

Stock code : 6838



# 2025

General Shareholders' Meeting Handbook

9:00 am, Tuesday, May 27, 2025

Location: Primasia Conference & Business Center (15F, Conference Room CC, No. 99, Fuxing North Road, Taipei City)

**Formosa Pharmaceuticals, Inc.**  
**2025 Annual General Shareholders' Meeting Handbook**

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**Formosa Pharmaceuticals, Inc.**  
**2025 Annual General Shareholders' Meeting**  
**I. Meeting Procedure**

1. Call the Meeting to Order
2. Chairman's Address
3. Matters for Report
4. Matters for Ratification
5. Matters for Discussion
6. Ad Hoc Motions
7. Adjournment

**Formosa Pharmaceuticals, Inc.**  
**2025 Annual General Shareholders' Meeting**

**II. Meeting Agenda**

1. Time: 9:00 am, Tuesday, May 27, 2025
2. Location: Primasia Conference & Business Center (15F, Conference Room CC, No. 99, Fuxing North Road, Taipei City)
3. Method of Convening the Shareholders' Meeting: Physical Shareholders' Meeting
4. Call the Meeting to Order (Reporting the Number of Shares in Attendance)
5. Chairman's Address
6. Reports
  1. The Company's 2024 Business Report.
  2. The Company's 2024 Audit Committee's Review Report.
  3. The Company's 2024 Directors' Remuneration Report.
  4. The Company's 2024 Report on Execution of Related Party Transaction Contracts.
7. Matters for Ratification
  1. The Company's 2024 Financial Statements and Business Report.
  2. The Company's 2024 Deficit Compensation Proposal.
8. Matters for Discussion
  1. Amendment to the Company's "Articles of Association".
  2. Proposal to Release the Non-Compete Restrictions on the Company's Directors (including Independent Directors).
9. Ad Hoc Motions
10. Adjournment

## 1. Matters for Report

### Proposal 1:

Subject: The Company's 2024 business report, for your review.

Description: For the 2024 business report, please refer to pages 6-8 [Attachment 1] in this handbook.

### Proposal 2:

Subject: The Company's 2024 Audit Committee's Review Report, for your review.

Description: For the 2024 Audit Committee's Review Report, please refer to page 9 [Attachment 2] in this handbook.

### Proposal 3:

Subject: The Company's 2024 Directors' Remuneration Report, for your review.

Description: (1) The payment policy, system, standards, and structure of compensation for the Company's general directors and independent directors, and the explanation of the relationship between the amount of remuneration and the factors such as the responsibilities and risks they bear are as follows:

1. According to the Company's "Articles of Association," if the Company is profitable for the year, the Board of Directors shall resolve to appropriate no more than 2% as directors' compensation.

2. According to the Company's "Regulations on Compensation and Remuneration for Directors and Managers' ," directors shall receive an attendance fee of NT\$6,000 per meeting when performing duties for the Company at Board meetings. For the Company's independent directors, when performing duties for the Company, regardless of the Company's operating profit or loss, regardless of the Company's profitability, a monthly compensation of NT\$50,000 is paid. Additionally, when attending multiple meetings including Board meetings on the same day, an attendance fee of NT\$6,000 per meeting is paid.

(2) For details of 2024 individual directors' remuneration of the Company, please refer to page 10 [Attachment 3] of this handbook.

### Proposal 4:

Subject: The Company's 2024 report on the execution of related party transaction contracts, for your review.

Description: For the Company's 2024 report on the execution of related party transaction contracts, please refer to page 11 [Attachment 4] of this handbook.

## 2. Matters for Ratification

Proposal 1 (Proposed by the Board of Directors)

Subject: The Company's 2024 financial statements and business report are submitted for ratification.

Description: (1) The Company's 2024 consolidated and individual financial statements have been audited by CPAs Yen, Yu-Fang and Teng, Sheng-Wei of PricewaterhouseCoopers, who have issued an unqualified audit report.

(2) The aforementioned financial statements, business report, and other final account books have been approved by the Company's Audit Committee and the Board of Directors.

(3) The auditor's report and various financial statements are attached. Please refer to pages 12-31 [Attachment 5] of this handbook. Please refer to pages 6-8 [Attachment 1] of this handbook for the "Business Report". Please refer to page 9 [Attachment 2] of this handbook for the "Audit Committee's Review Report".

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Subject: To acknowledge the Company's 2024 Deficit Compensation Proposal.

Description: (1) According to the financial statements audited by the CPA, the Company's 2024 net loss after tax was NT\$201,013,936. After adding the beginning accumulated deficit, the accumulated deficit to be offset is NT\$2,152,937,143, which has reached one-half of the paid-in capital. The Deficit Compensation is detailed in the table below:

Formosa Pharmaceuticals, Inc.  
2024 Deficit Compensation Statement

Unit: NT\$

Beginning Accumulated Deficit	(1,951,923,207)
Plus: Current period after-tax loss	( 201,013,936)
Less: Appropriation of legal reserve	<u>0</u>
Ending Accumulated Deficit	<u>(2,152,937,143)</u>

Chairman: Cheng,Chen-Yu

President: Erick Co

Principal accounting officer: Tsao, Nai-Hsien

(2) No distribution in accordance with the Company's Articles of Association.

Resolution:

### 3. Matters for Discussion

Proposal 1 (Proposed by the Board of Directors)

Subject: Amendment to the Company's "Articles of Association", submitted for discussion.

Description: (1) According to Article 14, Paragraph 6 of the Securities and Exchange Act, the Articles of Association shall specify that a certain percentage of the annual profit shall be allocated for "base-level employees" salary adjustments or distribution of remuneration.

(2) According to the Financial Supervisory Commission Letter No. 1130385442 dated November 8, 2024, the term "base-level employees" refers to those who are not managers and whose salary level is lower than a "certain amount." This "certain amount" shall not be lower than the salary level of base-level employees as defined in the "Regulations Governing Additional Deduction of Small and Medium Enterprises' Salary Expenses for Employee Wage Increases," and such salary level shall be in accordance with the announcements of relevant competent authorities.

(3) For the comparison table of the "Articles of Association" before and after amendment, please refer to [Attachment Six] on pages 32-34 of this handbook.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Subject: Proposal to Release the Non-Compete Restrictions on the Company's Directors (including Independent Directors)., submitted for discussion.

Description: (1) According to Article 209 of the Company Act, "A director who acts for himself/herself or on behalf of another person in matters within the scope of the company's business shall explain to the shareholders' meeting the essential contents of such acts and obtain its approval. To accommodate actual business needs, without harming the interests of the Company, it is proposed to request the shareholders' meeting to approve the release of non-competition restrictions for the Company's directors.

(2) List of Directors (Including Independent Directors) released from Non-Competition Restrictions, please refer to [Attachment 7] on page 35 of this handbook.

Resolution:

4. Ad Hoc Motions

5. Adjournment

# Formosa Pharmaceuticals, Inc.

## 2025 Annual General Shareholders' Meeting

### III. Attachments

#### 1. The Company's 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 (ADC). Meanwhile, we continue to refine and deepen the APNT<sup>®</sup> nanoparticle formulation platform and apply this technology to the research and development of different dosage forms of drugs.

In March 2024, our company 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 Eynovia, 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 Eynovia, 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, our 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, our 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 Eyenovia, 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<sup>®</sup> 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 our 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

## 2. The Company's 2024 Audit Committee Review Report

### **Audit Committee Review Report**

The Board of Directors has submitted the Company's 2024 Business Report, Financial Statements (including Individual and Consolidated Financial Statements), and Deficit Compensation Proposal. The Financial Statements (including Individual and Consolidated Financial Statements) have been audited by CPAs Yen, Yu-Fang and Teng, Sheng-Wei of PricewaterhouseCoopers Taiwan, who have issued their audit reports. The above-mentioned documents have been reviewed by the Audit Committee and found to be in order. This report is hereby submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your examination and approval.

To:

Formosa Pharmaceuticals, Inc.

2025 Annual General Shareholders' Meeting

Audit Committee Convener: Su, Yu-Hui

March 11, 2025

3. List of Individual Directors' Compensation of the Company for 2024

List of 2024 Individual Directors' Compensation

Unit: NT\$ thousand

Title	Name	Director's Remuneration								Total of A, B, C, and D and their ratio to after-tax net profit		Compensation Received for Concurrent Employee Positions								Total of A, B, C, D, E, F, and G and their ratio to after-tax net profit		Remuneration Received from Invested Companies Other Than Subsidiaries or Parent Company
		Remuneration (A)		Pension upon Retirement (B)		Director Remuneration (C)		Business Execution Expenses (D)				Salary, Bonuses, and Special Allowances, etc. (E)		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		The Company	All Companies in the Financial Report	
														Cash Amount	Stock Amount	Cash Amount	Stock Amount					
General Director	Formosa Laboratories, Inc. Representative: Cheng,Chen-Yu	—	—	—	—	—	—	48	48	48 (0.02)	48 (0.02)	—	—	—	—	—	—	—	—	48 (0.02)	48 (0.02)	9,619
	Formosa Laboratories, Inc. Representative: Huang, Weng- Foung	—	—	—	—	—	—	48	48	48 (0.02)	48 (0.02)	—	—	—	—	—	—	—	—	48 (0.02)	48 (0.02)	600
	Ma, Hai-Yi	—	—	—	—	—	—	42	42	42 (0.02)	42 (0.02)	—	—	—	—	—	—	—	—	42 (0.02)	42 (0.02)	—
	Chang, Hung- Jen	—	—	—	—	—	—	30	30	30 (0.01)	30 (0.01)	—	—	—	—	—	—	—	—	30 (0.01)	30 (0.01)	—
	CDIB Capital Healthcare Ventures II Limited Partnership Representative: Kung, Te-Chun	—	—	—	—	—	—	18	18	18 (0.01)	18 (0.01)	—	—	—	—	—	—	—	—	18 (0.01)	18 (0.01)	—
Independent Director	Su, Yu-Hui	600	600	—	—	—	—	60	60	660 (0.33)	660 (0.33)	—	—	—	—	—	—	—	—	660 (0.33)	660 (0.33)	—
	Lo, Li-Chu	600	600	—	—	—	—	42	42	642 (0.32)	642 (0.32)	—	—	—	—	—	—	—	—	642 (0.32)	642 (0.32)	—
	Kang, Chao-Chou	600	600	—	—	—	—	48	48	648 (0.32)	648 (0.32)	—	—	—	—	—	—	—	—	648 (0.32)	648 (0.32)	—

4. The Company's 2024 report on the execution of related party transaction contracts

<b>Trading Counterparty</b>	<b>Trading Conditions and Related Information</b>	<b>2024 Q1</b>	<b>2024 Q2</b>	<b>2024 Q3</b>	<b>2024 Q4</b>	<b>2024</b>
Formosa Laboratories, Inc.	CMO contract (Contract Manufacturing Service) for APP13007	1,365	546	2,639	1,718	6,268
Formosa Laboratories, Inc.	TSY-0110 Contract Development Service	8,621	11,816	190	0	20,627
Formosa Laboratories, Inc.	Rent, utilities (water, electricity, gas) and consumables, etc.	768	788	914	1,173	3,643
Formosa Laboratories, Inc.	Legal and intellectual property management service fees	200	111	338	36	685
EirGenix Inc.	TSY-0110 development expenses	1,657	0	227	2,732	4,616
AimMax	Operating costs (revenue sharing)	15,975	0	139		16,114
AimMax	Quarterly service fees, development milestone payments, and reimbursements	54,782	23,317	21,284	391	99,774

## 5. Auditor's Review Report and 2024 Consolidated and Individual Financial Statements

### INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Formosa Pharmaceuticals Inc.

#### **Opinion**

We have audited the accompanying consolidated balance sheets of Formosa Pharmaceuticals Inc. and its subsidiary (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

#### **Basis for opinion**

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

## **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

### **Key audit matter - Impairment assessment of intangible assets - goodwill**

#### Description

Refer to Note 4(16) for the accounting policies on impairment assessment of non-financial assets, Note 5 for critical judgements adopted in accounting policies on impairment assessment of goodwill and Note 6(7) for account details of intangible assets.

