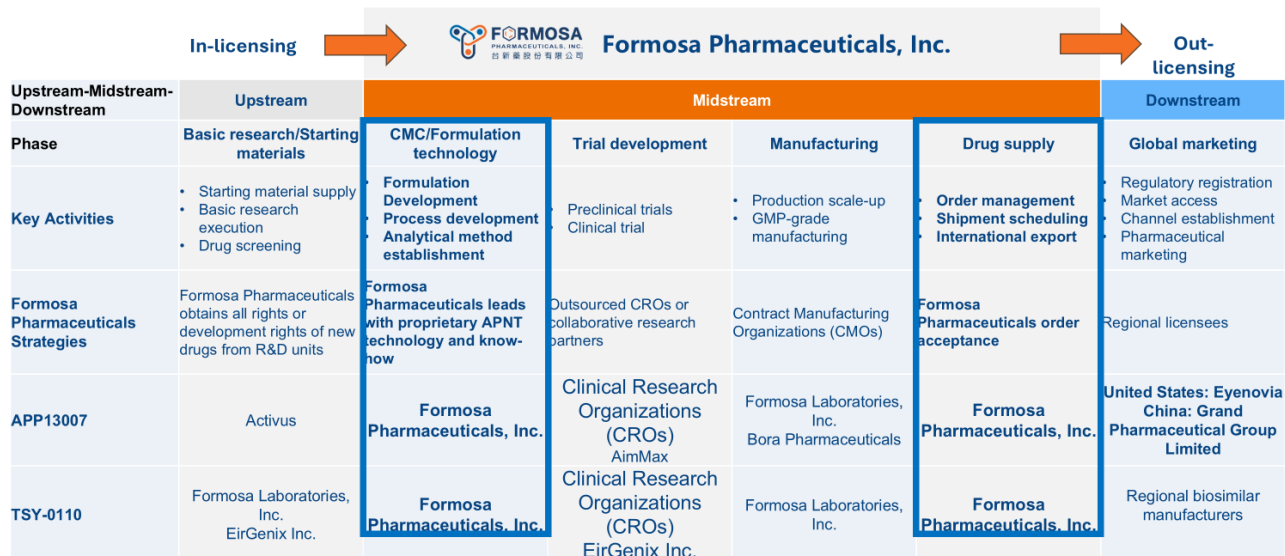
Biological antibody-drug conjugates (ADCs) have received significant attention in recent years. ADC cancer drugs are a type of targeted therapy that combines the specificity of monoclonal antibodies with the potency of cytotoxic drugs. By targeting specific proteins on the surface of cancer cells to directly deliver cytotoxic payloads to tumor cells, ADCs improve efficacy compared to traditional chemotherapy while reducing damage to normal tissues and decreasing side effects, thereby fundamentally changing the treatment prospects for cancer.

The ADC drug market size has been continuously expanding at a double-digit growth rate in recent years, reaching nearly \$7.3 billion in 2022, with an annual growth rate of 32.9%. An article previously published in *Nature* reported that by 2026, the global market size of commercially available ADC drugs is expected to exceed \$16.4 billion. HER2-positive metastatic breast cancer accounts for approximately 20% of all breast cancer subtypes and is generally considered a breast cancer type with poor treatment outcomes and worse prognosis. In 1998, the FDA approved the first HER2-targeted therapy, Trastuzumab (Herceptin®), a monoclonal antibody, which has since changed the treatment paradigm for these HER2-positive patients. Trastuzumab not only increased the survival rate of HER2-positive metastatic breast cancer patients to over 30%, but also drove clinical transformation, bringing HER2-positive breast cancer treatment into the era of targeted and personalized therapy. After the success of Herceptin®, Roche continued to launch biological drug products in the HER2 breast cancer market, including Perjeta® (pertuzumab), Herceptin® subcutaneous injection, Phesgo® (trastuzumab+pertuzumab subcutaneous injection), and the ADC drug Kadcyła® (T-DM1, Trastuzumab Emtansine) to meet various treatment approaches and needs in HER2+ breast cancer therapy. Taking early breast cancer as an example, we can see that Herceptin®, Perjeta®, and Kadcyła® almost completely cover all needs for surgical treatment, neoadjuvant therapy, and adjuvant therapy. The development target of TSY-0110, Kadcyła® (T-DM1, Trastuzumab Emtansine), is the first anti-HER2 ADC drug, launched by Roche in February 2013. In the famous EMILIA study, compared to standard chemotherapy treatments, Kadcyła® significantly extended patient survival time, with a median overall survival (mOS) of 30.9 months. The breakthroughs in clinical research ultimately translated into changes in real-world treatment, with Kadcyła® becoming the internationally recognized standard second-line treatment for HER2-positive advanced breast cancer.

According to a specialized report by GlobalData on HER2-positive breast cancer, in 2021, there were approximately 145,000 cases of early-stage HER2+ breast cancer patients and about 120,000 cases of metastatic breast cancer patients at different stages across the 8 major pharmaceutical countries (United States, 5 Western European countries including UK, France, Germany, Italy, Spain, Japan, and China). The estimated compound annual growth rate for HER2+ breast cancer patients and the market size of HER2+ breast cancer drugs is approximately 1.5%.

(2) The Relationship Between Upstream, Midstream, and Downstream Industries

Our company focuses on preclinical and clinical stage drug development in therapeutic areas such as ophthalmology, oncology, and anti-infective medications, and is positioned as a Taiwan-based enterprise engaged in innovative drug discovery, research and development, manufacturing, and global marketing. The relationship between the company's upstream, midstream, and downstream industries can be represented by the following diagram:



As medications are used in the human body, their safety and efficacy must undergo strict regulation by government agencies in various countries, including pre-market review and post-market surveillance mechanisms. Therefore, the biotechnology and pharmaceutical industry differs from general industries, requiring more rigorous planning and execution of development and production activities to comply with the regulatory requirements of pharmaceutical regulatory authorities in various countries. In today's fully developed biotechnology industry chain, drug development has moved toward a division of labor model. Our company initiates translational research by developing innovations or acquiring new drug assets through collaboration with academic and research institutions, advancing candidate drugs into clinical trial stages to verify their efficacy and safety. During this process, we may also engage in joint development with external pharmaceutical companies, technology transfer, or licensing arrangements to obtain marketing authorization and commercialize our products.

In addition to the vertical aspects mentioned above, the company also integrates horizontal aspects through outsourced collaborations with external CMOs (Contract Manufacturing Organizations) and CROs (Contract Research Organizations), outsourcing production, clinical trial supervision, and management to CMOs and CROs. Our company is responsible for overall strategic planning, detailed development planning, and project management across these stages, allowing the company's human resources and assets to focus on core technology development, thereby improving research and development efficiency.

Unlike other general new drug companies, mastering formulation technology or CMC process know-how is key to ensuring that drugs can achieve targeted therapeutic efficacy and safety, as well as enabling smooth production and cost

advantages. For example, with APP13007 nanoparticle suspension eye drops and TSY-0110 ADC biosimilar, the company contracts with highly reputable CMOs with international production capabilities, such as Formosa Laboratories, Inc., to scale up production for clinical stage supply and future commercial drug supply after product launch. Through the company's solid business development capabilities, we have successively completed international licensing for two products and secured our role in post-market drug supply, effectively implementing our strategy of accepting orders through the company, manufacturing drugs in Taiwan, and supplying them globally.

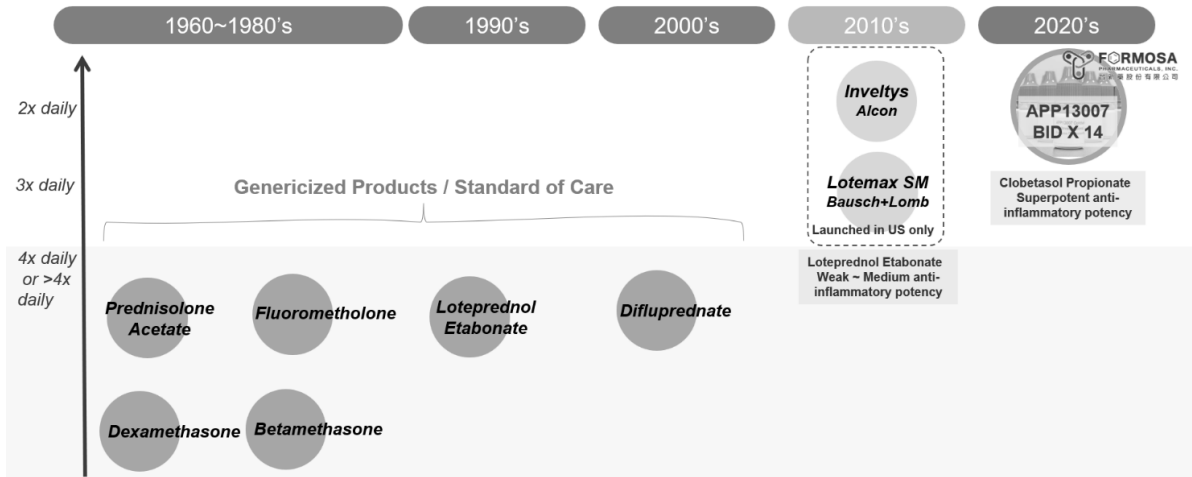
(3) Various Development Trends and Competitive Situations of Products

Our company's current main development projects are the APP13007 nanoparticle suspension eye drops for post-ophthalmic surgery anti-inflammation and pain relief, and the TSY-0110 ADC biosimilar for breast cancer treatment.

A.APP13007 Nanoparticle suspension eye drops

APP13007 primarily targets the U.S. market. The current mainstream medications for post-ophthalmic surgery anti-inflammation and pain relief in the U.S. are multi-dose corticosteroid eye drops. The earliest marketed drug was MAXIDEX (dexamethasone ophthalmic suspension 0.1%), launched in the 1960s, which is administered 4-6 times daily for a 4-week treatment period. Another early marketed drug is Pred Forte (prednisolone acetate ophthalmic suspension 1%), administered 4 times daily for the first two weeks, followed by twice daily after the third week, with 1-2 drops per application. In the 1980s, eye drops containing Fluorometholone as the main ingredient began to appear, such as Flarex (fluorometholone acetate ophthalmic suspension 0.1%); in regions outside the United States, ophthalmic corticosteroid suspensions with Betamethasone as the main ingredient emerged, still following the main dosing regimen of 4 drops per application over approximately a 4-week treatment course. Entering the 1990s, major ophthalmic pharmaceutical company Bausch+Lomb launched a series of Lotemax products with loteprednol etabonate 0.5% as the main ingredient, also using a four-times-daily dosing regimen, but due to the weaker activity of the main ingredient and lower incidence of intraocular pressure elevation, it gained market share and eventually took the lead. After 2000, Alcon launched Durezol (difluprednate ophthalmic emulsion 0.05%), beginning an era of treating post-ophthalmic surgery pain and inflammation with potent corticosteroids. Its therapeutic effect has generally been recognized by ophthalmologists, but its complex dosing regimen (four times daily for the first two weeks, twice daily for the third week, followed by gradual tapering) and the slightly higher incidence of intraocular pressure elevation remain areas of concern for ophthalmologists. Entering the 2010s, after the patent for 0.5% Lotemax expired, two new formulations with loteprednol etabonate as the main ingredient were launched in the United States: Inveltys (loteprednol etabonate ophthalmic suspension 1%), administered twice daily, and Lotemax SM (loteprednol etabonate ophthalmic gel 0.38%), administered three times daily. These products aimed to dominate the ophthalmic corticosteroid market with their characteristics of lower incidence of intraocular pressure elevation and reduced dosing frequency. APP13007 successfully completed and unblinded its Phase III clinical trials in 2022, with market launch expected in the second half of 2024. It will compete with these marketed drugs by offering potent anti-inflammatory efficacy, high safety profile, and

a convenient twice-daily dosing regimen for a total of 14 days.



History of the Evolution of Corticosteroid Eye Drops

The active ingredient of APP13007 is Clobetasol propionate, a class I super-potent corticosteroid drug with extremely strong anti-inflammatory capabilities. The drug has been marketed globally for nearly forty years, with years of experience regarding its efficacy and safety. However, this drug has extremely low water solubility, and for many years, only dermatological formulations such as ointments and shampoos have been available on the market. It cannot be developed into oral medications or aqueous formulations, and there have been no successfully marketed products in therapeutic areas outside of dermatology.

