

Stock Code: 1795



Lotus Pharmaceutical Co., Ltd.

Handbook for the 2026 Annual Meeting of Shareholders 【 Translation 】

Means: Physical Meeting

Meeting Time: 9:00am, Tuesday, June 16th, 2026

**Location: No. 2, Wenxian Rd., Nantou City, Nantou County, Taiwan (R.O.C.)
(Central Taiwan Innovation Campus B134 Training Room)**

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

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Lotus Pharmaceutical Co., Ltd.

2026 Agenda of Annual Meeting of Shareholders

Means: Physical Meeting

Time: 9:00 a.m. on Tuesday, June 16th, 2026

Location: No. 2, Wenxian Rd., Nantou City, Nantou County, Taiwan (R.O.C.)(Central Taiwan Innovation Campus B134 Training Room)

Call the Meeting to Order

Chairperson Remarks

Reporting Items

1. 2025 business and financial report.
2. Audit and Risk Committee's review report on 2025 financial statements.
3. 2025 profit distributable as employees' and directors' compensation.
4. 2025 distribution of cash dividends.

Recognition Items

1. To adopt FY2025 business report and financial statements.
2. To adopt FY2025 earnings distribution.

Discussion Items

1. Proposal for capital increase through capitalization of retained earnings.
2. The proposed amendments to certain articles of the Company's "Articles of Incorporation" ("AOI").
3. The proposed amendments to certain articles of the Company's "Procedures for Loaning of Funds and Making of Endorsements and Guarantees".
4. The proposed amendments to certain articles of the Company's "Procedures for Acquisition or Disposal of Assets".
5. Proposal for releasing the non-compete restriction on directors.
6. Proposal for transfer of shares to employees at the price lower than the average acquisition cost.

Special Motions

Adjournment

Reporting Items

Item No. 1: 2025 business and financial report.

Explanation:

- (1) Please refer to Attachment 1 on page 6~27.
- (2) Please review.

Item No. 2: Audit and Risk Committee's review report on 2025 financial statements.

Explanation:

- (1) Please refer to Attachment 2 on page 28.
- (2) Please review.

Item No. 3: 2025 profit distributable as employees' and directors' compensation.

Explanation:

- (1) Please refer to Attachment 3 on page 29.
- (2) Please review.

Item No. 4: 2025 distribution of cash dividends.

Explanation:

- (1) Please refer to Attachment 4 on page 30.
- (2) Please review.

Recognition Items

Item No. 1: To adopt FY2025 business report and financial statements.
(Proposed by the Board of Directors)

Explanation:

- (1) The Company's FY2025 standalone and consolidated financial reports and business report has been approved by the Audit and Risk Committee and the Board of Directors. Please refer to Attachment 1 on page 6~27.
- (2) Please ratify.

Resolution:

Item No. 2: To adopt FY2025 earnings distribution. (Proposed by the Board of Directors)

Explanation:

- (1) Please refer to Attachment 4 on page 30.
- (2) Please ratify.

Resolution:

Discussion Items

Item No. 1: Proposal for capital increase through capitalization of retained earnings.

(Proposed by the Board of Directors)

Explanation:

- (1) To meet business needs, the Company proposes to capitalize NTD 34,165,280 from the distributable retained earnings of FY2025 to issue 3,416,528 new shares, with a par value of NTD 10 per share. The new shares will be distributed to shareholders on the record date in proportion to their shareholdings at a ratio of approximately 13.00000169 shares per thousand shares held. Fractional shares may be consolidated within five days from the book closure date; any remaining fractions will be settled in cash at par value, and such shares will be subscribed by designated persons authorized by the Chairman.
- (2) After approval by the Shareholders' Meeting and filing with the competent authority, the Board of Directors is authorized to determine the record date for the capital increase and related matters. If there is any change in the number of outstanding shares resulting in an adjustment to the distribution ratio, the Board of Directors is authorized to resolve.
- (3) The new shares will be issued in book-entry form, and their rights and obligations shall be the same as those of existing common shares.
- (4) Please discuss and resolve.

Resolution:

Item No. 2: The proposed amendments to certain articles of the Company's "Articles of Incorporation" ("AOI").

(Proposed by the Board of Directors)

Explanation:

- (1) Considering the operational status-quo of the Company, it is proposed to amend certain articles of the Company's "Articles of Incorporation" ("AOI"), please refer to Attachment 5 on page 31~39 for the proposed amendment.
- (2) Please discuss and resolve.