As of December 31, 2024, the balance of the Group's goodwill amounted to NT\$30,544 thousand, which arose from the acquisition of a special technique from the subsidiary, Activus Pharma Co., Ltd. The Group measured the recoverable amount of cash generating unit by discounting the estimated future cash flows of related research and development projects as a basis of impairment valuation. The valuation model adopted in the impairment assessment has an impact in determining the recoverable amount which involves significant accounting estimates and the estimation of future cash flows. Thus, we considered the impairment assessment of goodwill as a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the estimation process of future cash flows and ascertained whether it was in agreement with the budget for the research and

development projects in the future.

2. Performed the following procedures based on the obtained valuation report on goodwill impairment prepared by external experts:
  - (1) Assessed whether the valuation methods adopted were reasonable for the industry, environment and the valued assets of the Group;
  - (2) Compared the expected growth rate and net operating interest rate with historical result, economic and industry forecasts; and
  - (3) Compared the discount rate with cost of capital assumptions of cash generating units and rate of returns of similar assets.
3. Recalculated the recoverable amount of cash-generating units by discounting the estimated future cash flows, and ascertained whether the recoverable amount exceeded its book value.

### **Key audit matter – Impairment assessment of intangible assets - technique skill**

#### Description

Refer to Note 4(16) for the accounting policies on impairment assessment of non-financial assets, Note 5 for the accounting policies on special technique impairment assessment and assumption uncertainty, and Note 6(7) for the details of intangible assets.

As of December 31, 2024, the balance of the Group's technique skill amounted to NT\$310,881 thousand, which was obtained from other companies for the development of a new drug. Since the drug is still under development, no cash inflow can be generated. As of the balance sheet date, the Group determines whether the technique skill is impaired based on external and internal information. The Group would then consider to recognise an impairment loss by comparing the recoverable amount if there is an indication that they are impaired. Since the impairment assessment performed by management involves critical judgement and has significant effect on value-in-use valuation, we considered the impairment assessment of technique skill a key audit matter.

### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Reviewed the information used by the Group management for impairment assessment of technique skill including plan and progress for each development project.
2. Assess the competence and objective of external experts appointed by management
3. Discussed with management and assessed whether:
  - (1) The features, marketing advantages and market tendency of the main products including research and development technology are still competitive.
  - (2) The progress of the major research and development plan has no significant delay.
  - (3) The total market value of the company is higher than the net assets as of the balance sheet date.
  - (4) The fair value of the patent technology, discounted from its projected cash flows, was assessed to be greater than its carrying amount. As a result, no impairment loss was recognized for the patent technology.

### **Other matter – Parent company only financial reports**

We have audited and expressed an unmodified opinion on the separate financial statements of Formosa Pharmaceuticals Inc. as at and for the years ended December 31, 2024 and 2023.

### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of

consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditors' responsibilities for the audit of the consolidated financial statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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Yen, Yu-Fang

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Teng, Sheng-Wei

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 11, 2025

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**FORMOSA PHARMACEUTICALS, INC. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 425,785	20	\$ 384,705	23
1136	Financial assets at amortised cost - current	6(2)	1,220,000	58	831,410	48
1200	Other receivables		37,426	2	32,138	2
1220	Current tax assets		2,977	-	1,090	-
130X	Current inventories		2,893	-	-	-
1410	Prepayments	6(3) and 7	38,191	2	38,552	2
1470	Other current assets		518	-	435	-
11XX	<b>Total current assets</b>		<u>1,727,790</u>	<u>82</u>	<u>1,288,330</u>	<u>75</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non-current	6(4)	5,151	-	27,260	1
1600	Property, plant and equipment	6(5)	4,458	-	4,753	-
1755	Right-of-use assets	6(6) and 7	25,428	1	29,602	2
1780	Intangible assets	6(7)	342,391	16	376,183	22
1900	Other non-current assets		7,054	1	653	-
15XX	<b>Total non-current assets</b>		<u>384,482</u>	<u>18</u>	<u>438,451</u>	<u>25</u>
1XXX	<b>Total assets</b>		<u>\$ 2,112,272</u>	<u>100</u>	<u>\$ 1,726,781</u>	<u>100</u>
<b>Liabilities and Equity</b>						
<b>Current liabilities</b>						
2130	Contract liabilities - current	6(17)	\$ 4,507	-	\$ 71,334	4
2200	Other payables	6(8)	181,007	9	104,010	6
2220	Other payables to related parties	7	6,750	1	6,991	1
2280	Current lease liabilities		5,497	-	5,501	-
2300	Other current liabilities	6(11)(25)	190	-	70,143	4
21XX	<b>Total current liabilities</b>		<u>197,951</u>	<u>10</u>	<u>257,979</u>	<u>15</u>
<b>Non-current liabilities</b>						
2520	Financial liabilities at amortised cost - non-current	6(9) and 7	65,570	3	61,410	4
2527	Contract liabilities - non-current	6(17)	23,479	1	1,662	-
2570	Deferred tax liabilities		3,951	-	4,445	-
2580	Non-current lease liabilities		20,304	1	24,287	1
2600	Net defined benefit liability - non-current	6(7)(11)(25) and 7	252,445	12	236,428	14
25XX	<b>Total non-current liabilities</b>		<u>365,749</u>	<u>17</u>	<u>328,232</u>	<u>19</u>
2XXX	<b>Total liabilities</b>		<u>563,700</u>	<u>27</u>	<u>586,211</u>	<u>34</u>
<b>Equity</b>						
Share capital						
3110	Common stock	6(13)	1,509,771	71	1,341,421	78
3200	Capital surplus	6(14)	2,278,738	108	1,780,438	103
3350	Accumulated deficit	6(15)	( 2,152,937)	( 102)	( 1,951,923)	( 113)
3400	Other equity interest	6(16)	( 87,594)	( 4)	( 29,907)	( 2)
31XX	<b>Equity attributable to owners of parent</b>		<u>1,547,978</u>	<u>73</u>	<u>1,140,029</u>	<u>66</u>
36XX	<b>Non-controlling interests</b>		<u>594</u>	<u>-</u>	<u>541</u>	<u>-</u>
3XXX	<b>Total equity</b>		<u>1,548,572</u>	<u>73</u>	<u>1,140,570</u>	<u>66</u>
3X2X	<b>Total liabilities and equity</b>		<u>\$ 2,112,272</u>	<u>100</u>	<u>\$ 1,726,781</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

**FORMOSA PHARMACEUTICALS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

				Year ended December 31			
				2024		2023	
Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17)	\$ 143,356	100	\$ 31,172	100	
5000	Operating costs		( 24,366)	( 17)	( 3,825)	( 12)	
5900	Net operating margin		118,990	83	27,347	88	
Operating expenses		6(22) and 7					
6100	Selling expenses		( 4,953)	( 3)	-	-	
6200	General and administrative expenses		( 55,847)	( 39)	( 40,202)	( 129)	
6300	Research and development expenses		( 225,998)	( 158)	( 270,181)	( 867)	
6450	Impairment loss determined in accordance with IFRS 9	12(2)	( 7,821)	( 5)	-	-	
6000	Total operating expenses		( 294,619)	( 205)	( 310,383)	( 996)	
6900	Operating loss		( 175,629)	( 122)	( 283,036)	( 908)	
Non-operating income and expenses							
7100	Interest income	6(18)	21,181	15	12,424	40	
7010	Other income		1,055	1	124	-	
7020	Other gains and losses	6(19)	( 25,612)	( 18)	( 25,269)	( 81)	
7050	Finance costs	6(6)(20)	( 569)	( 1)	( 4,308)	( 14)	
7000	Total non-operating income and expenses		( 3,945)	( 3)	( 17,029)	( 55)	
7900	<b>Loss before income tax</b>		( 179,574)	( 125)	( 300,065)	( 963)	
7950	Income tax expense	6(23)	( 21,359)	( 15)	( 21,862)	( 70)	
8200	<b>Loss for the year</b>		( \$ 200,933)	( 140)	( \$ 321,927)	( 1033)	
<b>Other comprehensive loss</b>							
<b>Components of other comprehensive loss that will not be reclassified to profit or loss</b>							
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(16)	( \$ 54,109)	( 38)	( \$ 4,640)	( 15)	
<b>Components of other comprehensive loss that will be reclassified to profit or loss</b>							
8361	Financial statements translation differences of foreign operations		( 3,606)	( 2)	( 7,184)	( 23)	
8300	<b>Other comprehensive loss for the year, net of tax</b>		( \$ 57,715)	( 40)	( \$ 11,824)	( 38)	
8500	<b>Total comprehensive loss for the year</b>		( \$ 258,648)	( 180)	( \$ 333,751)	( 1071)	
Loss attributable to:							
8610	Owners of the parent		( \$ 201,014)	( 140)	( \$ 321,956)	( 1033)	
8620	Non-controlling interests		81	-	29	-	
			( \$ 200,933)	( 140)	( \$ 321,927)	( 1033)	
Comprehensive loss attributable to:							
8710	Owners of the parent		( \$ 258,701)	( 180)	( \$ 333,726)	( 1071)	
8720	Non-controlling interests		53	-	( 25)	-	
			( \$ 258,648)	( 180)	( \$ 333,751)	( 1071)	
Loss per share (in dollars)		6(24)					
9750	Basic loss per share		( \$ 1.43)		( \$ 2.59)		
9850	Diluted loss per share		( \$ 1.43)		( \$ 2.59)		

The accompanying notes are an integral part of these consolidated financial statements.