In terms of the United States, the world's largest market for ophthalmic medications, there were approximately 7.7 million ophthalmic surgeries performed in 2022. Following almost all of these surgeries, ophthalmologists prescribe corticosteroid eye drops to manage post-operative ocular inflammation and pain. Currently, the main medications in this field include branded drugs and generics such as Alcon's Durezol (difluprednate ophthalmic emulsion), Bausch + Lomb's Lotemax series (loteprednol etabonate ophthalmic suspension), and Allergan's Pred Forte (prednisolone acetate ophthalmic suspension).

From the perspective of post-ophthalmic surgery patients' needs, the aforementioned medications (collectively referred to as the standard of care) have four widely complained issues by physicians and patients that need improvement and represent unmet needs. APP13007 is precisely positioned to address these four requirements:

Issues/Needs	Standard of Care	APP13007
Frequent medication, complex regimens, low patient compliance	Typical treatment involves medication 4 times daily for one month; or 4 times daily for the first two weeks, followed by 2 times daily for the next two weeks.	Clinical trials have demonstrated that APP13007 requires only twice-daily dosing for two weeks, with significantly superior anti-inflammatory and pain relief effects compared to placebo.
Using corticosteroids with low anti-inflammatory activity, resulting in ineffective therapeutic outcomes	In clinical settings, patients frequently continue to exhibit significant inflammation and pain after one month of standard treatment, failing to achieve satisfactory therapeutic outcomes. Extended medication duration is required.	In comparative Phase III clinical results, after 2 weeks of treatment, APP13007 administered twice daily demonstrated approximately 40% greater efficacy in anti-inflammatory and pain relief effects than Durezol administered four times daily.
Raising safety concerns about increased intraocular pressure	Although ophthalmic corticosteroids rarely cause systemic side effects, prolonged and frequent exposure to higher concentrations of corticosteroids increases the probability of adverse reactions such as elevated intraocular pressure (approximately 4-12%).	According to clinical results from approximately 450 cataract clinical trial patients who received treatment in Phase II and III studies, APP13007 demonstrated an intraocular pressure elevation incidence rate of only about 1.4%, which is superior to mainstream therapies currently on the market.
Comfort and convenience	Traditional corticosteroid eye drops have large drug particles, often causing foreign body sensation and painful discomfort when administered. Furthermore, precipitation easily occurs after settling, requiring vigorous shaking before use to ensure uniformity, otherwise inadequate dosing may occur during administration, affecting therapeutic efficacy.	APP13007 utilizes proprietary APNT® technology, with drug particles smaller than 200 nanometers, giving the formulation a water-like consistency. When administered, patients do not experience any foreign body sensation, and the formulation maintains uniform dispersion for a long time without producing precipitation.

After completing Phase III clinical trials, APP13007 also commissioned a professional pharmaceutical consulting company to conduct interviews with several senior cataract surgeons and pharmacy directors from multiple national and regional large insurance companies in the United States. The interview results showed that 100% of physicians indicated that APP13007 is more convenient to use than standard treatment, and patient compliance is expected to be superior to standard treatment; 80% of physicians acknowledged that APP13007's therapeutic efficacy is significantly better than standard treatment and would actively recommend it to patients; 100% of insurance company pharmacy directors expressed willingness to add such innovative medication to their formularies for reimbursement, demonstrating the product advantages of APP13007. In addition to the US market, APP13007 completed licensing in the China region in 2021, and is expected to become a dominant product with its differentiation amid the rapid growth trend of the Chinese ophthalmology market. In other markets, APP13007 completed licensing in Brazil in January 2024, and continues to engage with multiple ophthalmic specialty pharmaceutical companies and well-known brand drug distributors regarding cooperation intentions and directions to expand the global footprint of APP13007.

Competitive Landscape of APP13007

Main Competitors	Alcon	Bausch&Lomb	Bausch&Lomb	Alcon
Competing Drug Names	Difluprednate ophthalmic emulsion (Durezol)	Loteprednol etabonate ophthalmic gel (LotemaxSM)	Loteprednol etabonate ophthalmic suspension (Lotemax)	Loteprednol etabonate ophthalmic suspension (Inveltys)
Marketed or in clinical trials	Marketed	Marketed	Marketed	Marketed
Market size in 2021	USD 81,880 thousand	USD 63,245 thousand	USD 42,193 thousand	USD 39,012 thousand
Market share	21%	16%	11%	10%
Growth rate	(20)%	24%	(34)%	11%

Note: Analysis based on IQVIA MIDS database 2021 information.

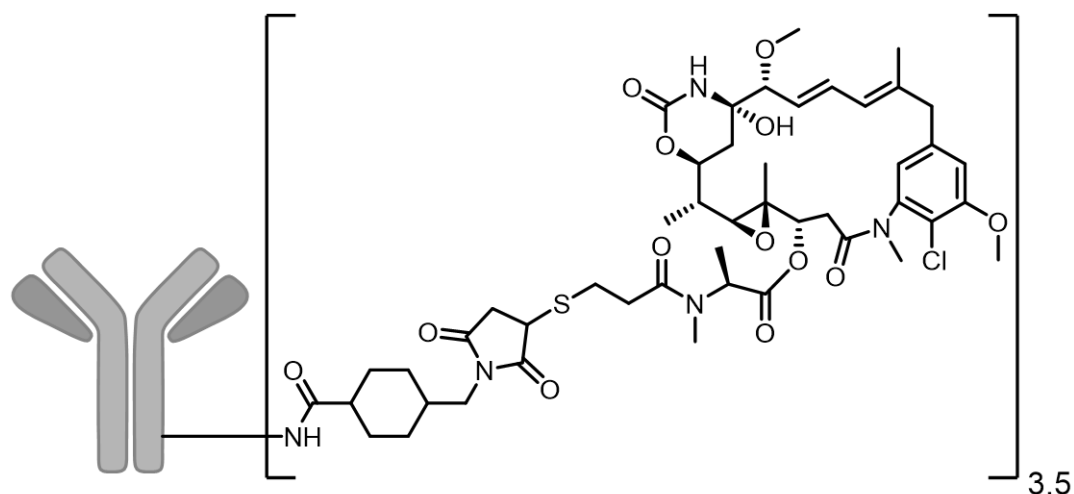
Looking forward to the future development plans of APP13007, which include completing licensing and marketing applications in the European Union, Latin America, the Middle East, Australia, and New Zealand. Currently, discussions are in progress with several specialized ophthalmological pharmaceutical companies or distributors in these regions regarding cooperation intentions and directions. Preliminary assessments indicate there may be an opportunity to waive additional clinical trials and directly apply for marketing authorization in the European Union using US clinical data.

US Market Indication Expansion Application: To increase clinical application opportunities, some ophthalmic steroid new drugs apply for additional eye inflammation indications after being marketed with post-operative anti-inflammatory and pain relief as their first indication, for example:

- Uveitis (current US market size of approximately USD 190 million, estimated to grow to USD 657 million by 2030)
- Allergic conjunctivitis (current US market size of USD 1.1 billion, estimated to grow to USD 1.35 billion by 2030)
- Dry eye syndrome (current US market size of USD 2.7 billion, estimated to grow to USD 8.3 billion by 2030).

B. TSY-0110 ADC Biosimilar

TSY-0110 (ado-trastuzumab emtansine biosimilar) is a biosimilar of Kadcyła® (T-DM1, Trastuzumab Emtansine), indicated for second-line treatment of metastatic breast cancer or early-stage HER2-positive breast cancer.



Antibody-Drug Conjugate Diagram

This antibody-drug conjugate primarily consists of (1) Humanized IgG1 antibody Trastuzumab, (2) N-succinimidyl 4-(N-maleimidomethyl)cyclohexane-1-carboxylate (SMCC) linker, and (3) microtubule polymerization inhibitor DM1. Its mechanism of action utilizes the antibody binding to HER2 receptors on cancer cells, entering HER2-positive breast cancer cells through endocytosis, where DM1 is released inside the cell, inhibiting cellular microtubule polymerization and causing cancer cell death. Antibody-drug conjugates possess both the high specificity of antibody drugs and the activity of small molecule anticancer drugs, which, compared to traditional chemotherapy drugs, can avoid killing normal tissue cells.

Kadcyła® is Roche's renowned later-line treatment in the HER2-positive breast cancer product line, used as an advanced therapy for patients who still have residual lesions after treatment with Herceptin® (Trastuzumab) or paclitaxel. Since its launch in 2013, it has maintained rapid growth, with global sales exceeding USD 1 billion in 2018 and USD 2 billion in 2021, making it a blockbuster drug.

To date, there are no other Trastuzumab® biosimilar clinical trials in progress on the U.S. clinical trial registry website ClinicalTrials.gov, and the European Union's EMA has no biosimilars targeting Kadcyła® in clinical development. TSY-0110 is expected to become one of the first Kadcyła® biosimilars to enter the US and European markets, capturing a share of the original drug's substantial market in major global regions.

Competitive Landscape of TSY-0110

Main Competitors	Roche	AZ/Daiichi Sankyo	RemeGen Biosciences (China)	Byondis
Competing Drug Names	Trastuzumab Emtansine (Kadcyla)	Enhertu	Aidexi	SYD-985
Marketed or in clinical trials	Marketed	Marketed	Marketed	US drug application failure
Approved indications	HER2-positive metastatic breast cancer and early breast cancer	HER2-positive metastatic breast cancer, non-small cell lung cancer, gastric cancer, HER2-Low metastatic breast cancer	HER2-positive gastric cancer, urothelial carcinoma	None
Market size in 2022	Approximately 2.2 billion USD	Approximately 2.1 billion USD	Greater than 100 million USD	Not marketed, not applicable
Market share	The indications for competing drugs are not completely identical, therefore market share cannot be calculated	The indications for competing drugs are not completely identical, therefore market share cannot be calculated	The indications for competing drugs are not completely identical, therefore market share cannot be calculated	The indications for competing drugs are not completely identical, therefore market share cannot be calculated
Growth rate	0%	169%	Not disclosed	Not marketed, not applicable

Data source: GlobalData, RemeGen 2022 Annual Report

C. APNT® nanoparticle formulation platform

Through years of development in drug milling techniques and nanotechnology, current methods for drug nanonization include bead milling, cryomilling, or technologies like NanoEdge™ developed by Baxter, described as follows:

(A) Bead Milling (Beads-Milling)

This method is generally considered to be the most efficient, economical, and widely used grinding method. Under the state where the drug is mixed with a liquid dispersion medium that prevents drug aggregation, the grinding balls in a high-speed agitated beads mill are used to grind the drug. Although the process can meet pharmaceutical GMP standards, since the grinding balls are made of plastic or metal, there is a high risk of plastic or metal debris mixing into the nanonized drug during the grinding process. The liquid dispersion medium is usually irritating to the human body. These foreign substances are difficult to completely remove and often contaminate the medication, raising concerns about patient safety and adverse reactions. In addition, the high temperatures generated during the machine grinding process can adversely affect the efficacy and stability of certain heat-sensitive drug components.

(B) Cryomilling Method

The manufacturing process can meet pharmaceutical GMP requirements and does not use organic solvents; however, the process requires an extremely low temperature environment (-196°C), which is highly energy-consuming and produces small yields. Furthermore, at such low temperatures, the crystal form of the drug can easily be damaged, affecting the purity and efficacy of the drug.

(C) Gap-Milling/Nanoedge Technology

Although the manufacturing process can comply with pharmaceutical GMP requirements and has a lower risk of foreign matter contamination compared to bead milling, it uses organic solvents in the process, which presents potential toxicity and sensitization risks. Additionally, the Nanoedge method has the disadvantage of large variations in particle size after grinding.

In summary, the nanonization technology of drugs is absolutely not just a simple consideration of reducing drug particle size. During the grinding process, it is also necessary to consider (1) how to minimize the risk of contamination to the drug from the nanonization process; (2) how to minimize the damage to the intrinsic properties of the drug caused by the nanonization process; (3) the consistency of particle size and stability maintenance of the powder after nanonization.

In addition, from an application perspective, the flexibility of the nanonization technology for subsequent processes should be considered. Due to the large variations in particle size after grinding with the aforementioned nanonization technologies, it is difficult to precisely control the particle size after grinding. If membrane filtration sterilization is used, most particles will remain on the filter membrane, making concentration control impossible.

Overall, among all techniques, currently only the company's APNT® nanoparticle formulation technology is applicable for sterile preparation production using 0.2µm pore size filter membranes, such as eye drops, which is an area that other grinding methods are currently unable to reach.