**FORMOSA PHARMACEUTICALS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent										
Notes	Capital Reserves					Other Equity Interest		Total	Non-controlling interests	Amount
	Common stock	Additional paid-in capital	Capital surplus, employee share options	Others	Accumulated deficit	Financial statements translation differences of foreign operations	Unrealised losses from financial assets measured at fair value through other comprehensive income			
<b>Year ended December 31, 2023</b>										
	\$ 1,136,421	\$ 975,720	\$ 2,587	\$ 208	(\$ 1,629,967 )	(\$ 18,137 )	\$ -	\$ 466,832	\$ 566	\$ 467,398
	-	-	-	-	( 321,956 )	-	-	( 321,956 )	29	( 321,927 )
	-	-	-	-	-	( 7,130 )	( 4,640 )	( 11,770 )	( 54 )	( 11,824 )
	-	-	-	-	( 321,956 )	( 7,130 )	( 4,640 )	( 333,726 )	( 25 )	( 333,751 )
Issuance of common shares for cash 6(13)	205,000	799,500	-	-	-	-	-	1,004,500	-	1,004,500
Employee stock options compensation 6(12) cost	-	-	2,423	-	-	-	-	2,423	-	2,423
Balance at December 31, 2023	<u>\$ 1,341,421</u>	<u>\$ 1,775,220</u>	<u>\$ 5,010</u>	<u>\$ 208</u>	<u>(\$ 1,951,923 )</u>	<u>(\$ 25,267 )</u>	<u>(\$ 4,640 )</u>	<u>\$ 1,140,029</u>	<u>\$ 541</u>	<u>\$ 1,140,570</u>
<b>Year ended December 31, 2024</b>										
	\$ 1,341,421	\$ 1,775,220	\$ 5,010	\$ 208	(\$ 1,951,923 )	(\$ 25,267 )	(\$ 4,640 )	\$ 1,140,029	\$ 541	\$ 1,140,570
	-	-	-	-	( 201,014 )	-	-	( 201,014 )	81	( 200,933 )
	-	-	-	-	-	( 3,578 )	( 54,109 )	( 57,687 )	( 28 )	( 57,715 )
	-	-	-	-	( 201,014 )	( 3,578 )	( 54,109 )	( 258,701 )	53	( 258,648 )
Employee stock options compensation 6(12) cost	-	-	36,201	-	-	-	-	36,201	-	36,201
Expiration of employee stock options	-	-	( 22,156 )	22,156	-	-	-	-	-	-
Issuance of common shares for cash 6(13)	168,000	473,743	( 12,664 )	-	-	-	-	629,079	-	629,079
Employee share options exercised 6(12)	350	1,524	( 504 )	-	-	-	-	1,370	-	1,370
Balance at December 31, 2024	<u>\$ 1,509,771</u>	<u>\$ 2,250,487</u>	<u>\$ 5,887</u>	<u>\$ 22,364</u>	<u>(\$ 2,152,937 )</u>	<u>(\$ 28,845 )</u>	<u>(\$ 58,749 )</u>	<u>\$ 1,547,978</u>	<u>\$ 594</u>	<u>\$ 1,548,572</u>

The accompanying notes are an integral part of these consolidated financial statements.

**FORMOSA PHARMACEUTICALS, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(\$ 179,574 )	(\$ 300,065 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(6)(21)	7,533	5,955
Amortisation	6(7)(21)	34,746	34,583
Expected credit impairment loss		7,821	-
Interest expense	6(20)	569	4,308
Interest income	6(18)	( 21,181 )	( 12,424 )
Compensation cost of share-based payment	6(12)	36,201	2,423
Loss from measurement of contingent consideration	6(19)(25)	6,961	34,529
Gains arising from lease modifications	6(19)	( 1 )	-
Changes in assets and liabilities			
Changes in operating assets			
Accounts receivable		( 7,821 )	-
Other receivables		( 4,735 )	( 31,448 )
Inventories		( 2,893 )	-
Prepayments		360	( 3,291 )
Other current assets		( 83 )	( 303 )
Changes in operating liabilities			
Contract liabilities		( 77,010 )	41,096
Other payables		53,393	24,523
Other payables – related parties		( 241 )	( 2,782 )
Other current liabilities		( 23 )	71
Cash outflow generated from operations		( 145,978 )	( 202,825 )
Receipt of interest		18,741	10,677
Payment of interest		( 569 )	( 763 )
Payment of income tax		( 876 )	( 3,127 )
Net cash flows used in operating activities		( 128,682 )	( 196,038 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of financial assets at amortised cost - current	6(2)	( 1,384,779 )	( 832,732 )
Proceeds from disposal of financial assets at amortised cost - current	6(2)	997,511	158,750
Acquisition of property, plant and equipment	6(25)	( 1,354 )	( 2,170 )
Acquisition of intangible assets	6(7)	( 980 )	( 82 )
Proceeds from acquisition of subsidiaries	6(25)	( 79,289 )	-
Increase in prepayments for equipment		( 5,914 )	-
(Increase) decrease in guarantee deposits paid		( 487 )	20
Net cash flows used in investing activities		( 475,292 )	( 676,214 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities	6(26)	( 6,047 )	( 4,623 )
Issuance of common shares for cash	6(13)	629,079	1,004,500
Employee stock options exercised	6(12)	1,370	-
Net cash flows from financing activities		624,402	999,877
Effect of exchange rate changes on cash and cash equivalents		20,652	( 10,258 )
Net increase in cash and cash equivalents		41,080	117,367
Cash and cash equivalents at beginning of year		384,705	267,338
Cash and cash equivalents at end of year		\$ 425,785	\$ 384,705

The accompanying notes are an integral part of these consolidated financial statements

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Formosa Pharmaceuticals Inc.

### **Opinion**

We have audited the accompanying individual balance sheets of Formosa Pharmaceuticals Inc. (the "Company") as at December 31, 2024 and December 31, 2023, and the related individual statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the individual financial statements, including a summary of material accounting policies.

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

### **Basis for opinion**

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

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 individual financial statements. These matters were addressed in the context of our audit of the individual financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 individual financial statements are stated as follows:

### **Key audit matter - Impairment assessment of intangible assets - goodwill**

#### Description

Refer to Note 4(16) for the accounting policies on impairment assessment of non-financial assets, Note 5 for critical judgements adopted in accounting policies on impairment assessment of goodwill and Note 6(7) for account details of intangible assets.

As of December 31, 2024, the balance of the Company's goodwill amounted to NT\$30,544 thousand, which arose from the acquisition of a special technique from the subsidiary, Activus Pharma Co., Ltd. The Company measured the recoverable amount of cash generating unit by discounting the estimated future cash flows of related research and development projects as a basis of impairment valuation. The valuation model adopted in the impairment assessment has an impact in determining the recoverable amount which involves significant accounting estimates and the estimation of future cash flows. Thus, we considered the impairment assessment of goodwill as a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the estimation process of future cash flows and ascertained whether it was in agreement with the budget for the research and development projects in the future.
2. Assess the competence and objective of external experts appointed by management

3. Performed the following procedures based on the obtained valuation report on goodwill impairment prepared by external experts:
  - (1) Assessed whether the valuation methods adopted were reasonable for the industry, environment and the valued assets of the Company;
  - (2) Compared the expected growth rate and net operating interest rate with historical result, economic and industry forecasts; and
  - (3) Compared the discount rate with cost of capital assumptions of cash generating units and rate of returns of similar assets.
4. Recalculated the recoverable amount of cash-generating units by discounting the estimated future cash flows, and ascertained whether the recoverable amount exceeded its book value.

### **Key audit matter – Impairment assessment of intangible assets - technique skill**

#### Description

Refer to Note 4(16) for the accounting policies on impairment assessment of non-financial assets, Note 5 for the accounting policies on special technique impairment assessment and assumption uncertainty, and Note 6(8) for the details of intangible assets.

As of December 31, 2024, the balance of the Company's technique skill amounted to NT\$310,203 thousand, which was obtained from other companies for the development of a new drug. Since the drug is still under development, no cash inflow can be generated. As of the balance sheet date, the Company determines whether the technique skill is impaired based on external and internal information. The Company would then consider to recognise an impairment loss by comparing the recoverable amount if there is an indication that they are impaired. Since the impairment assessment performed by management involves critical judgement and has significant effect on value-in-use valuation, we considered the impairment assessment of technique skill a key audit matter.

### How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Reviewed the information used by the Group management for impairment assessment of technique skill including plan and progress for each development project.
2. Assess the competence and objective of external experts appointed by management
3. Discussed with management and assessed whether:
  - (1) The features, marketing advantages and market tendency of the main products including research and development technology are still competitive.
  - (2) The progress of the major research and development plan has no significant delay.
  - (3) The total market value of the company is higher than the net assets as of the balance sheet date.
  - (4) The fair value of the patent technology, discounted from its projected cash flows, was assessed to be greater than its carrying amount. As a result, no impairment loss was recognized for the patent technology.

### **Responsibilities of management and those charged with governance for the individual financial statements**

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

### **Auditors' responsibilities for the audit of the individual financial statements**

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

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

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

accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the individual financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter

or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Yen, Yu-Fang

Teng, Sheng-Wei

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 11, 2025

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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**FORMOSA PHARMACEUTICALS, INC.**  
**INDIVIDUAL BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
	<b>Current assets</b>					
1100	Cash and cash equivalents	6(1)	\$ 423,204	19	\$ 384,694	21
1136	Financial assets at amortised cost - current	6(2)	1,220,000	55	831,410	46
1200	Other receivables		37,426	2	32,138	2
1210	Other receivable-related parties	7	-	-	3,039	-
1220	Current tax assets		2,977	-	1,090	-
130X	Current inventories		2,893	-	-	-
1410	Prepayments	6(3) and 7	38,170	2	38,514	2
1470	Other current assets		518	-	435	-
11XX	<b>Total current assets</b>		<u>1,725,188</u>	<u>78</u>	<u>1,291,320</u>	<u>71</u>
	<b>Non-current assets</b>					
1517	Financial assets at fair value through other comprehensive income - non-current	6(4)	5,151	-	27,260	1
1550	Investments using the equity method	6(5)	108,918	5	102,007	6
1600	Property, plant and equipment	6(6)	4,458	-	4,753	-
1755	Right-of-use assets	6(7)	25,428	1	29,602	2
1780	Intangible assets	6(8)	341,713	16	375,400	20
1900	Other non-current assets		7,054	-	653	-
15XX	<b>Total non-current assets</b>		<u>492,722</u>	<u>22</u>	<u>539,675</u>	<u>29</u>
1XXX	<b>Total assets</b>		<u>\$ 2,217,910</u>	<u>100</u>	<u>\$ 1,830,995</u>	<u>100</u>
	<b>Liabilities and Equity</b>					
	<b>Current liabilities</b>					
2130	Contract liabilities - current	6(18)	\$ 4,507	-	\$ 71,334	4
2200	Other payables	6(9)	182,327	8	104,368	6
2220	Other payables to related parties	7	6,750	1	6,991	1
2280	Current lease liabilities		5,497	-	5,501	-
2300	Other current liabilities	6(12)(26)	85,431	4	131,553	7
21XX	<b>Total current liabilities</b>		<u>284,512</u>	<u>13</u>	<u>319,747</u>	<u>18</u>
	<b>Non-current liabilities</b>					
2520	Financial liabilities at amortised cost - non-current	6(10) and 7	65,570	3	61,410	4
2527	Contract liabilities - non-current	6(18)	23,479	1	1,662	-
2570	Deferred tax liabilities	6(24)	3,951	-	4,445	-
2580	Non-current lease liabilities		20,304	1	24,287	1
2600	Net defined benefit liability - non-current	6(8)(12)(26) and 7	272,116	12	279,415	15
25XX	<b>Total non-current liabilities</b>		<u>385,420</u>	<u>17</u>	<u>371,219</u>	<u>20</u>
2XXX	<b>Total liabilities</b>		<u>669,932</u>	<u>30</u>	<u>690,966</u>	<u>38</u>
	<b>Equity</b>					
	Share capital	6(14)				
3110	Common stock		1,509,771	68	1,341,421	73
	Capital surplus	6(15)				
3200	Capital surplus		2,278,738	103	1,780,438	97
	Accumulated deficit	6(16)				
3350	Accumulated deficit		( 2,152,937)	( 97)	( 1,951,923)	( 107)
	Other equity interest	6(17)				
3400	Other equity interest		( 87,594)	( 4)	( 29,907)	( 1)
3XXX	<b>Total equity</b>		<u>1,547,978</u>	<u>70</u>	<u>1,140,029</u>	<u>62</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 2,217,910</u>	<u>100</u>	<u>\$ 1,830,995</u>	<u>100</u>

The accompanying notes are an integral part of these individual financial statements.

**FORMOSA PHARMACEUTICALS, INC.**  
**INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

	Items	Notes	Year ended December 31			
			2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18)	\$ 143,356	100	\$ 31,172	100
5000	Operating costs		( 24,366)	( 17)	( 3,825)	( 12)
5900	Net operating margin		118,990	83	27,347	88
	Operating expenses	6(22)(23) and 7				
6100	Selling expenses		( 4,953)	( 4)	-	-
6200	General and administrative expenses		( 55,847)	( 39)	( 40,202)	( 129)
6300	Research and development expenses		( 225,620)	( 157)	( 267,025)	( 857)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	( 7,821)	( 5)	-	-
6000	Total operating expenses		( 294,241)	( 205)	( 307,227)	( 986)
6900	Operating loss		( 175,251)	( 122)	( 279,880)	( 898)
	Non-operating income and expenses					
7100	Interest income	6(19) and 7	21,235	15	12,424	40
7010	Other income		1,055	1	124	1
7020	Other gains and losses	6(20)	( 37,329)	( 26)	( 32,365)	( 104)
7050	Finance costs	6(7)(21)(26)	( 569)	( 1)	( 4,252)	( 14)
7070	Share of profit or loss of associates and joint ventures accounted for using equity method	6(5)	10,489	7	3,788	12
7000	Total non-operating income and expenses		( 5,119)	( 4)	( 20,281)	( 65)
7900	<b>Loss before income tax</b>		( 180,370)	( 126)	( 300,161)	( 963)
7950	Income tax expense	6(24)	( 20,644)	( 14)	( 21,795)	( 70)
8200	<b>Loss for the year</b>		( \$ 201,014)	( 140)	( \$ 321,956)	( 1033)
	<b>Other comprehensive loss</b>					
	<b>Components of other comprehensive loss that will not be reclassified to profit or loss</b>					
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(4)(17)	( \$ 54,109)	( 38)	( \$ 4,640)	( 15)
	<b>Components of other comprehensive loss that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations		( 3,578)	( 2)	( 7,130)	( 23)
8300	<b>Other comprehensive loss for the year, net of tax</b>		( \$ 57,687)	( 40)	( \$ 11,770)	( 38)
8500	<b>Total comprehensive loss for the year</b>		( \$ 258,701)	( 180)	( \$ 333,726)	( 1071)
	Loss per share (in dollars)	6(25)				
9750	Basic loss per share		( \$ 1.43)		( \$ 2.59)	
9850	Diluted loss per share		( \$ 1.43)		( \$ 2.59)	

The accompanying notes are an integral part of these individual financial statements.

FORMOSA PHARMACEUTICALS, INC.  
INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital Reserves				Other Equity Interest			Total equity
		Common stock	Additional paid-in capital	Capital surplus, employee share options	Others	Accumulated deficit	Financial statements translation differences of foreign operations	Unrealised losses from financial assets measured at fair value through other comprehensive income	
<b>Year ended December 31, 2023</b>									
Balance at January 1, 2023		\$ 1,136,421	\$ 975,720	\$ 2,587	\$ 208	(\$ 1,629,967)	(\$ 18,137)	\$ -	\$ 466,832
Loss for the year		-	-	-	-	( 321,956)	-	-	( 321,956)
Other comprehensive loss for the year		-	-	-	-	-	( 7,130)	( 4,640)	( 11,770)
Total comprehensive loss		-	-	-	-	( 321,956)	( 7,130)	( 4,640)	( 333,726)
Issuance of common shares for cash	6(14)	205,000	799,500	-	-	-	-	-	1,004,500
Employee stock options compensation cost	6(13)	-	-	2,423	-	-	-	-	2,423
Balance at December 31, 2023		<u>\$ 1,341,421</u>	<u>\$ 1,775,220</u>	<u>\$ 5,010</u>	<u>\$ 208</u>	<u>(\$ 1,951,923)</u>	<u>(\$ 25,267)</u>	<u>(\$ 4,640)</u>	<u>\$ 1,140,029</u>
<b>Year ended December 31, 2024</b>									
Balance at January 1, 2024		\$ 1,341,421	\$ 1,775,220	\$ 5,010	\$ 208	(\$ 1,951,923)	(\$ 25,267)	(\$ 4,640)	\$ 1,140,029
Loss for the year		-	-	-	-	( 201,014)	-	-	( 201,014)
Other comprehensive loss for the year		-	-	-	-	-	( 3,578)	( 54,109)	( 57,687)
Total comprehensive loss		-	-	-	-	( 201,014)	( 3,578)	( 54,109)	( 258,701)
Employee stock options compensation cost	6(13)	-	-	36,201	-	-	-	-	36,201
Expiration of employee stock options		-	-	( 22,156)	22,156	-	-	-	-
Issuance of common shares for cash	6(14)	168,000	473,743	( 12,664)	-	-	-	-	629,079
Employee share options exercised	6(13)	350	1,524	( 504)	-	-	-	-	1,370
Balance at December 31, 2024		<u>\$ 1,509,771</u>	<u>\$ 2,250,487</u>	<u>\$ 5,887</u>	<u>\$ 22,364</u>	<u>(\$ 2,152,937)</u>	<u>(\$ 28,845)</u>	<u>(\$ 58,749)</u>	<u>\$ 1,547,978</u>

The accompanying notes are an integral part of these individual financial statements.

FORMOSA PHARMACEUTICALS, INC.  
INDIVIDUAL STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Loss before tax		( \$ 180,370 )	( \$ 300,161 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(22)	7,533	5,955
Amortisation	6(8)(22)	34,667	34,499
Expected credit impairment loss	12(2)	7,821	-
Interest expense	6(21)	569	4,252
Interest income	6(19)	( 21,235 )	( 12,424 )
Compensation cost of share-based payment	6(13)	36,201	2,423
Share of profit of associates accounted for using equity method	6(5)	( 10,489 )	( 3,788 )
Loss from measurement of contingent consideration	6(20)(26)	6,961	34,529
Gains arising from lease modifications	6(20)	( 1 )	-
Changes in assets and liabilities			
Changes in operating assets			
Accounts receivable		( 7,821 )	-
Inventories		( 2,893 )	
Other receivables		( 4,735 )	( 31,448 )
Other receivables-related parties		3,039	( 3,039 )
Prepayments		344	( 3,286 )
Other current assets		( 83 )	( 303 )
Changes in operating liabilities			
Contract liabilities		( 77,010 )	41,096
Other payables		53,016	24,300
Other payables – related parties		( 241 )	( 2,783 )
Other current liabilities		( 23 )	71
Cash outflow generated from operations		( 154,750 )	( 210,107 )
Receipt of interest		18,795	10,677
Payment of interest		( 569 )	( 707 )
Payment of income tax		( 161 )	( 3,060 )
Net cash flows used in operating activities		( 136,685 )	( 203,197 )
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at amortised cost - current	6(2)	( 1,384,779 )	( 832,732 )
Proceeds from disposal of financial assets at amortised cost - current	6(2)	997,511	158,750
Acquisition of property, plant and equipment	6(26)	( 1,354 )	( 2,170 )
Acquisition of intangible assets	6(8)	( 980 )	( 82 )
(Increase) decrease in guarantee deposits paid		( 487 )	20
Proceeds from acquisition of subsidiaries	6(26)	( 79,289 )	-
Increase in prepayments for equipment		( 5,914 )	-
Net cash flows used in investing activities		( 475,292 )	( 676,214 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Repayment of lease liabilities	6(27)	( 6,047 )	( 4,623 )
Issuance of common shares for cash	6(14)	629,079	1,004,500
Employee stock options exercised	6(13)	1,370	-
Net cash flows from financing activities		624,402	999,877
Effect of exchange rate changes on cash and cash equivalents		26,085	( 2,762 )
Net increase in cash and cash equivalents		38,510	117,704
Cash and cash equivalents at beginning of year		384,694	266,990
Cash and cash equivalents at end of year		\$ 423,204	\$ 384,694

The accompanying notes are an integral part of these individual financial statements.

6. Comparison Table of Articles of Association Before and After Amendment

Formosa Pharmaceuticals, Inc.