(3) Technology and R&D Overview

1. Technological Level and Research Development of Business Operations

A. APP13007 Nanoparticle suspension eye drops

APP13007 has completed Phase II and Phase III clinical trials in the United States, with the Food and Drug Administration (FDA) as the regulatory authority. The Company designs and executes clinical trials in accordance with the Guideline for Good Clinical Practice (GCP) issued by The International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH). When applying for drug approval from the US FDA, submissions are made according to the Common Technical Document (CTD) format issued by ICH and the requirements of the US FDA. These include documents related to the Chemistry, Manufacturing, and Controls (CMC) of the drug substance and drug product, toxicological studies, and clinical trial reports. The US drug approval was obtained in March 2024. Below is an explanation of APP13007's clinical trial data, current research and development progress, and important communications with the US FDA:

Product Name	Current Progress	Clinical Trial Data	Estimated R&D Timeline	Regulatory Authority	Communication Items and Content
APP13007 Nanoparticle suspension eye drops	<p>1.U.S. Phase III clinical trial report has been completed.</p> <p>2.Application for new drug review and registration has been submitted to the U.S. FDA and has been approved.</p>	<p>1.Completed Phase II clinical trials in the U.S. in 2020, applying for drug approval through the 505(b)(2) pathway.</p> <p>2.Completed two U.S. Phase III clinical trials in 2023. All are multi-center, randomized, double-blind, placebo-controlled trials.</p> <p>CPN-301:</p> <p>(1)Used to evaluate the efficacy and safety of APP13007 in treating inflammation and pain after eye surgery.</p> <p>(2)Enrolled 378 subjects, with inflammation suppression and pain relief effects significantly superior to placebo. Regarding safety, data from the treatment group and placebo group were comparable, with most adverse reactions being related to cataract surgery.</p> <p>(3)Clinical results: On day 15, 58.6% of subjects in the treatment group had zero inflammatory cells in the anterior chamber, compared to 15.7% in the placebo group (p<0.001); 90.6% of subjects in the treatment group had zero eye pain, compared to 42.1% in the placebo group (p<0.001).</p> <p>CPN-302:</p> <p>(1)Used to evaluate the efficacy and safety of APP13007 in treating inflammation and pain after cataract surgery, as well as a sub-study tracking changes in corneal endothelial cells post-surgery.</p> <p>(2)Enrolled 370 subjects, with inflammation suppression and pain relief effects significantly superior to placebo. Regarding safety, data from the treatment group and placebo group</p>	Already obtained US FDA approval, expected to be marketed and sold in the United States in the second half of 2024.	US FDA	Clinical trial application, safety reporting, clinical trial protocol, submission of Clinical Study Reports (CSR), Pre-NDA Meeting, and technical documentation attached to the drug approval application.

Product Name	Current Progress	Clinical Trial Data	Estimated R&D Timeline	Regulatory Authority	Communication Items and Content
		<p>were comparable, with most adverse reactions being related to cataract surgery.</p> <p>(3)Clinical results: On day 15, 57.8% of subjects in the treatment group had zero inflammatory cells in the anterior chamber, compared to 18.9% in the placebo group (p<0.001); 86.5% of subjects in the treatment group had zero eye pain, compared to 49.7% in the placebo group (p<0.001).</p> <p>3. According to ICH GCP regulations, clinical trial data and statistical results are the responsibility of the Sponsor. There is no requirement for statistical analysis to be performed by an external independent unit. Ultimately, during the drug application stage, the US FDA audits the accuracy of clinical and statistical data. Our company develops new drugs in the spirit of benefiting patients' welfare, and follows guidelines issued by regulatory authorities in carrying out all new drug development activities.</p>			

Mechanism of action:

The active ingredient of APP13007, clobetasol propionate, is a steroid with powerful anti-inflammatory capabilities, having glucocorticoid effects and mild mineralocorticoid effects. For topical application, clobetasol propionate has anti-inflammatory, anti-pruritic, and vasoconstricting effects.

Steroids can on one hand induce the synthesis of anti-inflammatory factors such as lipocortin, angiotensin-converting enzyme (ACE), and leukocyte interleukin IL-10, while simultaneously inhibiting the synthesis of inflammatory factors such as TNF α and GM-CSF; they induce apoptosis of inflammatory cells, constrict blood vessels and inhibit the release of proteases, and inhibit the aggregation and phagocytic function of monocyte macrophages and neutrophils at the site of inflammation, thereby achieving suppression of inflammatory symptoms.

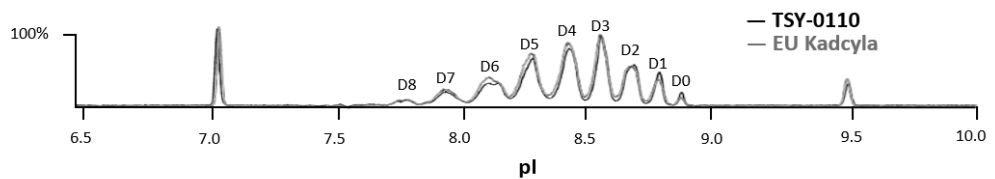
B. TSY-0110 ADC Biosimilar

TSY-0110 is a biosimilar of an Antibody-Drug Conjugate (ADC). The development core is focused on verifying the biosimilarity between TSY-0110 and the reference drug Kadcyła®, as well as maintaining consistency in various characteristics and specifications of the drug during multi-batch production. The scope of research for ADC biosimilarity is far more complex than for simple antibody biosimilars or small molecule generic drugs. It includes the need to study and develop various analytical methods and specifications for three different drug characteristics: the entire ADC molecule itself, the antibody drug, and the small molecule cytotoxic drug. As a biosimilar of an ADC, TSY-0110 needs to demonstrate a very high degree of similarity to Kadcyła® in all three aspects: the ADC molecule itself, the antibody drug, and the small molecule cytotoxic drug. The figure below shows the various biosimilarity aspects between TSY-0110 and Kadcyła®:

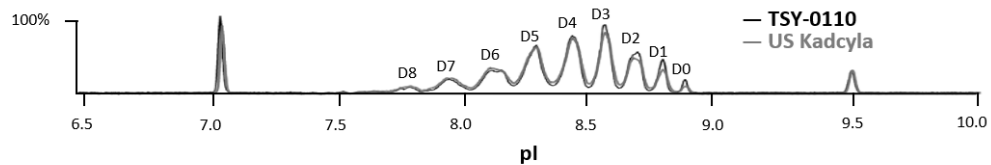
- icIEF spectrum (imaged capillary isoelectric focusing spectrum)

icIEF spectrum of TSY-0110 and Kadcyła illustrating similarity

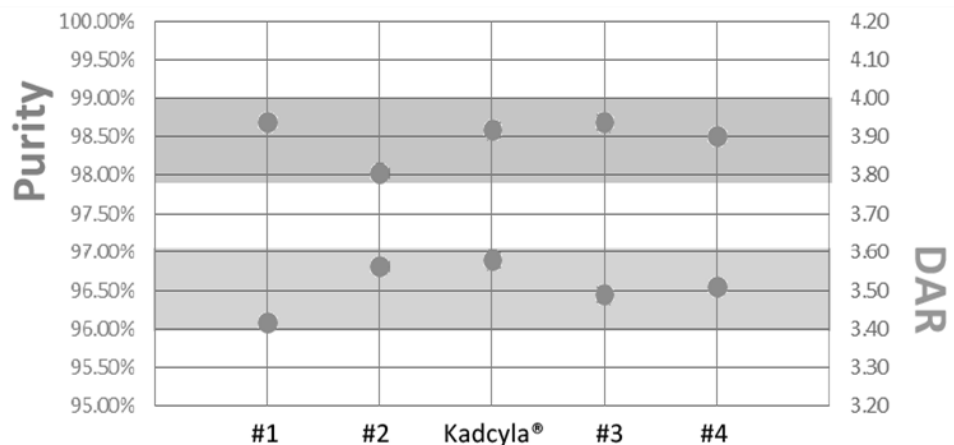
EU Kadcyła vs TSY-0110



US Kadcyła vs TSY-0110

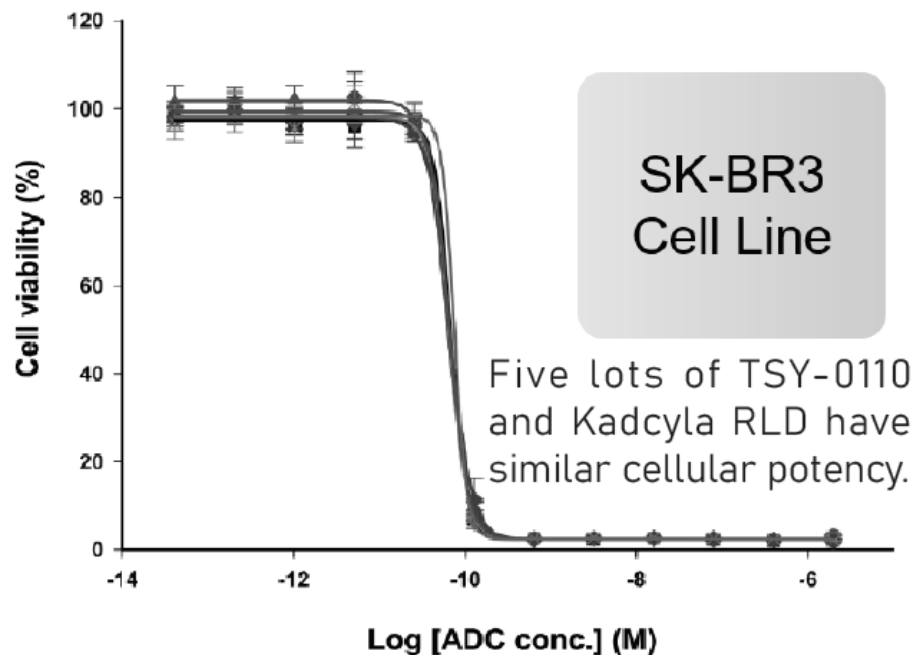


- Purity and Drug-Antibody Ratio (DAR)

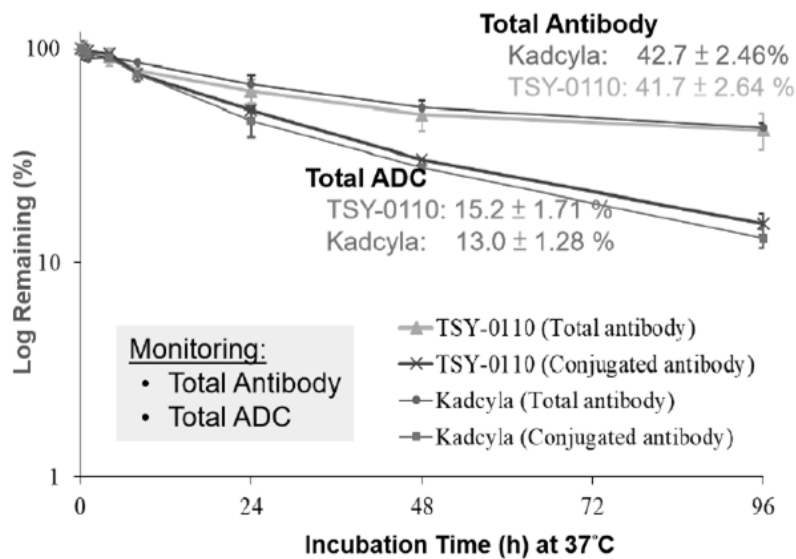


Distribution of conjugated species: (RLD spec: 3.2 – 3.8)

- Killing activity against HER2+ cells



- Stability in human plasma (ADC molecule, antibody)



In 2021, the company submitted TSY-0110 scientific advisory documents to the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA). In September 2021, we received positive affirmation, with the EMA approving TSY-0110's biosimilarity assessment plan, clinical trial design, and overall development plan. Considering future market demand and global deployment, the United States is one of the regions for conducting Phase III clinical trials. To smoothly connect the EU Phase I clinical trial with the multinational Phase III clinical trials, the company consulted the Center for Biological Evaluation and Research (CBER) of the US FDA in November 2022 regarding the regulatory applicability and clinical design opinions for TSY-0110's development as a

biosimilar. In February 2023, we held a BPD type 2 meeting (Biosimilar Product Development type 2 meeting) with the US FDA, confirming that TSY-0110 can be submitted through the current biosimilar regulatory pathway in the United States. Our company has now completed the integration of opinions from both pharmaceutical regulatory authorities to generate a plan that can connect Phase III clinical trials in both European and American regions. We plan to submit a Clinical Trial Application (CTA) to the EMA in 2025 to initiate Phase I clinical trials in the European Union. Therefore, there is currently no clinical trial-related information available.