Comparison Table of Articles of Association Before and After Amendment

Amended Articles	Current Articles	Description
<p>Article 5</p> <p>The total authorized capital of the Company is NT\$2 billion, divided into 200 million shares, with a par value of NT\$10 per share. Among these, 30 million shares are reserved for the exercise of employee stock options, special shares with warrants, or corporate bonds with warrants. The Board of Directors is authorized to issue the shares in installments.</p> <p>In accordance with Article 267 of the Company Act, the employees eligible to subscribe for new shares issued by the Company, to receive employee stock options, restricted employee shares, and treasury shares transferred to employees may include employees of controlled or subsidiary companies who meet certain conditions.</p>	<p>Article 5</p> <p>The total authorized capital of the Company is NT\$2 billion, divided into 200 million shares, with a par value of NT\$10 per share. Among these, 30 million shares are reserved for the exercise of employee stock options, special shares with warrants, or corporate bonds with warrants. The Board of Directors is authorized to issue the shares in installments.</p> <p>In accordance with Article 267 of the Company Act, the employees eligible to subscribe for new shares issued by the Company, to receive employee stock options, restricted employee shares, and treasury shares transferred to employees may include employees of controlled or subsidiary companies who meet certain conditions.</p> <p><u>In accordance with Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the Company may, with the attendance of shareholders representing more than half of the total issued shares and the approval of more than two-thirds of the voting rights of the</u></p>	<p>The Company's stocks are already listed. Matters regarding the offering and issuance of securities will be handled in accordance with the relevant laws and regulations. To avoid redundancy, these details are hereby deleted.</p>

	<p><u>attending shareholders at the shareholders' meeting, issue employee stock options at a subscription price that is not subject to the restrictions of Article 53 of the same Regulations.</u></p> <p><u>After the Company's shares are listed (or listed on OTC market), the transfer of shares to employees at a price lower than the actual average price of the repurchased shares shall be approved by the most recent shareholders' meeting, with the attendance of shareholders representing more than half of the total issued shares and the approval of more than two-thirds of the voting rights of the attending shareholders before such transfer.</u></p>	
<p>Article 24</p> <p>If the Company has profits for the year, the Board of Directors shall resolve to allocate no less than five percent as employee compensation (of which no less than five percent of this employee compensation amount shall be allocated to entry-level employees) 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'</p>	<p>Article 24</p> <p>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 shares or cash, and the recipients may include</p>	<p>To comply with legal amendments</p>

<p>meeting. Employee compensation and entry-level employee compensation may be distributed in the form of stocks or cash. The recipients may include employees of controlling or subsidiary companies who meet certain conditions. The distribution method shall be determined by the Board of Directors.</p>	<p>employees of controlling or subsidiary companies who meet certain conditions. The method of distribution shall be determined by the Board of Directors.</p>	
<p>Article 27 Prior to the subsidiary Activus Pharma Co., Ltd. transferring all of its patent rights to the Company, any reduction in the shareholding ratio of the subsidiary Activus Pharma Co., Ltd. must be approved by a resolution of the Company's Board of Directors and submitted to the shareholders' meeting for approval before it can be implemented.</p>		<p>This article is added in accordance with the listing commitment</p>
<p>Article 28 Any matters not provided for in the Articles of Association of Association of the Company shall be handled in accordance with the provisions of the Company Act and other relevant laws.</p>	<p>Article 27 Any matters not provided for in the Articles of Association of Association of the Company shall be handled in accordance with the provisions of the Company Act and other relevant laws.</p>	<p>Article Number Adjustment</p>
<p>Article 29 The Articles of Association of the Company were established on November 22, 2010 upon unanimous agreement of all promoters at the promoters' meeting.</p>	<p>Article 28 The Articles of Association of the Company were established on November 22, 2010 upon unanimous agreement of all promoters at the promoters' meeting.</p>	<p>Article number adjustment and added revision history</p>

<p>The first amendment was made on January 10, 2013.</p> <p>The second amendment was made on November 5, 2014.</p> <p>The third amendment was made on March 29, 2016.</p> <p>The fourth amendment was made on August 12, 2016.</p> <p>The fifth amendment was made on May 5, 2017.</p> <p>The sixth amendment was made on July 18, 2017.</p> <p>The seventh amendment was made on August 3, 2017.</p> <p>The eighth amendment was made on June 19, 2018.</p> <p>The ninth amendment was made on November 23, 2018.</p> <p>The tenth amendment was made on June 27, 2019.</p> <p>The eleventh amendment was made on May 29, 2020.</p> <p>The twelfth amendment was made on September 23, 2020.</p> <p>The thirteenth amendment was made on April 6, 2021.</p> <p>The fourteenth amendment was made on November 16, 2023.</p> <p>The fifteenth amendment was made on May 23, 2024.</p> <p><u>The sixteenth amendment was made on May 27, 2025.</u></p>	<p>The first amendment was made on January 10, 2013.</p> <p>The second amendment was made on November 5, 2014.</p> <p>The third amendment was made on March 29, 2016.</p> <p>The fourth amendment was made on August 12, 2016.</p> <p>The fifth amendment was made on May 5, 2017.</p> <p>The sixth amendment was made on July 18, 2017.</p> <p>The seventh amendment was made on August 3, 2017.</p> <p>The eighth amendment was made on June 19, 2018.</p> <p>The ninth amendment was made on November 23, 2018.</p> <p>The tenth amendment was made on June 27, 2019.</p> <p>The eleventh amendment was made on May 29, 2020.</p> <p>The twelfth amendment was made on September 23, 2020.</p> <p>The thirteenth amendment was made on April 6, 2021.</p> <p>The fourteenth amendment was made on November 16, 2023.</p>	
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7. List of Directors (Including Independent Directors) released from Non-Competition Restrictions

Formosa Pharmaceuticals, Inc.

List of Directors (Including Independent Directors) released from Non-Competition Restrictions

Title	Name	Concurrent positions held in other companies
Legal Person Director	Formosa Laboratories, Inc.	Director, SynChem-Formosa, Inc.
Legal Representative	Huang, Weng-Foung	Shine Optical Biotech Co., Ltd./Representative, Corporate Director
Director	Ma, Hai-Yi	Steminent Biotherapeutics Inc./Independent Director
Director	Chang, Hung-Jen	Universal Vision Biotechnology Co., Ltd./Corporate Representative Director
Independent Director	Su, Yu-Hui	Annji Pharmaceutical Co., Ltd./Independent Director
Independent Director	Lo, Li-Chu	AiErh Biotech Co., Ltd./Supervisor
Independent Director	Kang, Chao-Chou	Annji Pharmaceutical Co., Ltd./Independent Director Anxo Pharmaceutical Co., Ltd./Independent Director Orient Pharma Co., Ltd./Independent Director

**Formosa Pharmaceuticals, Inc.**  
**2025 Annual General Shareholders' Meeting**  
**IV. Appendices**

1. Articles of Association (Before Amendment)

Formosa Pharmaceuticals, Inc.  
Articles of Association

Chapter 1 General Provisions

Article 1: The Company is organized in accordance with the provisions of a company limited by shares under the Company Act, and is named 台新藥股份有限公司 in Chinese and FORMOSA PHARMACEUTICALS, INC. in English.

Article 2: The business scope of the Company is 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 Wholesale of Western Pharmaceutical
- 6、F108040 Wholesale of Cosmetics
- 7、F401010 International Trade
- 8、C801030 Precision Chemical Materials Manufacturing
- 9、C802100 Cosmetics Manufacturing
- 10、C802110 Cosmetic Pigment Manufacturing
- 11、C802990 Other Chemical Products Manufacturing

Article 3: The Company shall establish its headquarter in Taipei City, and when necessary, may establish branches domestically and abroad upon resolution by the Board of Directors.

Article 4: The Company shall make public announcements in accordance with Article 28 of the Company Act.

Article 4-1: The Company may provide endorsements and guarantees to external parties for business or investment needs.

Chapter 2 Shares

Article 5: The total authorized capital of the Company is NT\$2 billion, divided into 200 million shares, with a par value of NT\$10 per share. Among these, 30 million shares are reserved for the exercise of employee stock options, special shares with warrants, or corporate bonds with warrants. The Board of Directors is authorized to issue the shares in installments.

In accordance with Article 267 of the Company Act, the employees eligible to subscribe for new shares issued by the Company, to receive employee stock options, restricted employee shares, and treasury shares transferred to employees may include employees of controlled or subsidiary companies who meet certain conditions.

In accordance with Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the Company may, with the attendance of shareholders representing more than half of the total issued shares and the approval of more than two-thirds of the voting rights of the attending shareholders at the shareholders' meeting, issue employee stock options at a subscription price that is not subject to the restrictions of Article 53 of the same Regulations.

After the Company's shares are listed (or listed on OTC market), the transfer of shares to employees at a price lower than the actual average price of the repurchased shares shall be approved by the most recent shareholders' meeting, with the attendance of shareholders representing more than half of the total issued shares and the approval of more than two-thirds of the voting rights of the attending shareholders before such transfer.

Article 6: The total amount of the Company's investments in other businesses shall not be subject to the restriction in Article 13 of the Company Act, which limits investments to no more than 40% of the paid-in capital.

Article 7: The shares issued by the Company shall be registered shares, shall be numbered and signed or sealed by the directors representing the Company, and shall be issued after certification by a bank authorized by law to act as a share certificate certifying institution.

The Company may also issue shares without printing physical share certificates, but such shares shall be registered with a centralized securities depository enterprise.

Article 8: Changes to the shareholders' register shall not be made within sixty days prior to the date of a regular shareholders' meeting, within thirty days prior to the date of a special shareholders' meeting, or within five days prior to the record date fixed by the Company for distribution of dividends, bonuses, or other benefits.

Article 9: The transfer of shares shall be made by the transferor and the transferee completing and signing or sealing an application form, which shall be submitted to the Company's share transfer agent (unit) for registration. The transfer shall not be effective against the Company until the transfer procedures have been completed.

Article 10: The Company handles shareholder-related stock affairs in accordance with the "Company Act" and the "Regulations Governing the Administration of Shareholder Services of Public Companies," unless otherwise stipulated by laws or regulations of the securities regulatory authority.

### Chapter 3 Shareholders' Meeting

Article 11: The Company's shareholders' meetings are divided into the following two types:

1. General shareholders' meetings, which shall be convened at least once a year and shall be held within six months after the end of each fiscal year.
2. Special shareholders' meetings, which shall be convened as necessary in accordance with relevant laws and regulations.

Shareholders' meetings shall be convened by the Board of Directors, unless otherwise provided by law.

Shareholders' meetings may be conducted by video conference or other methods announced by the central competent authority. If conducted by video conference, shareholders who participate in the meeting via video conference shall be deemed to be present in person.

Article 12: The Chairman shall preside as the chair when a shareholders' meeting is convened. In case the Chairman is on leave or cannot exercise his/her power and authority for any cause, he/she shall designate one of the directors to act on his/her behalf. In the absence of such a designation, the directors shall elect one from among themselves to act on behalf of the Chairman.

Article 13: In case a shareholder is unable to attend the shareholders' meeting for any cause, he/she may appoint a proxy to attend the meeting on his/her behalf by providing a proxy form issued by the Company, which states the scope of authorization.

The shareholders' proxy attendance for this Company shall be handled in accordance with the provisions of Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the securities regulatory authority.

Article 14: Each shareholder of the Company shall have one vote for each share held, except for those with restricted voting rights or those who have no voting rights under Article 179 of the Company Act.

When the Company convenes a shareholders' meeting, voting rights shall be exercised in writing or by electronic means. Shareholders who exercise their voting rights by electronic means shall be deemed as attending in person, and all related matters shall be handled in accordance with the laws and regulations.

Article 15: Resolutions at shareholders' meetings, unless otherwise stipulated in the Company Act, shall be adopted by a majority vote of the shareholders present who represent more than half of the total issued shares.

Article 16: The Company's application to terminate public offering shall be conducted in accordance with Article 156-2 of the Company Act.

Article 16-1: Matters resolved at shareholders' meetings shall be recorded in meeting minutes, which shall be signed or sealed by the chairperson and distributed to each shareholder within 20 days after the meeting. The preparation and distribution of meeting minutes may be conducted electronically.

The distribution of the Company's meeting minutes may be conducted by way of public announcement.

#### Chapter 4 Board of Directors, Audit Committee, and Managers

Article 17: The Company shall have five to eleven directors with a term of three years, who shall be elected by the shareholders' meeting from among persons with legal capacity. Directors may be re-elected for consecutive terms. Among the director positions, the number of independent directors shall not be fewer than three, and shall not be fewer than one-third of the total number of directors. Regarding the professional qualifications, shareholding, restrictions on concurrent positions, nomination, and other matters to be followed for independent directors, these shall be handled in accordance with relevant laws and regulations.

The Board of Directors shall be diversified, with members having different professional backgrounds, emphasis on gender equality, and generally possessing the knowledge, skills, and qualities necessary to perform their duties. The Board of Directors shall not be composed of a single gender.

The election of the Company's directors adopts the candidate nomination system pursuant to Article 192-1 of the Company Act, whereby directors are elected by the shareholders' meeting from among the candidates. The acceptance method and announcement of candidate nominations and other

related matters shall be handled in accordance with the relevant laws and regulations of the Company Act and the Securities and Exchange Act.

The total shareholding ratio of all directors of the Company shall be handled in accordance with the regulations of the securities regulatory authority.

The Company establishes an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all independent directors, and at least one of whom shall have accounting or financial expertise.

The Company may establish other functional committees, and their organizational regulations shall be implemented after approval by the Board of Directors.

The Company may purchase liability insurance for the scope of business executed by directors during their term of office for the compensation liability they should bear according to law.

**Article 18:** The Board of Directors shall elect a Chairman from among the Directors by a majority vote of the attending Directors at a meeting attended by at least two-thirds of the Directors. The Chairman represents the Company externally.

**Article 19:** Resolutions of the Board of Directors shall, unless otherwise provided by the Company Act or other laws, be adopted by a majority of the attending Directors at a meeting attended by a majority of the Directors. Unless otherwise provided by the Company Act or other laws, the Board of Directors shall be convened by the Chairman, and the notice of convening shall specify the reason for convening and may be made in writing or by electronic means. The notice period shall be handled in accordance with the provisions of the Company Act or other laws, but in case of emergency, the Board meeting may be convened at any time.

- Article 20: The Chairman shall serve as the chairman of the Board of Directors. When the Chairman is on leave or unable to exercise his/her powers for any reason, the Chairman shall designate one Director to act on his/her behalf. In the absence of such designation by the Chairman, the Directors shall elect one Director from among themselves to act on behalf of the Chairman. Directors shall attend the Board of Directors meetings in person. A Director who is unable to attend for any reason may appoint another Director to attend on his/her behalf, provided that a proxy may act on behalf of only one Director. The Board of Directors' meetings may be conducted via video conference. Directors who participate in the meeting via video conference shall be deemed as having attended the meeting in person.
- Article 21: The remuneration of Directors is authorized to be determined by the Board of Directors based on their level of participation in the Company's operations and value of contribution, at levels consistent with industry standards.
- Article 22: The Company may appoint managers. Their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

#### Chapter 5 Accounting

- Article 23: The Company's fiscal year runs from January 1 to December 31. At the end of each fiscal year, the Board of Directors shall prepare the following documents in accordance with legal requirements, submit them to the Audit Committee for review 30 days prior to the Annual Shareholders' Meeting, and report their opinions to the shareholders' meeting for approval.
- 1 、 Business Report.
  - 2 、 Financial Statements.
  - 3 、 Proposal for profit distribution or deficit compensation.
- Article 24: If the Company has profits in the fiscal year, it shall, by a resolution of the Board of Directors, 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 reserve the amount for offsetting the losses in advance and report it to the shareholders' meeting. Employee compensation may be distributed in the form of shares or cash, and the recipients may include employees of controlling or subsidiary companies who meet certain conditions. The method of distribution shall be determined by the Board of Directors.
- Article 25: If the Company has profits at the end of each fiscal year, it shall, after paying taxes and offsetting losses in accordance with the law, set aside ten percent

as legal reserve. However, this provision shall 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.

The Company's dividend policy is designed to align with current and future development plans, taking into consideration the investment environment, capital requirements, domestic and international competition, and shareholder interests. From the shareholders' accumulated distributable earnings, the Company may retain a portion or distribute dividends in the form of shares or cash or a combination of both. The cash dividends shall not be less than ten percent of the total shareholder dividends distributed, with the remainder being stock dividends.

Article 26: Shareholders' dividends and bonuses shall be distributed in proportion to the shares held by each shareholder, and shall be limited to the shareholders registered in the shareholders' register five days prior to the record date for dividend and bonus distribution.

## Chapter 6 Supplementary Provisions

Article 27: Matters not specified in these Articles of Association shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 28: These Articles of Association were established on November 22, 2010, upon the unanimous agreement of all founders at the founders' meeting.

The first amendment was made on January 10, 2013.

The second amendment was made on November 5, 2014.

The third amendment was made on March 29, 2016.

The fourth amendment was made on August 12, 2016.

The fifth amendment was made on May 5, 2017.

The sixth amendment was made on July 18, 2017.

The seventh amendment was made on August 3, 2017.

The eighth amendment was made on June 19, 2018.

The ninth amendment was made on November 23, 2018.

The tenth amendment was made on June 27, 2019.

The eleventh amendment was made on May 29, 2020.

The twelfth amendment was made on September 23, 2020.

The thirteenth amendment was made on April 6, 2021.

The fourteenth amendment was made on November 16, 2023.

The fifteenth amendment was made on May 23, 2024.

Formosa Pharmaceuticals, Inc.

Person-in-charge: Cheng, Chen-Yu

## 2. Rules of Procedure for Shareholders Meetings

Article 1: In order to establish a sound governance system of shareholders meeting for the Company, strengthen the supervision function and management ability, this Rules of Procedure is stipulated pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.

Article 2: The rules of the Company's shareholders' meetings, except as otherwise provided by law or the Articles of Incorporation, shall be conducted in accordance with the provisions of these Rules.

Article 3: The Company's shareholders' meetings shall be convened by the Board of Directors, unless otherwise provided by law.

Any change in the manner of convening the Company's shareholders' meetings shall be resolved by the Board of Directors, and shall be made no later than before the notice of the shareholders' meeting is sent out.

The Company shall prepare electronic files containing the notice of the shareholders' meeting, proxy form, and explanatory materials relating to proposals for ratification, discussion, appointment or removal of directors, and other agenda items, and upload them to the Market Observation Post System thirty days prior to a regular shareholders' meeting or fifteen days prior to a special shareholders' meeting. Additionally, the Company shall prepare electronic files containing the shareholders' meeting handbook and supplementary meeting materials, and upload them to the Market Observation Post System twenty-one days prior to a regular shareholders' meeting or fifteen days prior to a special shareholders' meeting. However, if the Company's paid-in capital reaches or exceeds NT\$10 billion as of the last day of the most recent fiscal year, or if the aggregate shareholding percentage of foreign investors and PRC investors recorded in the shareholders' register reaches or exceeds 30% during the most recent regular shareholders' meeting, the aforementioned electronic files shall be uploaded to the Market Observation Post System thirty days prior to the regular shareholders' meeting. The shareholders' meeting handbook and supplementary meeting materials shall be made available fifteen days prior to the shareholders' meeting for shareholders to access at any time, and shall be displayed at the Company and at the professional shareholder services agent appointed by the Company.

The aforementioned meeting handbook and supplementary materials shall be provided to shareholders for reference on the day of the shareholders' meeting in the following manner:

1. When holding a physical shareholders' meeting, they shall be distributed at the meeting venue.
2. When holding a video-assisted shareholders' meeting, they shall be distributed at the meeting venue and transmitted electronically to the video conference platform.
3. When holding a virtual shareholders' meeting, they shall be transmitted electronically to the video conference platform.

Notices and announcements shall specify the reasons for convening the meeting; if the recipient consents, such notices may be delivered electronically. The election or dismissal of directors, amendment to the Articles of Incorporation, capital reduction, application for the cessation of public offering, approval of competing activities of directors, capitalization of earnings, capitalization of capital reserves, dissolution, merger, spin-off of the Company, or any matters set forth in Paragraph 1, Article 185 of the Company Act, matters set forth in Article 26-1 and Article 43-6 of the Securities and Exchange Act, and matters set forth in Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the reasons for convening the meeting, and shall not be proposed as Ad Hoc motions.

Where a shareholders' meeting is convened for a complete re-election of directors and the appointment date has been specified, after the completion of the re-election in such meeting, the appointment date may not be altered through Ad Hoc motions or other means in the same meeting.

Shareholders holding at least one percent of the total number of issued shares may propose a single proposal to the Company for discussion at the annual shareholders' meeting. Proposals exceeding one item will not be included in the meeting agenda. If a shareholder proposal falls under any of the circumstances set forth in Paragraph 4, Article 172-1 of the Company Act, the Board of Directors may exclude it from the agenda. Shareholders may submit suggestive proposals to urge the Company to promote public interests or fulfill its social responsibilities. According to the relevant provisions of Article 172-1 of the Company Act, such proposals are limited to one item. Proposals exceeding one item will not be included in the agenda.

The Company shall, prior to the book closure date before the annual shareholders' meeting is convened, announce the acceptance of shareholder

proposals, the methods of acceptance in writing or electronically, the place of acceptance, and the period for acceptance; the acceptance period shall not be less than ten days.

Shareholder proposals are limited to 300 words. Proposals exceeding 300 words will not be included in the agenda. The proposing shareholder shall attend the annual shareholders' meeting in person or by proxy and participate in the discussion of the proposal.

The Company shall notify the proposing shareholders of the results of their proposals before the date of the shareholders' meeting notice, and proposals that meet the requirements of this Article shall be included in the meeting notice. For shareholder proposals not included in the agenda, the Board of Directors shall explain the reasons for non-inclusion at the shareholders' meeting.