Product Name	Current Progress	Clinical Trial Data	Estimated R&D Timeline	Regulatory Authority	Communication Items and Content
TSY-0110ADC Biosimilar	Integrating the opinions of the European Union EMA and the US FDA regulatory agencies, planning for Phase I clinical trials is underway	Currently no clinical trial-related information is available	Expected to submit Phase I clinical trial application to EMA for the European Union in 2024, to be completed in 2025	European Union EMA	Biosimilar regulatory applicability Physical, chemical, activity and other similarity assessment planning Clinical trial design

Mechanism of action:

The Kadcyła® antibody-drug conjugate is primarily composed of (1) humanized IgG1 antibody Trastuzumab, (2) N-succinimidyl-4-(N-maleimidomethyl)cyclohexane-1-carboxylate (SMCC) linker, and (3) microtubule polymerization inhibitor DM1. Its mechanism of action utilizes the antibody binding to HER2 receptors on cancer cells, entering HER2-positive breast cancer cells through endocytosis, where DM1 is released within the cell, inhibiting cellular microtubule polymerization, causing cancer cell death. Antibody-drug conjugates possess both the high specificity of antibody drugs and the activity of small molecule anticancer drugs, which, compared to traditional chemotherapy drugs, can avoid killing normal tissue cells. Our company's TSY-0110 has demonstrated a very high degree of similarity to Kadcyła® in all three components: the ADC molecule itself, the antibody drug, and the small molecule cytotoxic drug.

C. APNT® nanoparticle formulation platform

The APNT® nanoparticle formulation technology platform uses patented grinding technology to configure drugs into nano-sized particles, which can improve the dissolution rate of poorly water-soluble drugs, enhance drug bioavailability, reduce heavy metal contamination, and eliminate concerns about organic solvent residues, thereby reducing drug dosage and the probability of side effects.

3. Research and development expenses invested in the most recent fiscal year and up to the annual report printing date

Unit: NT\$1,000; %

Year	2023	2024
Research and development expenses	270,181	225,998
Operating revenue	31,172	143,356
Research and development expense ratio (%)	866.74	157.65

4. Successfully developed technologies or products

In 2024, the Company obtained U.S. marketing approval for APP13007 nanoparticle suspension eye drops. Below is a brief description of the development progress and research results of products under development that have entered the clinical stage in the past five years:

Research and Development Products	Development progress	Research results
APP13007 Nanoparticle suspension eye drops	U.S. marketing approval has been obtained.	<ol style="list-style-type: none"> 1. Grand Pharmaceutical Group Limited has completed Phase III clinical trials in China in November 2024 with satisfactory results, and is expected to submit an application for marketing approval to the China Food and Drug Administration (CFDA) in 2025. 2. The number of approved patents continues to increase across various countries.
TSY-0110 Biosimilar	Pre-clinical discussion meeting has been completed.	<ol style="list-style-type: none"> 1. Completed European Medicines Agency (EMA) scientific advice meeting with positive feedback. 2. Integrating feedback from the European Medicines Agency (EMA) and the U.S. Food and Drug Administration (FDA), the Phase I clinical trial plan is currently being developed.

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

1 Company Short-term Plans

A. Marketing Strategy

- (A) Strengthen the sales promotion of APP13007 nanoparticle suspension eye drops in the United States, accelerate the drug registration application process in countries and regions where licensing agreements have been signed, and continue to expand new outbound licensing agreements to increase market coverage and create economic value for the drug.
- (B) Actively introduce the research and development progress of TSY-0110 ADC biosimilar through participation in domestic and international biotech exhibitions and partnering meetings, establish networks with internationally renowned pharmaceutical companies, seek collaboration partners, and execute outbound licensing.

- (C) After signing licensing agreements, we will continue to communicate regularly with our licensing partners, monitor research and development or sales progress in various regions, provide timely assistance, and ensure smooth market launch and sales of the products.

B. Research and Development Aspect

- (A) Focus on deepening the APNT® nanoparticle formulation platform and applying it to the development of proprietary drug projects.
- (B) Expand the indications or applications of existing products based on unmet medical needs and market trends.
- (C) Mitigate development risks through technical collaboration and joint drug development with other companies.

C. Production Aspect

- (A) Commissioning professional pharmaceutical manufacturers in Taiwan for production, focusing on cost structure and improving production efficiency, while collaborating with other biotech companies to create value for Taiwan's biotechnology industry.
- (B) Strictly implement quality control.

2. Long-term Business Development Plans

Our company focuses on deepening the application of our proprietary APNT® nanoparticle formulation platform, overcoming challenges in developing formulations for drugs with low water solubility, enhancing drug efficacy, reducing side effects, and expanding clinical applications to provide patients with more convenient, effective, and safe treatments. As APP13007 nanoparticle suspension eye drops have already obtained US drug approval and entered the out-licensing phase, future drug registration planning in various countries will be led by our licensing partners. Our company is currently evaluating new projects from academic research institutions or other early-stage development projects. Through strategic in-licensing or collaborative development models, we aim to expand our product portfolio, continuously enhance company value, and ensure sustainable business operations. While adhering to relevant regulations and regulatory requirements, the company is planning a roadmap to enter the capital market and build a strengthened capital structure to lay the foundation for long-term development. At the same time, we will out-license our research and development outcomes at appropriate R&D stages. These two sources of funding will accelerate our research and development progress, allowing us to focus on long-term development without concerns about financial constraints.

3. Long and Short-term Business Model Planning

Our company focuses on preclinical and clinical stage drug development, advancing candidate drugs into human clinical trials to verify their safety and efficacy. At appropriate times, we collaborate with domestic and international pharmaceutical companies through co-development, out-licensing, or technology transfer to obtain marketing authorization for these drugs. Our licensing partners are responsible for drug sales, while the company is responsible for drug supply,

effectively achieving the strategy of manufacturing at domestic CMO pharmaceutical factories to supply the global market. After out-licensing our products, the company will continue to communicate and discuss product development, commercialization, market access, product promotion, post-marketing clinical requirements, and other needs with our licensing partners through video conferences and emails. This ongoing support helps our licensing partners successfully complete development and facilitate product launch and promotion in the licensed territories. APP13007 has completed licensing in 33 countries (regions), including China (including Hong Kong and Macau), the United States, Brazil, Saudi Arabia, United Arab Emirates, Kuwait, Yemen, Oman, Bahrain, Qatar, Iraqi Kurdistan, Lebanon, Jordan, Iraq, Syria, Algeria, Morocco, Israel, Canada, Portugal, Switzerland, Liechtenstein, India, Nepal, Sri Lanka, Bangladesh, Malaysia, Myanmar, Kenya, Nigeria, South Africa, Argentina, and Colombia. Currently, the company is also actively negotiating with multiple specialty pharmaceutical companies and drug distributors in Europe, South America, and Asia-Pacific regions, seeking new licensing opportunities. Our company has begun introducing the TSY-0110 product to international biopharmaceutical and biosimilar manufacturers, and is seeking licensing opportunities before the initiation of clinical trials.

4 For successfully developed products, please explain the commercialization model and expected timeline:

During our negotiations with Eyenovia regarding the licensing of APP13007, Eyenovia's new mydriatic drug Mydcombi simultaneously completed FDA review and received marketing approval in the United States. Eyenovia's strategy in licensing APP13007 is to leverage their own sales team to simultaneously promote the pre-surgical mydriatic agent Mydcombi and the post-surgical anti-inflammatory and pain relief steroid APP13007 to ophthalmic surgeons as a bundled offering, sharing sales resources, enhancing development efficiency, and expanding their revenue base. Unlike major competing drugs that obtain revenue and market share by applying for inclusion in insurance company formularies and receiving insurance reimbursement, in this drug category market, the trend is moving toward generics, and insurance coverage is beginning to favor generic drugs. Brand-name drugs require patients to pay higher copays and manufacturers to offer higher rebates to insurance companies. In view of this, Eyenovia adopts a non-insurance reimbursement strategy, allowing patients to purchase medications at their own expense through online specialty pharmacy distribution channels such as Amazon Pharmacy with a prescription. Eyenovia also directly reflects the costs of traditional expensive distribution channels and insurance company rebates in sales discounts offered to patients.

Based on capital management considerations, after completing Phase II clinical trials in 2021, the company licensed the development rights for the China region to Grand Pharmaceutical Group Limited (hereinafter referred to as Grand Pharmaceutical), with Grand Pharmaceutical bearing the related costs of Phase III clinical trials and drug registration applications, which began enrolling patients in the fourth quarter of 2023. Grand Pharmaceutical is one of the leading ophthalmic pharmaceutical manufacturers in mainland China, with nearly 30 ophthalmic products being sold in the market. They have established a professional promotion

team and comprehensive sales channels. After APP13007 obtains drug approval in China, Grand Pharmaceutical plans to apply for inclusion of APP13007 in China's medical insurance system, compete for national or provincial public and private hospital tenders, and complete hospital drug listings to gain market share.

Beyond the U.S. and Chinese markets, the company is also actively negotiating with numerous specialty pharmaceutical companies and drug vendors in different regions globally to seek licensing opportunities. Currently, exclusive licensing agreements have been signed with CRISTÁLIA for Brazil in January 2024, with Tabuk for 14 countries in the Middle East and North Africa in May 2024, with Tzamal for Israel in July 2024, with Apotex for Canada in August 2024, with DÁVI for Portugal in October 2024, with Medvisis for Switzerland and Liechtenstein in November 2024, and with Cipla for India and 10 other countries in March 2025. In the future, we will continue to expand licensing to Europe, South America, and the Asia-Pacific region.

According to the APP13007 development timeline, it is expected to progressively obtain drug approvals in countries where licensing agreements have been signed by 2026.

2. Market and Production/Sales Overview

(1) Market Analysis

1. Main Product (Service) Sales Regions

The major global pharmaceutical markets each have different characteristics. Given the varying attributes of each market region, the Company's target markets will license out our main products in appropriate ways according to each market's characteristics, drug pricing, and drug insurance reimbursement mechanisms to ensure profitability after market launch.

Regarding the ophthalmic post-surgical medication APP13007 nanoparticle suspension eye drops, according to market data provided by the Company's partners in the United States and China, as well as potential collaborators in Canada, the European Union, Australia-New Zealand, Japan-Korea, and the Middle East markets, the current global market for single-agent ophthalmic corticosteroids is estimated to be approximately US\$1.3 billion.

Among these, the largest single market is the United States. According to statistics from MarketScope and EvaluatePharma, there are approximately 7.7 million cataract surgeries performed annually in the United States, accounting for about 60% of all ophthalmic surgeries; while LASIK, myopia surgery, late-stage glaucoma, and retinal surgeries account for 40%. Nearly 100% of patients receive the same eye treatment regimen, including steroid eye drops and antibiotic eye drops or a combination of both, with end-distribution sales amounting to approximately \$1.05 billion. The second largest market is China, where the market size is currently about \$100 million due to the rapid popularization of cataract surgeries and myopia surgeries.

The target market for TSY-0110ADC biosimilar is the HER2-positive breast cancer market. According to a specialized report on HER2-positive breast cancer by GlobalData, in the 8 major pharmaceutical countries (United States, five Western European countries including UK, France, Germany, Italy, Spain, Japan, and China), there were approximately 145,000 cases of early-stage HER2+ breast cancer patients and about 120,000 cases of metastatic breast cancer patients at different stages in 2021. The estimated compound annual growth rate for HER2+ breast cancer patients and the market size of HER2+ breast cancer drugs is approximately 1.5%. Following the success of Herceptin, Roche continued to launch biological drug products in the HER2 breast cancer market, including Perjeta (pertuzumab), Herceptin subcutaneous injection, Phesgo (trastuzumab+pertuzumab subcutaneous injection), and the ADC drug Kadcyra® (T-DM1, Trastuzumab Emtansine) to meet various treatment options and needs for HER2+ breast cancer treatment, and has achieved an extremely high market share. As Roche's only second-line biological treatment in this field, Kadcyra® has a stable market size supported by the product portfolio formed together with other products.

2 Market Share

APP13007 nanoparticle suspension eye drops received US FDA approval in March 2024, and just began sales in the US market in September 2024. Given that the product is still in the initial launch and promotion phase, there is currently no market share analysis data available.