Article 4: Shareholders may issue proxies printed by the Company for each shareholders' meeting, specifying the scope of authorization, and appoint a proxy to attend the shareholders' meeting.

A shareholder may issue only one proxy form and appoint only one proxy. The proxy form shall be delivered to the Company at least five days prior to the shareholders' meeting. When duplicate proxy forms are received, the one received earliest shall prevail. However, this restriction shall not apply if a declaration is made to revoke the previous proxy appointment.

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

After a proxy form has been delivered to the Company, if the shareholder intends to attend the shareholders' meeting via video conference, a written notice of proxy cancellation shall be submitted to the Company at least two days prior to the meeting date. If the cancellation notice is submitted after that time, votes cast by the proxy at the meeting shall prevail.

Article 5: Shareholders' meetings shall be held at the Company's location or at another convenient location suitable for shareholders' meetings. The meetings shall not begin earlier than 9:00 a.m. or later than 3:00 p.m. The location and time of the meetings shall be determined with full consideration of the independent directors' opinions.

When the Company convenes a virtual shareholders' meeting, it is not subject to the restrictions on meeting location stated in the preceding paragraph.

Article 6: The Company shall specify in the meeting notice the time and location for shareholder, proxy solicitor, and proxy agent (hereinafter collectively referred to as shareholders) registration, as well as other important matters to note.

The registration time mentioned in the preceding paragraph shall begin at least thirty minutes before the meeting starts; the registration counter shall be clearly marked and staffed with sufficient and competent personnel. For virtual shareholders' meetings, registration shall be accepted on the video conference meeting platform thirty minutes before the meeting begins. Shareholders who complete the registration process shall be deemed to have attended the shareholders' meeting in person.

Shareholders shall attend the shareholders' meetings by presenting attendance cards, sign-in cards, or other attendance credentials. The Company shall not arbitrarily require shareholders to provide additional identification documents beyond those required for attendance verification; solicitors of proxy forms shall also bring identification documents for verification purposes.

The Company shall provide an attendance book for attending shareholders to sign in, or attending shareholders may submit sign-in cards in lieu of signing in. The Company shall provide attending shareholders with the meeting handbook, annual report, attendance card, speaker's slip, voting ballots, and other meeting materials; if there is an election of directors, separate ballots for the election shall also be provided.

When a government or a corporation serves as a shareholder, more than one person may be appointed to represent it at the shareholders' meeting. When a corporation is entrusted to attend the shareholders' meeting, it may only appoint one person as its representative.

For shareholders' meetings held via video conference, shareholders who wish to attend via video conference shall register with the Company two days prior to the meeting date.

For shareholders' meetings held via video conference, the Company shall upload the meeting handbook, annual report, and other relevant materials to

the video conference platform at least thirty minutes before the meeting starts, and shall continue to disclose such information until the end of the meeting.

Article 6-1: When the Company convenes a shareholders' meeting via video conference, the following matters shall be specified in the shareholders' meeting notice:

1. Methods for shareholders to participate in the video conference and exercise their rights.
2. The handling procedures for scenarios where the video conference platform or participation by video means is obstructed due to natural disasters, contingencies, or other force majeure events, which shall include at least the following matters:
  - (1) The time when the aforementioned obstruction persists without resolution and necessitates postponement or continuation of the meeting, and the date if postponement or continuation of the meeting is required.
  - (2) Shareholders who have not registered to participate in the original shareholders' meeting by video means shall not participate in the postponed or continued meeting.
  - (3) When convening a shareholders' meeting with video assistance, if the video conference cannot continue, and after deducting the attendance shares of shareholders participating by video means, the total number of shares present still reaches the legal quorum for the shareholders' meeting, the meeting shall proceed. The attendance shares of shareholders participating by video means shall be counted in the total number of shares present, and for all proposals of that shareholders' meeting, those shareholders shall be deemed to have abstained.
  - (4) The handling method when all proposals have been announced with results, but no Ad Hoc motions have been conducted.
3. When convening a virtual shareholders' meeting, appropriate alternative measures provided for shareholders who have difficulty participating in the shareholders' meeting by video means shall also be specified.

Article 7: If the shareholders' meeting is convened by the Board of Directors, the chairman shall preside over the meeting. When the chairman is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act in place of the chairman. Where the chairman does not appoint a managing director to act as the chairman, or where the company does not have managing

directors, the chairman shall appoint one of the directors to act as the chairman. Where the chairman does not make such an appointment, the managing directors or directors shall elect one from among themselves to preside over the meeting.

When shareholders' meetings are convened by the Board of Directors, it is advisable to have more than half of the directors participating in attendance and at least one representative from each functional committee attending. The attendance status shall be recorded in the minutes of the shareholders' meeting.

If a shareholders' meeting is convened by someone other than the Board of Directors who has the right to convene, that person shall serve as the chairman. When there are two or more conveners, they shall select one from among themselves to serve as the chairman.

The company may designate appointed lawyers, accountants, or relevant personnel to attend shareholders' meetings.

**Article 8:** The company shall make an uninterrupted audio and video recording of the shareholder registration process, the meeting proceedings, and the voting and vote counting process from the time of shareholder registration. These audio and video recordings shall be retained for at least one year. However, if a shareholder files a lawsuit according to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

For shareholders' meetings held via video conference, the company shall record and preserve data regarding shareholder registration, sign-in, check-in, questions, voting, and the company's vote counting results, and shall make an uninterrupted audio and video recording of the entire video conference meeting. The aforementioned data and audio-video recordings shall be properly preserved by the company throughout its period of existence, and the audio-video recordings shall be provided to the entity entrusted with handling video conference affairs for preservation.

For shareholders' meetings held via video conference, the company should make audio and video recordings of the back-end operating interface of the video conference platform.

Article 9: Attendance at shareholders' meetings shall be calculated based on shares. The number of shares in attendance shall be calculated based on the attendance book or cards submitted, plus the number of shares registered on the video conference platform, and the number of shares exercised by written or electronic means.

When the meeting time has arrived, the chairperson shall immediately declare the meeting open and simultaneously announce relevant information such as the number of shares with no voting rights and the number of shares in attendance.

However, if shareholders representing more than half of the total issued shares are not present, the chairperson may announce a postponement of the meeting. The number of postponements shall be limited to two, and the total time of postponement shall not exceed one hour. After two postponements, shareholders representing at least one-third of the total issued shares are still not present, the chairperson shall declare the meeting adjourned. If the shareholders' meeting is held via video conference, the Company shall also announce the adjournment on the video conference platform for the shareholders' meeting.

Moreover, after the two postponements mentioned in the preceding paragraph, the quorum is still not met but shareholders representing more than one-third of the total issued shares are present, a tentative resolution may be passed pursuant to Article 175, Paragraph 1 of the Company Act. All shareholders shall be notified of the tentative resolution, and another shareholders' meeting shall be convened within one month. If the shareholders' meeting is held via video conference, shareholders who wish to attend via video conference shall re-register with the Company in accordance with Article 6.

Before the resolution of the current meeting, if the shares represented by the attending shareholders reach a majority of the total issued shares, the chairperson may resubmit the tentative resolutions for a vote at the shareholders' meeting in accordance with Article 174 of the Company Act.

Article 10: If the shareholders' meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors. All related proposals (including Ad Hoc motions and amendments to original proposals) shall be decided by poll. The meeting shall proceed according to the scheduled agenda, which may not be changed without a resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a person with the right to convene other than the Board of Directors, the provisions of the preceding paragraph shall apply mutatis mutandis.

Before the resolution of the proceedings (including Ad Hoc motions) according to the agenda set forth in the preceding two paragraphs, the chairperson may not announce the adjournment of the meeting without a resolution; if the chairperson violates the rules of procedure and announces the adjournment of the meeting, other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson with the approval of a majority of the voting rights represented by the attending shareholders in accordance with legal procedures, and the meeting shall continue.

The chairperson shall provide sufficient opportunity for explanation and discussion of the proposals and amendments or Ad Hoc motions put forward by the shareholders. When the chairperson deems that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call for a vote.

**Article 11:** Before speaking, the attending shareholder must fill out a speaker's slip stating the main points of the speech, shareholder account number (or attendance certificate number), and account name. The chairperson shall determine the order of speech for the shareholder.

Attending shareholders who submit a speaker's slip without speaking shall be deemed not to have spoken. When the content of the speech differs from that recorded on the speaker's slip, the actual speech content shall prevail.

For the same proposal, each shareholder may not speak more than twice without the consent of the chairperson, and each speech shall not exceed five minutes. However, if a shareholder's speech violates regulations or goes beyond the scope of the agenda item, the chairperson may stop the speech.

When an attending shareholder is speaking, other shareholders shall not interrupt the speech unless they have obtained the consent of the chairperson and the speaking shareholder. The chairperson shall stop any violators.

When a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may be designated to speak on the same proposal.

After a shareholder has spoken, the chairperson may personally respond or designate relevant personnel to reply.

When the shareholders' meeting is held by video conference, shareholders participating via video may ask questions in text format on the shareholders' meeting video conference platform after the chairperson announces the commencement of the meeting and before the chairperson announces the adjournment of the meeting. For each proposal, questions may not be asked

more than twice, and each question is limited to 200 characters. The provisions of Paragraphs 1 to 5 shall not apply.

For questions raised in the preceding paragraph that do not violate regulations or exceed the scope of the proposal, such questions should be disclosed on the shareholders' meeting video conference platform for everyone's information.

**Article 12:** Voting at shareholders' meetings shall be calculated based on shares.

For resolutions at shareholders' meetings, the number of shares held by shareholders who have no voting rights shall not be included in the total number of issued shares.

When a shareholder has a personal interest in a matter that may harm the interests of the Company, they shall not participate in the vote and shall not exercise voting rights on behalf of other shareholders.

The number of shares that cannot exercise voting rights as mentioned in the preceding paragraph shall not be counted in the number of voting rights of shareholders present.

Except for trust enterprises or stock agencies approved by the securities regulatory authority, when a person is commissioned by two or more shareholders at the same time, the voting rights they represent shall not exceed three percent of the total voting rights of all issued shares. Any excess voting rights shall not be counted.

**Article 13:** Except as otherwise provided by relevant laws and regulations, each share of the Company's stock entitles the shareholder to one voting right.

When the Company convenes a shareholders' meeting, shareholders shall exercise their voting rights by electronic means and may exercise their voting rights in writing; when they exercise their voting rights in writing or by electronic means, the method of exercise shall be specified in the shareholders' meeting notice. Shareholders who exercise their voting rights in writing or by electronic means shall be deemed as attending the shareholders' meeting in person. However, regarding Ad Hoc motions and amendments to original proposals of that shareholders' meeting, these shareholders shall be deemed to have waived their voting rights. Therefore, the Company should avoid proposing Ad Hoc motions and amendments to original proposals.