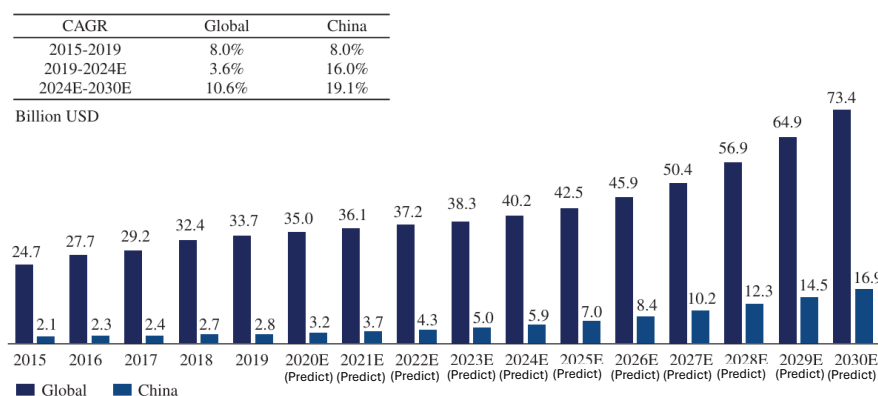
3. Supply and demand and growth potential of the market in the future

The rapid development of technology, increased eye usage by modern people, changing lifestyle habits, and the trend toward an aging society have led to the yearly growth of both the eye medication and cancer markets.

APP13007: Eye Medication Market/Ophthalmic Surgery Market

Global and China Ophthalmic Pharmaceutical Market, 2015-2030E

Predict



According to statistics from Frost & Sullivan, the global ophthalmic disease treatment market reached \$33.7 billion in 2019, and is estimated to rapidly grow to \$73.4 billion by 2030.

TSY-0110: HER2-Positive Breast Cancer Market

TSY-0110 is a biosimilar of Kadcyła®, and is expected to be launched in the European and American markets in 2032. According to Roche's 2022 annual report, Kadcyła®'s global sales reached approximately \$2.2 billion. In August 2023, pharmaceutical company Seagen announced the successful completion of a Phase III clinical trial combining its targeted drug Tukysa® with Kadcyła® for the treatment of HER2-positive breast cancer with brain metastases. This enables Kadcyła® to be more widely used in cases of breast cancer with brain metastases in the future, strengthening Kadcyła®'s market position and reducing the impact from similar drugs entering the market.

According to analyst data from GlobalData in December 2022, due to potential new competitors entering the market with ADC drugs targeting the same target, Kadcyła®'s future market growth is expected to be limited, with global sales forecast to be \$2.09 billion in 2028.

4. Competitive Advantage

A. Proprietary research and development technology with multiple patents

Our company's research and development team has many years of new drug development experience, and the excellent R&D results validated through Phase III clinical trials are the company's greatest asset. Our proprietary formulation technology and derived formulations are protected by multiple patents in various countries, securing our research and development achievements and ensuring the company's ability for sustainable operations. After the drugs developed using this technology are launched, we can also effectively protect the technology and ensure sufficient market exclusivity for our products in various regions through global patent family planning and licensing.

B. Insight into drug development trends, precise topic selection

The company's core members have previously worked in major US pharmaceutical companies and biotech firms, and many team members also have experience working in Taiwan's leading local pharmaceutical companies. They possess extensive experience spanning innovative drugs, improved new drugs, generic drugs, and biosimilars, along with strong information gathering capabilities. Our company's topic selection has market strategy, focusing on areas with unmet medical needs, using development paths with higher R&D success rates and shorter development timelines to effectively reduce the uncertainties in development costs and timeframes in drug development. Furthermore, through comprehensive and efficient business development capabilities, the company actively participates in major biotech exhibitions and matchmaking events, proactively establishes relationships with potential partners, and keeps abreast of precise market trends corresponding to the new drugs under development.

C. Master production technology, possess integrated supply chain capabilities

The company team has extensive experience in formulation development and CMC process development, which is integrated into our proprietary

formulation technology. Regarding process scale-up and GMP-level manufacturing, the company contracts Taiwan's international-level CDMOs or CMOs with outstanding capacity and quality to produce our products, controlling the production costs and quality of new drugs. This ensures that the new drugs we develop can meet the needs of various partners in different markets with varying competitive environments, while also protecting our technology from leakage and integrating the supply chain so that Taiwan can receive orders and market globally.

D. Effectively utilize alliances to overcome overseas clinical research and regulatory barriers

The company is adept at utilizing various resources and strategic partnerships, as well as joint development approaches, to gain the support of key partners at the right time to overcome challenges in overseas new drug development. The overseas markets led by Europe and the United States often provide more incentives than the Taiwanese market in terms of market size, government support for new drugs, or post-market drug pricing. However, different countries have different regulatory requirements or considerations, and there are also variations in clinical costs and the ability to rapidly recruit patients for trials. Our company is skilled at forming alliances with local drug development organizations or pharmaceutical companies, leveraging their local connections and regulatory understanding to systematically overcome various barriers in clinical development and regulatory registration.

E. Drug development projects have diversity and multiple collaboration models

The company's R&D projects include innovative drugs, 505(b)(2) new drugs, drug repurposing, biosimilars, etc., encompassing those derived from proprietary technologies, technology transfers from related companies, joint developments led by the company, and joint developments led by partners. Diversity helps diversify development risks and allows us to capture the benefits from future licensing or commercialization of multiple new drugs, helping the company obtain future revenue-generating opportunities with lower risk or reasonable investment costs.

5. Favorable and Unfavorable Factors for Development Prospects and Response Strategies

A. Favorable Factors

(A) Our proprietary technology has versatility and unique advantages

Our company's APNT® nanoparticle formulation platform is a proprietary drug nanomilling technology platform with patents granted in multiple countries. It is applied to the milling and formulation development of drugs with poorly soluble active pharmaceutical ingredients. It is a composite technology that integrates drug particle size reduction and formulation development by using salts and sugars as milling media and as the base formulation. The currently validated application areas include dermatological topical medications, ophthalmic formulations, inhalants,

and oral medications; the types of drugs tested include analgesics, antiallergics, antifungals, antivirals, antibiotics, steroids, gastrointestinal medications, oncology and respiratory medications, etc. Suspension formulations using APNT® nanoparticle formulation technology can be filter-sterilized to achieve sterile formulation requirements, greatly simplifying the production process and costs, and avoiding the problem of foreign material contamination that occurs with traditional milling methods. The drug particles produced by APNT® nanoparticle formulation technology have very uniform particle size and good dispersibility, and the suspension can be directly sterilized through sterile filtration. Currently, the Phase 3 clinical trial in the United States for APP13007 nano-suspension eye drops developed through APNT® nanoparticle formulation technology has been successfully unblinded, confirming the proof of concept for this technology. This is expected to encourage other pharmaceutical companies to incorporate APNT® nanoparticle formulation technology into their research and development projects for co-development, thereby gradually increasing the company's R&D projects and generating revenue.

(B) Patent Intellectual Property and Core Technology Protection

Our company has currently obtained 123 patents globally for the APNT® nanoparticle formulation technology platform and APP13007 nanoparticle suspension eye drops, covering major countries with pharmaceutical R&D capabilities and major global pharmaceutical markets. This will ensure the company's commercial interests are protected from third-party infringement, and also guarantee that the company and licensed partners can exclusively enjoy market benefits within their respective market regions. In addition, the formulations developed using the APNT® nanoparticle formulation technology platform have unique characteristics that can support each APNT® nanoparticle formulation in applying for independent formulation patents, helping new drugs strengthen their patent protection and extend their patent lifespan.

(C) Aligned with Domestic Industrial Policy Direction

The biotechnology industry has become an important technology sector where governments worldwide are investing substantial resources. In 1995, the Executive Yuan approved the "Promotion Program For Biotechnology Industry," which serves as an important guiding principle for promoting the development of Taiwan's biotechnology industry. In 2002, the biotechnology industry was further designated as one of the "Twin Stars" in the "Challenge 2008: National Development Plan" Two-Trillion Twin-Star Industries project, with full effort dedicated to promoting industrial development. Our company has also been approved and recognized as a biotech pharmaceutical company under the "Act for the Development of Biotech and Pharmaceutical Industry," entitling us to relevant incentive measures. Additionally, both APP13007 nanoparticle suspension eye drops and TSY-0110ADC biosimilar are produced and filled locally in Taiwan. In the future, as sales and production volumes increase, this is expected to create value for Taiwanese manufacturers in the production supply chain, thereby promoting industrial development. Furthermore, the localized supply chain can also enhance the company's supply capability assurance.

(D) Leading Projects with Multiple Disease Treatment Potential and Unique Market Niches

Traditionally, ophthalmic corticosteroids have also been widely used in various inflammatory acute and chronic pain conditions beyond surgery, including uveitis, allergic conjunctivitis, dry eye syndrome, and lid margin inflammation. Following the successful unblinding of APP13007 nanoparticle suspension eye drops for post-ophthalmic surgery anti-inflammation and pain relief, which demonstrated potential superior efficacy and safety compared to traditional corticosteroids, we now have a U.S. partner collaborating with us to develop applications for dry eye syndrome. Additionally, in regions outside the U.S. market, there have been few new corticosteroid eye drops launched in the past 20 years. APP13007 nanoparticle suspension eye drops have attracted attention and proactive inquiries from specialty pharmaceutical companies in these markets, who hope to enhance their competitiveness by acquiring innovative products.

B. Unfavorable Factors

(A) Drug development is a lengthy process with high risk of clinical trial failure.

Drug development requires an average of more than 10 years of development time, from preclinical research to various phases of human clinical trials, all of which require significant human and material resources. However, the success of clinical trials often involves high uncertainty, which significantly impacts the timeline for new drug launches and commercialization outcomes. Therefore, managing development risks is a major challenge for sustainable growth and development of pharmaceutical companies.

Response Strategy

- a. Our company's APNT[®] nanoparticle formulation technology platform can enhance drug performance in terms of pharmacokinetics and bioavailability by modifying drug particle size, helping innovative drugs overcome formulation development challenges. For drug repurposing or improved new drugs, pathways such as the U.S. 505(b)(2) NDA or similar application routes can be utilized. Through these expedited regulatory pathways, development timelines for new drugs can be shortened and development risks can be reduced.
- b. The APP13007 nanoparticle suspension eye drops developed by the company through the APNT[®] nanoparticle formulation technology platform have completed and passed clinical trial phases and have been submitted for New Drug Application (NDA). The development risks and uncertainties for this product have been significantly reduced for the future.
- c. Through the successful development of APP13007 nanoparticle suspension eye drops, we have validated the druggability, quality, and mass production feasibility of the APNT[®] nanoparticle formulation technology platform. Our company will also seek collaborative development opportunities with other biotechnology and pharmaceutical companies using the APNT[®] nanoparticle formulation technology platform, establishing long-term partnerships to enrich future research

and development projects, and reducing the potential failure risks of independent R&D investments.

d. Our company's TSY-0110 ADC biosimilar also adopts a collaborative development strategy, co-investing with EirGenix Inc. and sharing future licensing benefits to reduce drug development costs and distribute the risk of failure. The current development strategy for TSY-0110 is to initiate licensing negotiations with potential international partners while conducting Phase I clinical trials, with plans for the licensee to lead Phase III clinical trials. This relay-style research and development collaboration model further reduces development risks.

e. During the research and development process and clinical design, the company closely consults with and confirms plans with drug regulatory authorities, while also integrating horizontally through outsourcing to external partners such as CMOs (Contract Manufacturing Organizations) and CROs (Contract Research Organizations). We control costs while complying with regulations and shortening development timelines.

(B) Market trends and competitive environment for products have uncertain risks

In addition to overcoming challenges in drug research technology and therapeutic efficacy, drug development companies must assess commercial viability and marketability from the early development stages. They also need to closely monitor competitors' R&D progress and market trends, such as regulatory changes, shifting market demands, technological iterations, or serious adverse events with similar products, all of which can impact the value of new drugs. Therefore, properly evaluating and keeping track of market information is also a crucial issue.

Response Strategy

Development targets through the APNT® nanoparticle formulation technology platform must all pass internal assessment to confirm that the improvements address specific needs and market potential. By developing multiple administration routes, we avoid being limited to a single administration route or single indication market issue. Given the trend of governments worldwide promoting biosimilars to reduce original drug prices, and the high production threshold for ADC biosimilars—requiring capabilities in both biological preparations and high-activity manufacturing facilities—most biopharmaceutical companies cannot participate in the competition for Kadcyra® biosimilar development, which blocks other competitors. TSY-0110 ADC biosimilar has the potential to become the first Antibody-Drug Conjugate (ADC) biosimilar to be launched in Europe and the United States, thereby ensuring the acquisition of market share for the drug.

(2) Major products' important applications and production processes

1 Important applications of major products

A.APP13007 Nanoparticle suspension eye drops

The main ingredient of APP13007 nanoparticle suspension eye drops is Clobetasol propionate, a first-class ultra-potent steroid with extremely strong anti-inflammatory capabilities. It can induce the synthesis of anti-inflammatory factors and inhibit the synthesis of pro-inflammatory factors to help post-operative inflamed eye tissues, thereby achieving anti-inflammatory and pain-relieving effects. This active ingredient has accumulated many years of clinical experience in dermatology treatment. Despite its excellent anti-inflammatory and analgesic effects, its use has been limited to dermatological topical applications due to its low water solubility. The innovative eye drop formulation allows patients who have undergone eye surgeries such as cataract surgery to use it post-operatively, effectively alleviating discomfort caused by inflammation or pain after surgery, and accelerating their recovery period to normal activities.

B. TSY-0110 ADC Biosimilar

Breast cancer can be broadly classified into HER2 (human epidermal growth factor receptor 2) positive over-expressed (HER2+ over-expressed) and negative expression (HER2-) types. While HER2 is commonly found in all types of cells and promotes cell growth, HER2-positive expression cells carry excessive HER2 protein, causing cancer cells to receive too many growth signals, leading to accelerated cancer cell growth and division. The TSY-0110 ADC biosimilar targets these HER2 over-expressing breast cancer cells by using antibodies to bind with HER2 on the cell surface. After internalization, lysosomes degrade and separate the high-activity molecules from the antibody inside the cell. In the second phase, through the mechanism of the high-activity molecules, they bind with microtubules to inhibit cell division, arresting the cell cycle of breast cancer cells and ultimately causing cancer cell death.

2. Production Process

The Company focuses on drug development in therapeutic areas such as ophthalmology, oncology, and anti-infective treatments at the preclinical and clinical stages. Our main product lines include both large and small molecule drugs. Since the capital expenditure required to establish our own facilities that comply with current Good Manufacturing Practice (cGMP) standards is substantial, the Company has not built its own manufacturing plants. The Company maintains its core technical know-how and contracts with cGMP-compliant Taiwanese pharmaceutical manufacturers (CMO, Contract Manufacturing Organization) for production, in order to balance production economies of scale while complying with international regulatory quality standards.

(3) Supply Status of Main Raw Materials:

APP13007 nanoparticle suspension eye drops were launched in the U.S. market in September 2024, with its main ingredient sourced from a European pharmaceutical manufacturer. For the TSY-0110 ADC biosimilar, the antibody is provided by EirGenix Inc., while the chemical drug (DM1) is sourced from an Asian pharmaceutical manufacturer. The relevant suppliers all comply with PIC/S GMP standards.

(4) Names of customers accounting for more than 10% of total purchases (sales) in any of the last two years, their purchase (sales) amounts and proportions, and explanation of the reasons for any changes

- Names of suppliers accounting for more than 10% of total purchases in any of the last two years, their purchase amounts and proportions, and explanation of the reasons for any changes

Unit: NT\$ thousand; %

Item	2023				2024			
	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer
Purchase	None	None	None	None	Formosa Laboratories, Inc.	3,057	100%	Parent company

The Company's product was launched in the United States in September 2024, so there were purchases of semi-finished products in 2024.

- Names of customers who accounted for 10% or more of total sales in any of the past two years, along with their sales amounts and percentages, and explanation for changes

Unit: NT\$ thousand; %

	2023 (Audited)				2024 (Audited)			
	Company name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Company name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1.	Company A	-	-	None	Company A	135,621	94.60	None
2.	Company B	31,172	100.00	None	Company B	7,164	5.00	None
3.	Others	-	-	None	Others	571	0.40	None
	Net revenue	31,172	100.00		Net revenue	143,356	100.00	

Reason for increase or decrease: The revenue for 2024 mainly comes from licensing income, with no significant abnormalities.

3. Employee information for the past two years and up to the printing date of the annual report

Employee information for the past two years and up to the printing date of the annual report:

Unit: person; age; year; %

Year	2023	2024	As of March 31, 2025
Number of employees	General manager	1	1
	Technical and R&D personnel	9	11
	Management and other personnel	6	7
	Total	16	19
Average age	41.16	40.41	40.65
Average length of service	3.10	3.45	3.69
Education distribution ratio (%)	Doctoral Degree	25.00	21.05
	Master's Degree	56.25	52.63
	College/University	18.75	26.32
	Senior high school	0.00	0.00
	Below senior high school	0.00	0.00

4. Environmental Protection Expenditure Information

- (1) According to legal requirements, if the company is required to apply for pollution facility installation permits or pollution discharge permits, pay pollution prevention fees, or establish dedicated environmental protection units or personnel, the status of such applications, payments, or establishments shall be explained: None.
- (2) The company's investments in major equipment for preventing environmental pollution, their purposes, and potential benefits: None.
- (3) Over the past two years and up to the printing date of the annual report, the company's efforts to improve environmental pollution: None.
- (4) Over the past two years and up to the printing date of the annual report, losses suffered by the company due to environmental pollution (including compensation and violations of environmental regulations as a result of environmental protection inspections, which should specify the date of penalty, penalty reference number, violated regulation provisions, content of violation, and penalty content), and disclosure of current and future possible estimated amounts and countermeasures; if reasonable estimation cannot be made, the facts regarding why such estimation cannot be reasonably made should be explained: None.
- (5) The current pollution status and its improvement impact on the company's profits, competitive position, and capital expenditure, as well as significant environmental protection capital expenditures expected in the next two years: None.

5. Labor Relations

- (1) The company's various employee welfare measures, continuing education, training, retirement system and their implementation status, as well as agreements between labor and management and measures to safeguard employee rights
 1. Welfare measures: In addition to providing employees with basic protection through labor insurance and health insurance, the company also provides group insurance for employees. Welfare implementation content includes holiday benefits, birthday gifts, wedding gifts, funeral condolence payments, birthday parties, family day, employee recreational activity subsidies, and the establishment of music and library rooms, as well as freshly ground coffee and snacks, creating a relaxing and stress-relieving work environment for employees. Regarding health management, periodic employee health examinations are provided, with employees able to choose their own health examination plans from various health examination centers to meet their differentiated needs. Employee compensation packages include employee stock options and employee compensation after the company shows a profit.
 2. Employee continuing education and training: After new employees report for duty, the HR department is responsible for explaining the company profile, relevant procedures, introducing the environment, supervisors, and colleagues. In terms of professional abilities and work efficiency of current employees, employees can participate in various professional technical training and research courses based on different job functions and business needs after approval, to enhance their academic and technical skills in their respective positions for better achievement of tasks. At the same time, to foster employees' identification with the corporate culture and to establish an organizational culture with common values, general education courses are also provided for employee continuing education.

3. Retirement system and its implementation status: According to the provisions of the "Labor Pension Act," the company makes monthly contributions of 6% of the monthly salary for new employees and existing employees who have chosen to apply the new labor pension system to their individual retirement accounts at the Bureau of Labor Insurance.
4. Labor-management agreement and measures for protecting employee rights: The company holds regular quarterly labor-management meetings as a good channel for communicating opinions. Employee rights can be fairly and reasonably addressed through the above-mentioned channels. To date, the company has never experienced any incidents that damaged employee rights.

(2) In the most recent year and up to the printing date of the annual report, losses incurred due to labor-management disputes (including labor inspection results that violated the Labor Standards Act, which should specify the date of the penalty, the penalty reference number, the violated legal provisions, the content of the violation, and the content of the penalty), and disclosure of current and potential future estimated amounts and countermeasures; if reasonable estimation is not possible, the facts explaining why reasonable estimation is not possible should be disclosed:

Since its establishment, the company has always viewed employees as its most valuable assets, attaches great importance to the future development of employees, maintains harmonious labor-management relations, has not experienced any major labor disputes, and has not been found to violate the Labor Standards Act in labor inspections.

(3) Employee work environment and protection measures for personal safety:

The company upholds the concept of sustainable management, emphasizes corporate social responsibility, and continuously strives for environmental protection and employee safety and health. Specific management measures or systems include:

1. Comply with laws and regulations, regularly identify and review management measures
2. Regular inspection and maintenance of fire safety equipment.
3. Regular employee health examinations are conducted.

6. Information Security Management

(1) Describe the information security risk management structure, information security policies, specific management programs, and resources invested in information security management

The company values information security risk management and has established clear operational guidelines as the basis for implementation. The company's information security management measures are as follows:

1. Only administrators and authorized personnel are allowed to enter the areas where servers, network equipment, and other related equipment used for the information system platform architecture are located.
2. Data storage and backup equipment, combined with disk array and redundancy design, enhance data protection and availability.
3. The antivirus software control console manages client hardware and software information and status, regularly connecting to the manufacturer to update

antivirus applications and signature files; clients regularly connect to the server for updates; this prevents the operating system from external threats such as viruses or malicious websites.

4. System users are required to set passwords of 6-8 characters, which must comply with complexity principles.
 5. Backup schedules are established for data and systems, with regular restoration drills conducted to verify the integrity of data, systems, and storage media.
- (2) List any losses, potential impacts, and response measures due to major information security incidents in the past two years and up to the printing date of the annual report. If a reasonable estimate cannot be made, the fact of inability to reasonably estimate should be explained: No such incidents have occurred.

7. Important Contracts

Nature	Parties involved	Contract Start and End Dates	Main contents	Restrictive covenants
Service Contract	AimMaxTherapeutics, Inc.	July 1, 2017 ~ June 30, 2023	Provision of consultation for new drug development and assistance with commercialization services, etc.	Confidentiality Clause
	Agreement for Non-Automatic Contract Extension	Effective Date: June 15, 2023	The original contract terminates on June 30, 2023	
Joint Development Agreement	AimMaxTherapeutics, Inc.	September 1, 2017 - 25 years after market launch in various regions or the last effective claim period for sales in that region (whichever is later)	Joint Cooperation to Develop APP13007, Complete and Obtain US FDA Approval	Confidentiality Clause
	Contract Extension	Effective Date: November 9, 2021	Revision of Development Timeline and Partial Payment Terms	
	Supplementary Agreement One	Effective Date: October 1, 2022	Revision of Development Timeline and Partial Payment Terms and Amounts	
	Supplementary Agreement Two	Effective Date: August 22, 2023	Revision of Service Scope	
	Supplementary Agreement Three	Effective Date: November 1, 2023	Revision of Partial Payment Terms	
	Supplementary Agreement Four	Effective Date: March 11, 2025	Extension of Development Timeline and Addition of Service Scope and Amount	
Technology Transfer	Formosa Laboratories, Inc.	From August 17, 2018	Transfer of TSY-0110 technology to Formosa Pharmaceuticals, Inc.	None
Technology Transfer	Formosa Laboratories, Inc.	From August 20, 2021	Transfer of TSY-0210 technology to Formosa Pharmaceuticals, Inc.	Confidentiality Clause
New Drug Development Agreement	EirGenix, Inc.	From April 18, 2022 ~ 15 years from the date of first sale	TSY-0110 New Drug Development	Confidentiality Clause
Licensing Agreement	Grand Pharmaceutical Group Limited	From June 3, 2021 for 20 years	Exclusive license for the development and commercialization of APP13007 in China, Hong Kong, and Macau	Confidentiality Clause
Licensing Agreement	EYENOVIA, INC.	From August 15, 2023 ~ 10 years from the date of first sale	Exclusive license for the commercialization of APP13007 in the United States	Confidentiality Clause
Supply and Distribution Agreement	EYENOVIA, INC.	From March 12, 2024 ~ 10 years from the date of first sale	Exclusive Supply Agreement for APP13007 in the United States	Confidentiality Clause
Clinical Trial Agreement	ComacMedicalLtd.	From November 6, 2023 onwards	Clinical trial services for TSY-0110 in the European Union	Confidentiality Clause

V. Review and Analysis of Financial Status, Financial Performance, and Risk Issues

1. Financial Status (IFRS):

- (1) Main reasons and effects of significant changes in assets, liabilities, and equity over the past two years; if the impact is significant, future response plans should be explained

Unit: NT\$ thousand; %

Item	Year	2023	2024	Difference	
				Amount	%
Current asset		1,288,330	1,727,790	439,460	34.11
Financial assets at fair value through other comprehensive income – non-current		27,260	5,151	(22,109)	(81.10)
Property, plant and equipment		4,753	4,458	(295)	(6.21)
Right-of-use assets		29,602	25,428	(4,174)	(14.10)
Intangible assets		376,183	342,391	(33,792)	(8.98)
Other assets		653	7,054	6,401	980.25
Total assets		1,726,781	2,112,272	385,491	22.32
Current liabilities		257,979	197,951	(60,028)	(23.27)
Non-current liabilities		328,232	365,749	37,517	11.43
Total liabilities		586,211	563,700	(22,511)	(3.84)
Share capital		1,341,421	1,509,771	168,350	12.55
Additional paid-in capital		1,780,438	2,278,738	498,300	27.99
Retained earnings		(1,951,923)	(2,152,937)	(201,014)	10.30
Other equity		(29,907)	(87,594)	(57,687)	192.89
Non-controlling interests		541	594	53	9.80
Total shareholders' equity		1,140,570	1,548,572	408,002	35.77

1. Main reasons and effects of significant changes in assets, liabilities, and shareholders' equity over the past two years (items with changes of 20% or more between periods, and absolute change amounts reaching NT\$10 million or more):

- (1) Current assets increased: This is mainly due to the cash capital increase in 2024, resulting in an increase in cash and financial assets measured at amortized cost - current (time deposits).
- (2) Financial assets at fair value through other comprehensive income – non-current decreased: This is mainly due to the decrease in the market value of Eyenovia, Inc. shares.
- (3) Total assets increased: This is mainly due to the cash capital increase in 2024.
- (4) Current liabilities decreased: This is mainly due to the recognition of contract liabilities of Eyenovia, Inc. as revenue on the books in 2024.
- (5) Capital surplus increased: This is mainly due to the premium from cash capital increase in 2024.
- (6) Other equity decreased: This is mainly due to the decrease in the market value of Eyenovia, Inc. shares.
- (7) Total shareholders' equity increased: This is mainly due to the premium from cash capital increase in 2024.