For those who exercise their voting rights in writing or by electronic means as mentioned in the preceding paragraph, their declarations of intent shall be delivered to the Company two days prior to the date of the shareholders' meeting. When there are duplicate declarations of intent, the one received first

shall prevail. However, this restriction does not apply if a declaration is made to revoke the previous declaration of intent.

After a shareholder has exercised their voting rights in writing or by electronic means, if they wish to attend the shareholders' meeting in person or via video conference, they shall revoke their previous declaration of intent in the same manner as they exercised their voting rights two days prior to the date of the shareholders' meeting. If the revocation is made after the deadline, the voting rights exercised in writing or by electronic means shall prevail. If a shareholder exercises their voting rights in writing or by electronic means and also appoints a proxy to attend the shareholders' meeting, the voting rights exercised by the appointed proxy shall prevail.

For the resolution of proposals, unless otherwise stipulated by the Company Act and the Articles of Association of the Company, a proposal shall be approved by a majority of the voting rights represented by the shareholders present. When voting, the chairman or their designated personnel shall announce the total number of voting rights of the shareholders present, after which the shareholders shall vote on each proposal. On the day of the shareholders' meeting, the results of the shareholders' approval, opposition, and abstention shall be entered into the Market Observation Post System.

When there are amendments or alternative proposals to the same motion, the chairman shall determine the order of voting along with the original proposal. If one of the proposals is approved, the other proposals shall be deemed rejected and no further voting shall be required.

The personnel responsible for monitoring and counting the votes shall be appointed by the chairman, but the vote monitoring personnel must have shareholder status.

The vote counting shall be conducted openly at the shareholders' meeting venue, and upon completion of the counting, the voting results, including the statistical tallies of votes, shall be announced on the spot and recorded.

When the Company convenes a virtual shareholders' meeting, shareholders participating via video conference shall, after the chairman announces the commencement of the meeting, cast their votes on various proposals and election matters through the video conference platform, and shall complete voting before the chairman announces the end of voting. Those who fail to vote within the specified time shall be deemed to have abstained.

When a shareholders' meeting is held via video conference, the votes shall be counted at once after the chairman announces the end of voting, and the voting and election results shall be announced.

When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting via video conference in accordance with Article 6 and wish to attend the physical shareholders' meeting in person shall cancel their registration in the same manner as they registered, at least two days before the shareholders' meeting. For those who cancel after the deadline, they may only attend the shareholders' meeting via video conference.

Shareholders who have exercised their voting rights in writing or by electronic means, have not revoked their declaration of intent, and participate in the shareholders' meeting via video conference, shall not exercise their voting rights on the original proposals, propose amendments to the original proposals, or exercise voting rights on amendments to the original proposals, except for Ad Hoc motions.

Article 14: When the shareholders' meeting includes the election of directors, the election shall be conducted in accordance with the relevant election regulations established by the Company. The election results shall be announced on the spot, including the list of elected directors and their number of votes, as well as the list of unelected directors and supervisors and the number of votes they received.

The election ballots for the election matters mentioned in the preceding paragraph shall be sealed and signed by the ballot inspectors and properly safeguarded, and shall be kept for at least one year. However, if a shareholder files a lawsuit according to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15: The matters resolved at the shareholders' meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chairperson, and the minutes shall be distributed to each shareholder within twenty days after the meeting. The preparation and distribution of the meeting minutes may be conducted by electronic means.

The distribution of the aforementioned meeting minutes may be accomplished by means of a public announcement through input into the Market Observation Post System.

The meeting minutes shall accurately record the year, month, day, place, name of the chairperson, method of resolution, essential points of the proceedings, and voting results (including the number of voting rights) of the meeting. When there is an election of directors, the number of votes received by each candidate shall be disclosed. During the company's existence, the minutes shall be permanently preserved.

For shareholders' meetings held via video conference, in addition to the items required to be recorded as specified in the preceding paragraph, the meeting minutes shall also record the start and end times of the meeting, the method of convening the meeting, the names of the chairperson and the recorder, as well as the handling methods and circumstances in the event that the video conference platform or video participation is disrupted due to natural disasters, incidents, or other force majeure events.

When the Company convenes a virtual shareholders' meeting, in addition to complying with the provisions of the preceding paragraph, the meeting minutes shall also record the alternative measures provided to shareholders who have difficulty participating in the shareholders' meeting via video conferencing.

Article 16: On the day of the shareholders' meeting, the Company shall compile a statistical table in the prescribed format showing the number of shares obtained by solicitors, the number of shares represented by proxy agents, and the number of shares represented by shareholders attending in writing or electronically, and shall clearly display this in the meeting venue. For shareholders' meetings held via video conference, the Company shall upload the aforementioned information to the video conference platform at least thirty minutes before the meeting begins and shall continue to disclose it until the end of the meeting.

When the Company convenes a video shareholders' meeting, at the time of announcing the commencement of the meeting, the total number of shares held by attending shareholders shall be disclosed on the video conference

platform. The same applies if there is any additional calculation of the total number of shares and voting rights of attending shareholders during the meeting.

If any resolutions at the shareholders' meeting constitute material information as defined by laws and regulations or by the Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall transmit such content to the Market Observation Post System within the prescribed time period.

Article 17: The personnel responsible for the shareholders' meeting shall wear identification badges or armbands.

The chairperson may direct the sergeants-at-arms or security personnel to help maintain order at the meeting venue.

When the meeting venue is equipped with amplification equipment, the chairperson may stop a shareholder from speaking if they are not using the equipment provided by the Company.

If a shareholder violates the rules of procedure, disobeys the chairperson's correction, disrupts the meeting proceedings, and refuses to stop after being asked to do so, the chairperson may direct the sergeants-at-arms or security personnel to request them to leave the meeting venue.

Article 18: During the meeting, the chairperson may announce a recess at an appropriate time. In the event of force majeure, the chairperson may rule to temporarily suspend the meeting and announce the time to resume the meeting depending on the circumstances.

If the meeting venue becomes unavailable for continued use before the resolution of the agenda (including Ad Hoc motions), the shareholders' meeting may resolve to find another venue to continue the meeting.

The shareholders' meeting may, in accordance with Article 182 of the Company Act, resolve to postpone or continue the meeting within five days.

Article 19: When the shareholders' meeting is held by video conference, the Company shall, immediately after the voting ends, disclose the voting results and election results of various proposals on the video conference platform of the shareholders' meeting in accordance with regulations, and shall continue to disclose for at least fifteen minutes after the chairperson announces the adjournment of the meeting.

Article 20: When the Company convenes a virtual shareholders' meeting, the chairperson and the minutes taker shall be at the same location in the domestic territory, and the chairperson shall announce the address of the location at the time of the meeting.

Article 21: When the shareholders' meeting is held by video conference, the Company may provide shareholders with a simple connection test before the meeting, and provide relevant services in real-time before and during the meeting to assist in handling technical problems related to communication.

When the shareholders' meeting is held by video conference, the chairperson shall, at the time of announcing the commencement of the meeting, separately announce that if the video conference platform or video participation is disrupted due to natural disasters, incidents, or other force majeure events for more than thirty consecutive minutes before the chairperson announces the adjournment of the meeting, except in circumstances specified in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies where postponement or resumption of the meeting is not required, the date for postponement or resumption of the meeting shall be within five days, and the provisions of Article 182 of the Company Act shall not apply.

In the event of postponement or resumption of the meeting as mentioned in the preceding paragraph, shareholders who did not register to participate in the original shareholders' meeting by video conference may not participate in the postponed or resumed meeting.

In accordance with the provisions of Paragraph 2, for the postponed or resumed meeting, the number of shares present, voting rights exercised, and election rights exercised by shareholders who had registered to participate in the original shareholders' meeting by video conference and completed the check-in process, but did not participate in the postponed or resumed meeting, shall be counted toward the total number of shares, voting rights, and election rights of the shareholders present at the postponed or resumed meeting.

When holding a postponed or resumed shareholders' meeting in accordance with the provisions of Paragraph 2, for proposals where voting and counting have been completed and the voting results or the list of elected directors and supervisors have been announced, there is no need for re-discussion and resolution.

When the Company convenes a video-assisted shareholders' meeting and encounters a situation where the video conference cannot be continued as

mentioned in Paragraph 2, if the total number of shares present after deducting the attendance by shareholders participating via video conference still reaches the statutory quorum for the shareholders' meeting, the shareholders' meeting shall continue without the need to postpone or resume the meeting in accordance with the provisions of Paragraph 2.

In the event that the meeting should continue as mentioned in the preceding paragraph, the number of shares of shareholders participating in the shareholders' meeting by video conference shall be counted toward the total number of shares present, but they shall be deemed to have abstained from voting on all proposals of that shareholders' meeting.

When the Company postpones or resumes a meeting in accordance with the provisions of Paragraph 2, it shall handle the relevant preliminary procedures in accordance with the provisions listed in Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, based on the original shareholders' meeting date and the provisions of each relevant article.

For the periods specified in the latter part of Article 12 and Paragraph 3 of Article 13 of the Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall proceed based on the date of the shareholders' meeting that is postponed or resumed in accordance with the provisions of Paragraph 2.

Article 22: When the Company convenes a virtual shareholders' meeting, it shall provide appropriate alternative measures for shareholders who have difficulty participating in the shareholders' meeting by video.

Article 23: These Rules shall be implemented after being approved by the shareholders' meeting, and the same shall apply when amendments are made.

Article 24: These Rules were established on April 6, 2021.  
The first amendment was made on May 23, 2023.

### 3. Shareholding Status of All Directors

#### Formosa Pharmaceuticals, Inc. Shareholding Status of All Directors

1. As of the shareholders' regular meeting on May 27, 2025, the total number of issued shares during the book closure period is 150,977,100 shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum number of shares that should be held by all directors of the Company is 9,058,626 shares.
3. The shareholding status of individual and all directors as recorded in the shareholders' register as of the book closure date for this regular shareholders' meeting is as follows:

As of the book closure date for this year's general shareholders' meeting: March 29, 2025

Title	Name	Number of shares	Shareholding ratio
Chairman	Representative, Formosa Laboratories, Inc.: Cheng, Chen-Yu	61,387,653	40.66%
Director	Representative, Formosa Laboratories, Inc.: Huang, Weng-Foung	61,387,653	40.66%
Director	Ma, Hai-Yi	543,268	0.36%
Director	Chang, Hung-Jen	0	0.00%
Independent Director	Su, Yu-Hui	0	0.00%
Independent Director	Lo, Li-Chu	1,000	0.00%
Independent Director	Kang, Chao-Chou	0	0.00%
Total Shares Held by All Directors		61,931,921	41.02%