2. If there are significant impacts, please explain future response plans: There are no significant impacts.

2. Financial Performance:

- (1) Main reasons and effects of significant changes in operating revenue, operating profit, and pre-tax profit for the last two years

Unit: NT\$ thousand; %

Item \ Year	2023	2024	Increase (decrease) amount	Change percentage %
Operating revenue	31,172	143,356	112,184	359.89
Gross profit	27,347	118,990	91,643	335.11
Operating profit (loss)	(283,036)	(175,629)	107,407	(37.95)
Non-operating income and expenses	(17,029)	(3,945)	13,084	(76.83)
Profit Before tax	(300,065)	(179,574)	120,491	(40.15)
Net profit (loss) for the period	(321,927)	(200,933)	120,994	(37.58)
Other Comprehensive Profit or loss (after Tax)	(11,824)	(57,715)	(45,891)	388.12
Total Comprehensive Profit or Loss	(333,751)	(258,648)	75,103	(22.50)
<p>Main reasons for significant changes in operating revenue, operating profit, and pre-tax profit for the last two years (changes exceeding 20% between periods, and the absolute change amount exceeding NT\$10 million):</p> <ol style="list-style-type: none"> Operating revenue and gross profit increase: Mainly due to the recognition of licensing income from Eyenovia, Inc. in 2024 after APP13007 obtained FDA approval in the United States. Operating loss decrease: Mainly due to the recognition of licensing income from Eyenovia, Inc. in 2024 after APP13007 obtained FDA approval in the United States. Non-operating income and expenses loss decrease: Mainly due to the increase in interest income generated from time deposits in 2024. Pre-tax loss decrease and net loss decrease for the period: Mainly due to the recognition of licensing income from Eyenovia, Inc. in 2024 after APP13007 obtained FDA approval in the United States. Other comprehensive income (loss) for the period (net of tax) loss increase: Mainly due to valuation losses resulting from the decrease in market value of Eyenovia, Inc. shares. Total comprehensive income (loss) for the period loss decrease: Mainly due to the recognition of licensing income from Eyenovia, Inc. in 2024 after APP13007 obtained FDA approval in the United States, and valuation losses resulting from the decrease in market value of Eyenovia, Inc. shares. 				

- (2) Expected sales volume and its basis, possible impacts on the company's future financial and business operations, and response plans

- Expected sales volume and its basis: The Company's APP13007 nanoparticle suspension eye drops just launched in the US market in September 2024. Other regions where licensing agreements have been signed are still in the process of product registration or preparing for product registration, with no sales expected in the near term. Regarding the US market, this product is still in the initial launch and promotion phase. Eyenovia, Inc. is currently conducting market testing and sample promotion, and has not yet provided information on expected sales volumes for nationwide distribution. Therefore, no relevant information is available at this time.
- Possible impacts on the company's future financial and business operations, and response plans: The Company's R&D achievements have successively completed out-licensing, registration, and market launch in the United States over the past year, all of which have positive impacts on future financial and business operations.

3. Cash Flow

(1) Analysis and explanation of cash flow changes in the most recent year

Unit: NT\$ thousand; %

Item	Year		Increase (decrease) amount	Change percentage %
	2023	2024		
Net cash inflow (outflow) from operating activities	(196,038)	(128,682)	67,356	34.36
Net cash inflow (outflow) from investing activities	(676,214)	(475,292)	200,922	29.71
Net cash inflow (outflow) from financing activities	999,877	624,402	(375,475)	(37.55)
Effect of exchange rate changes	(10,258)	20,652	30,910	(301.33)
Net cash inflow (outflow)	117,367	41,080	(76,287)	(65.00)
Analysis of cash flow changes:				
1. Operating activities outflow decrease: This is mainly due to receiving more milestone payments from Eynovia, signing fees for licenses in other regions, and more interest income in 2024.				
2. Investing activities outflow decrease: This is mainly due to the payment of the final installment for the acquisition of Activus in 2024, and the amount of newly undertaken financial assets measured at amortized cost - current (time deposits) in 2024 being lower than in 2023.				
3. Financing activities inflow decrease: This is mainly due to the total amount of funds raised through cash capital increase in 2023 being higher than in 2024.				

(2) Improvement plan for liquidity insufficiency in the most recent year:

Based on the cash position at the end of 2024, the Company's funds are still sufficient and there is no situation of liquidity insufficiency.

(3) Cash flow liquidity analysis for the coming year (2025)

Unit: NT\$ thousand

Beginning cash balance Balance (1)	Expected net cash flow from operating activities for the whole year (2)	Expected net cash flow from investing activities for the whole year (3)	Expected net cash flow from financing activities for the whole year (4)	Expected cash Remaining (insufficient) amount (1)+(2)+(3)+(4)	Cash surplus/deficit response measures
1,645,785	(73,707)	(16,010)	(6,122)	1,549,946	None

Note: Cash balance includes financial assets measured at amortized cost - current

Analysis:

1. Analysis of cash flow changes for the coming year:

Operating activities: This mainly refers to the net cash outflow generated by the company based on the progress of new drug product development and the estimated related income from the APP13007 licensing agreement.

Investment activities: This mainly refers to the cash outflow generated from the addition of property and equipment.

Financing activities: This mainly refers to the net cash outflow generated from the repayment of lease principal.

2. Improvement plan for insufficient liquidity and cash flow analysis for the coming year: Not applicable.

4. Impact of major capital expenditures in the most recent year on financial operations

The Company has no major capital expenditures in 2024, so there is no significant impact on financial operations.

5. Investment policy in the most recent year, main reasons for profit or loss, improvement plans, and investment plans for the coming year:

(1) Company's investment policy:

The Company's investment activities are conducted by relevant executing departments in accordance with the "Investment Cycle" in the internal control system and "Procedures for Acquisition or Disposal of Assets". The aforementioned methods or procedures have been approved by the Board of Directors or shareholders' meeting.

(2) Main reasons for profit or loss and improvement plans:

Unit: NT\$ thousand

Item	Description	Investment (loss) gain recognized by the Company	Investment policy	Main reasons for profit or loss	Improvement plan
		2024			
Activus Pharma Co.,Ltd.		10,489	Activus is dedicated to APNT technology research and development, while Formosa Pharmaceuticals, Inc. applies it to drug commercialization	Mainly exchange gains and losses from USD accounts receivable	N/A.

(3) Investment plan for the coming year: None.

6. Risk Factors:

(1) Impact of interest rate changes, exchange rate fluctuations, and inflation on company profit and loss, and future response measures:

1. Impact of interest rate changes on company profit and loss, and future response measures:

In 2024, the Company's interest expense was NT\$569 thousand, mainly the interest expense recognized on lease liabilities in accordance with IFRS 16; interest income was NT\$21,181 thousand, mainly generated from interest income on financial assets measured at amortized cost. Overall, interest rate changes are not expected to have a significant impact on the Company's profit and loss. However, the Company still establishes and maintains good relationships with banks to obtain better interest rate terms when there are future capital turnover needs, minimizing the impact of interest rate fluctuations on the Company's profit and loss.

2. Impact of exchange rate fluctuations on company profit and loss, and future response measures:

In 2024, the Company's foreign exchange loss was NT\$18,623 thousand, mainly from the valuation of current liabilities, other non-current liabilities, and financial liabilities. Overall, exchange rate fluctuations are not expected to have a significant impact on the Company's profit and loss. The Company will continuously collect exchange rate information to respond to future exchange rate fluctuation risks, minimizing the impact of exchange rate changes on the Company's profit and loss.

3. Impact of inflation on the company's profit and loss, and future response measures:

The Company is a new drug development company and is relatively unaffected by inflation. However, the Company will still pay attention to inflation conditions in order to respond to future inflation risks, minimizing the impact of inflation on the Company's profit and loss.

(2) Policy, main reasons for profit or loss, and future response measures regarding high-risk, high-leverage investments, lending funds to others, endorsements/guarantees,

and derivative financial instrument transactions:

1. The Company has established "Procedures for Acquisition or Disposal of Assets," "Procedures for Lending Funds to Others," and "Procedures for Endorsements and Guarantees," which have been approved by the Board of Directors and agreed upon by the shareholders' meeting.
2. The Company did not engage in high-risk, high-leverage investments, lending funds to others, endorsements/guarantees, or derivative financial instrument transactions in the most recent fiscal year and up to the date of the annual report's publication.

(3) Future research and development plans and estimated R&D expenses

To create economies of scale for pharmaceuticals and enhance the international competitiveness of Taiwan's biotech industry, the Company plans to commission domestic pharmaceutical manufacturers to produce APP13007 nanoparticle suspension eye drops for shipment to licensing partners. The Company will conduct APP13007 process scale-up production research to reduce product costs; TSY-0110ADC biosimilar is expected to begin Phase I clinical trials in the European Union in 2025, along with the production of clinical trial medications and further process scale-up research; After confirming the ophthalmic indication for APP13002, preclinical work and clinical trial application-related activities will be initiated; The Company also plans to introduce licensed new drug development projects.

The Company's future R&D expenses will be planned according to the research, development, and global licensing progress of the above-mentioned projects, supplemented by human resource requirements and capital expenditure planning. Overall, the estimated expenditure for R&D projects in 2025 is approximately NT\$150,000 thousand.

(4) Impact and response measures regarding significant domestic and foreign policy and legal changes on the Company's finance and business

The Company's daily operations comply with relevant domestic and foreign regulations, and we continuously monitor domestic and foreign policy development trends and regulatory changes to fully understand and respond to any impacts on our financial and business operations. In the most recent fiscal year and up to the date of the annual report's publication, domestic and foreign policy and legal changes have not had a significant impact on the Company's financial and business operations.

(5) Impact and response measures regarding technological changes (including information security risks) and industry changes on the Company's finance and business

New drug development is characterized by high technological complexity, long product development periods, and high added value, resulting in higher entry barriers. Therefore, technology and industry are less likely to undergo dramatic changes in the short term. The Company continuously monitors biotechnology and pharmaceutical industry development trends and market demand changes to ensure the niche and product advantages of our new drug development.

The Company places importance on information security risk management, with relevant management measures as follows:

1. Only administrators and authorized personnel are allowed to enter the areas where servers, network equipment, and other related equipment used for the information

system platform architecture are located.

2. Data storage and backup equipment, combined with disk array and redundancy design, enhance data protection and availability.
3. The antivirus software control console manages client hardware and software information and status, regularly connecting to the manufacturer to update antivirus applications and signature files; clients regularly connect to the server for updates; this prevents the operating system from external threats such as viruses or malicious websites.
4. System users are required to set passwords of 6-8 characters, which must comply with complexity principles.
5. Backup schedules are established for data and systems, with regular restoration drills conducted to verify the integrity of data, systems, and storage media.

In the most recent fiscal year and up to the date of the annual report's publication, technological changes (including information security risks) and industry changes have not had a significant impact on the Company's financial and business operations.

(6) Impact and response measures regarding changes in corporate image on crisis management

Since its establishment, the Company has been committed to maintaining a good corporate image, continuously strengthening internal management, complying with legal regulations, and planning to enter the capital market to attract more outstanding talent to join the Company, thereby enhancing the strength of the management team. In the most recent fiscal year and up to the date of the annual report's publication, no incidents have occurred that could affect the Company's corporate image.

(7) Expected benefits, potential risks, and response measures for mergers and acquisitions

The Company has no merger and acquisition plans in the most recent fiscal year and up to the date of the annual report's publication.

(8) Expected benefits, potential risks, and response measures for plant expansion

The Company has no plant expansion in the most recent fiscal year and up to the date of the annual report's publication.

(9) Risks and response measures for concentrated purchases or sales

The production of the Company's products is entrusted to well-known domestic CDMO manufacturers, with Formosa Laboratories, Inc. responsible for the nano-processing of APP13007, and Bora Pharmaceuticals' subsidiary Bora Pharmaceuticals responsible for the product filling of APP13007. In the future, we will continue to ensure the supply of products from Taiwan to various externally licensed regions and protect related technical knowledge, as well as reduce the risks associated with concentrated purchasing.

The Company's APP13007 obtained U.S. drug approval in March 2024 and recognized revenue. Given that the upfront payments and other fees received from licensing agreements in other countries have not yet been recognized as revenue, there is a phenomenon of revenue concentration, which is characteristic of new drug development companies when products are initially launched. The Company will continue to sign licensing agreements in different countries and regions, and promote

sales in various licensed territories, in order to increase revenue sources and diversify the risk of revenue concentration.

(10) Impact, risks, and response measures regarding significant transfers or changes in shareholding of directors, supervisors, or major shareholders with over ten percent shareholding

As of the printing date of this annual report, there has been no significant transfer or change in shareholding by the Company's directors or major shareholders with over ten percent shareholding that would have a material impact on the Company.

(11) Impact, risks, and response measures regarding changes in management control of the Company

As of the printing date of this annual report, there has been no change in the management control of the Company.

(12) Litigation or non-litigation events

1. For the most recent two years and up to the printing date of this annual report, the Company should disclose any litigation, non-litigation, or administrative dispute cases that have been finalized by judgment or are currently pending, where the outcome may have a significant impact on shareholders' equity or securities prices, including the facts of the dispute, the amount involved, the date of litigation commencement, the main parties involved, and the current status: No such incidents have occurred.

2. For the most recent two years and up to the printing date of this annual report, the Company's directors, supervisors, president, de facto responsible persons, major shareholders with shareholding over ten percent, and affiliated companies have not been involved in any litigation, non-litigation, or administrative dispute cases that have been finalized by judgment or are currently pending, where the outcome may have a significant impact on the Company's shareholders' equity or securities prices: No such incidents have occurred.

3. For the most recent two years and up to the printing date of this annual report, the Company's directors, supervisors, managers, and major shareholders with shareholding over ten percent have not been involved in any incidents stipulated in Article 157 of the Securities and Exchange Act, and the Company has no related matters to address: No such incidents have occurred.

(13) Other significant risks and response measures

1. Disclosure of risks related to unsuccessful product development, development delays, sales falling short of expectations, or inability to license to others, and the response measures adopted

A. Risks of unsuccessful product development and development delays

During the development stage of new drugs, including uncertainties in clinical trial success, various factors affect whether marketing approval can be successfully obtained. Therefore, the success rate of new drug development has a high degree of uncertainty. Diversifying and managing development risks is the most important issue for the sustainable development of pharmaceutical research companies.

The company's R&D team possesses new drug development experience

from both American and Taiwanese pharmaceutical companies, spanning innovative drugs, improved new drugs, and even generic drugs or biosimilars. We focus on areas with unmet medical needs, adopting development paths with higher R&D success rates and shorter development timelines to reduce uncertainties in the drug development process. The Company's main new drug development projects currently include APP13007 and TSY-0110. APP13007 has already obtained FDA approval in the United States, while TSY-0110 has completed verification of its biosimilarity with the reference drug Kadcyła®. The Phase I clinical trial in the European Union is expected to begin in 2025. The Company will manage development costs and timelines through efficient project management and will continue to expand its product portfolio to reduce the risks of unsuccessful product development and development delays.

B. Risks of inability to license to others or sales falling short of expectations

The Company actively participates in domestic and international biotech exhibitions and partnership meetings during the new drug development stage, proactively introducing the progress of various new drug development projects, establishing networks with internationally renowned pharmaceutical companies, seeking cooperation partners, and keeping abreast of precise market trends corresponding to the new drugs being developed.

APP13007 has completed licensing in 33 countries (regions), including China (including Hong Kong and Macau), the United States, Brazil, Saudi Arabia, United Arab Emirates, Kuwait, Yemen, Oman, Bahrain, Qatar, Iraqi Kurdistan, Lebanon, Jordan, Iraq, Syria, Algeria, Morocco, Israel, Canada, Portugal, Switzerland, Liechtenstein, India, Nepal, Sri Lanka, Bangladesh, Malaysia, Myanmar, Kenya, Nigeria, South Africa, Argentina, and Colombia. Currently, the company is also actively negotiating with multiple specialty pharmaceutical companies and drug distributors in Europe, South America, and Asia-Pacific regions, seeking new licensing opportunities. The Company monitors marketing plans for drug launches in various regions through timely email communications and meetings, providing immediate assistance to ensure smooth product development and market launch, thereby generating business revenue for the Company.

TSY-0110 will leverage its development progress advantage as the first Kadcyła® biosimilar in Europe and the United States, implementing project management and risk control. The Company has already begun introducing the TSY-0110 product to international biopharmaceutical and biosimilar manufacturers, and is seeking licensing opportunities before the initiation of clinical trials.

2. Disclosure of risks and countermeasures regarding dependence on third parties (such as CROs, CMOs) for clinical trials or clinical/post-market drug production

A. The Company's explanation regarding the outsourcing of clinical trials to third-party CRO companies is as follows:

The Company's research and development team selects several clinical CRO vendors for evaluation based on their past experience and

recommendations from collaborative development partners, taking into account quality systems, proposal feasibility, and budget quotes. The CRO vendor is determined only after several screening discussion meetings, and there is no situation where the Company depends on a specific CRO company to conduct clinical trials. During the execution of the APP13007 U.S. clinical trial, the Company maintains close communication with the CRO, fully monitoring the implementation status at each hospital. The Company will apply this successful experience to monitor the EU Phase I clinical trial of TSY-0110.

B. The explanation regarding dependence on third-party CDMOs for clinical/post-market drug production is as follows:

(A) The Company plans to commission a well-known domestic CDMO and Formosa Laboratories, Inc., a major manufacturer of Antibody-Drug Conjugates, to be responsible for the nano-process of APP13007, the conjugation process of TSY-0110, and product filling.

(B) The Company plans to commission Bora Pharmaceuticals, a well-known domestic CDMO manufacturer, and its subsidiary Bora Pharmaceuticals to be responsible for product filling of APP13007.

The Company is a research and development-oriented pharmaceutical company, and our main product line includes both large and small molecule drugs. The capital expenditure for establishing our own facility that complies with current Good Manufacturing Practice (cGMP) would be substantial, therefore the Company has not established its own manufacturing plant. The Company has mastered the core technological know-how, and if the production capacity of the cooperating CDMO manufacturers cannot meet the Company's sales plan in the future, the Company can commission other pharmaceutical manufacturers that comply with cGMP for production and manufacturing.

3. Disclosure of the risk of operating capital shortfall should explain the adequacy of operating capital, the research and development timeline it can support, and the countermeasures adopted

As of the end of December 2024, the Company has cash and time deposits of NT\$1,645,785 thousand, which is still sufficient to support the costs of future operations and research and development activities. To reduce financial pressure, the Company plans to have licensing partners responsible for the costs related to clinical trials of TSY-0110. In line with the capital requirements for the Company's long-term development plan, the Company is actively promoting its application for listing to enter the capital market, in order to raise the necessary funds in the capital market after future listing.

4. Disclosure of restrictive clauses in technology licensing agreements or outsourcing contracts, as well as the risks faced and countermeasures adopted
The Company's research and development projects are obtained through payment of licensing fees, and the technology licensing agreements are normal commercial arrangements without unfavorable restrictive clauses. The main contents of the contract are shown in the following table:

Item	Technology licensing target	Signing date (Effective date)	Main contents	Technology compensation or royalty	Restrictive covenants
APNT® nano-formulation technology platform and APP13007	ActivusPharma.Co.,Ltd.	2018/09/30	The Company has acquired the APNT® nano-formulation technology platform and APP13007	Total licensing amount of USD 6,400 thousand, with USD 3,000 thousand already paid	Confidentiality Clause
TSY-0110	Formosa Laboratories, Inc.	2018/08/17	The Company has acquired all rights and obligations for the targeted cancer treatment drug technology.	1.Currently, USD 1,100 thousand has been paid 2.Milestone payment 3.Sales royalties	None
TSY-0210	Formosa Laboratories, Inc.	2021/08/20	The Company has acquired the relevant technology for manufacturing Streptogramins (anti-infection drug/antibiotic) products and the intellectual property rights related to this technology.	1.Currently, USD 500 thousand has been paid 2.Milestone payment	Confidentiality Clause

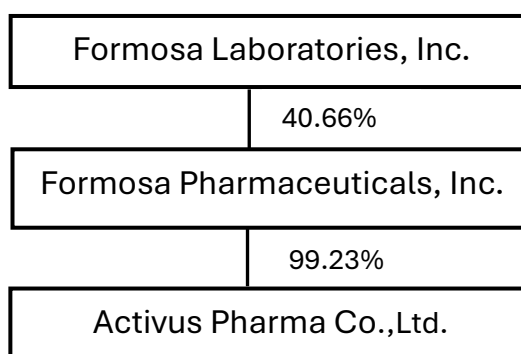
7. Other important matters: None.

VI. Special Matters

1. Information related to affiliated enterprises:

(1) Consolidated business report of affiliated enterprises:

1. Organization chart of affiliated enterprises:



2. Basic information of each affiliated enterprise:

Unit: NT\$ Thousand

Enterprise Name	Date of Establishment	Address	Paid-in Capital	Main Business Activities (Note 1)	Division of Work Among Affiliated Enterprises (Note 2)
Formosa Laboratories, Inc.	December 29, 1995	No. 36, Heping Street, Luzhu District, Taoyuan County	New Taiwan Dollar 1,202,560	CDMO, Pharmaceutical Manufacturing	Contract Development and Manufacturing Organization (CDMO)
Activus Pharma Co.,Ltd.	October 24, 2006	3F, 15-7, Nihonbashi Ningyocho 2-chome, Chuo-ku, Tokyo, Japan	Japanese Yen 90,000	Research and Development of New Biotechnology Drugs	Patent and Pharmaceutical Registration Affairs

Note 1: Industries covered by the overall business operations of affiliated enterprises.

Note 2: For affiliated enterprises with interconnected business operations, the division of work among them should be explained.

3. Presumed to have a control and subordinate relationship, information on common shareholders: None.

4. Information on directors, supervisors, and presidents of each affiliated enterprise:

Unit: Shares; %

Enterprise Name	Title	Name or Representative	Shares Held by Formosa Pharmaceuticals, Inc.	
			Number of shares	Shareholding Ratio
Formosa Laboratories, Inc.	Chairman and President	Cheng, Chen-Yu	0	0%
	Director	YUAN QING INVESTMENT CO., LTD., Ou Jia Si Ta Investment Co.,Ltd., HENG LANG Co., Ltd., Hygica Biotech Ltd.		
	Independent Director	Chen, Yi-Fen; Lu, Ta-Jung; Chuang, Che-Jen		
Activus Pharma Co.,Ltd.	Representative Director	Cheng, Chen-Yu	1,942	99.23%
	Director	Li, Chien-Hung; Lin, Jinn-Yuan; Erick Co		
	Supervisor	Lo,Yu-Chen		

5. Operation Overview of Each Affiliated Enterprise:

December 31, 2024 Unit: NTD Thousand

Enterprise Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating revenue	Operating profit (loss)	Net Income (After Tax)
Activus Pharma Co.,Ltd.	24,795	108,856	21	108,835	0	(299)	10,649

(2) Consolidated Financial Statements of Affiliated Companies: For relevant information, please refer to the financial reports on the Market Observation Post System (MOPS) at <http://mops.twse.com.tw>.

(3) Relationship Report: For relevant information, please refer to the relationship report on the Market Observation Post System (MOPS) at <http://mops.twse.com.tw>.

2. Status of Private Placement of Securities in the Most Recent Year and up to the Printing Date of the Annual Report: None

3. Other Necessary Supplementary Information: None.

VII. Any Events in the Most Recent Year and up to the Printing Date of the Annual Report that Had Significant Impacts on Shareholders' Equity or Securities Prices as Stated in Item 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.

Formosa Pharmaceuticals, Inc.



Chairman: Cheng, Chen-Yu



Formosa Pharmaceuticals, Inc.

8F-6, No. 57, Fuxing North Road, Songshan District, Taipei

TEL: (02) 2755-7659 FAX: (02)2755-3023