Resolution:

Item No. 3: The proposed amendments to certain articles of the Company’s “Procedures for Loaning of Funds and Making of Endorsements and Guarantees”.
(Proposed by the Board of Directors)

Explanation:

- (1) Considering the operational status-quo of the Company, it is proposed to amend certain articles of the Company’s “Procedures for Loaning of Funds and Making of Endorsements and Guarantees”, please refer to Attachment 6 on page 40~52 for the proposed amendment.
- (2) Please discuss and resolve.

Resolution:

Item No. 4: The proposed amendments to certain articles of the Company’s “Procedures for Acquisition or Disposal of Assets”.
(Proposed by the Board of Directors)

Explanation:

- (1) Considering the operational status-quo of the Company, it is proposed to amend certain articles of the Company’s “Procedures for Acquisition or Disposal of Assets”, please refer to Attachment 7 on page 53~72 for the proposed amendment.
- (2) Please discuss and resolve.

Resolution:

Item No. 5: Proposal for releasing the non-compete restriction on directors.
(Proposed by the Board of Directors)

Explanation:

- (1) According to Article 209 of the Company Act, any director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) To facilitate the Company's business expansion and participation in investment projects, and under the condition of not harming the interests of the Company, this proposal is submitted to the shareholders' meeting for approval in accordance with Paragraph 1 of Article 209 of the Company Act to discuss and agree to lift the restrictions on the non-competition of the director and the representatives.
- (3) For the detailed list of the director and the representative candidates applicable to the lifting of non-compete restrictions, please refer to Attachment 8 on page 73.
- (4) Please discuss and resolve.

Resolution:

Item No. 6: Proposal for transfer of shares to employees at the price lower than the average acquisition cost.

(Proposed by the Board of Directors)

Explanation:

- (1) The Company has repurchased a total of 550,000 shares in its third share buyback, of which 294,500 shares are proposed to be transferred to employees at a price lower than the actual repurchase price in order to motivate employees and enhance employee cohesion; in addition, the Company has repurchased a total of 3,650,000 shares in its fourth share buyback, of which 897,000 shares are proposed to be transferred to employees at a price lower than the actual repurchase price. In accordance with Article 10-1 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, please refer to Attachment 9 on page 74~75.
- (2) The Company's "Rules Governing Shares Repurchase and Transfer to Employees", please refer to Attachment 10 on page 76~77.
- (3) Please discuss and resolve.

Resolution:

Special Motions

Adjournment

Attachment 1: 2025 Business and Financial Report

1. Operational Overview for the Year 2025

In 2025, Lotus delivered its seventh consecutive year of double-digit revenue growth, demonstrating the continued resilience of our business model and the disciplined execution of our long-term growth strategy. While profitability was impacted by foreign exchange headwinds and acquisition-related expenses, our core operations remained solid and positioned the Company for its next phase of expansion.

Lotus reported consolidated revenue of NT\$20,509 million, representing a 10% year-over-year increase. Consolidated net profit after tax was NT\$4,720 million, a 7% decrease compared to 2024, primarily due to unfavorable FX movements and one-time expenses associated with the acquisition of Alvogen, which was completed in December 2025.

Our hybrid pipeline strategy continued to maintain strong momentum throughout the year. By combining internal R&D with targeted external business development, we strengthened both our near-term commercial portfolio and long-term growth drivers. This balanced approach enhances portfolio sustainability while reinforcing our competitiveness across key therapeutic areas and markets.

Strategically, 2025 marked a defining step in Lotus' long-term expansion. We successfully completed the integration of Alphachymotrypsine Choay® in Vietnam and Cambodia, further strengthening our commercial presence in Southeast Asia and deepening our regional leadership in specialty and branded generics.

Most notably, in December we completed the acquisition of Alvogen — a transformative transaction that significantly expands Lotus' global scale, product portfolio, manufacturing network, and commercial footprint, particularly through the establishment of a direct operating platform in the United States alongside our strong presence in Asia-Pacific. Importantly, this acquisition enhances the diversification of Lotus' revenue base. In addition, Alvogen brings a broad and complementary portfolio and pipeline across regulated markets, providing meaningful opportunities to support future growth.

With this acquisition, Lotus advances onto the global stage as a top-20 specialty pharmaceutical company, substantially enhancing our presence in regulated markets and strengthening our position as an internationally diversified pharmaceutical platform. While integration efforts will continue into 2026, we are confident that this combination will unlock meaningful synergies and create sustainable long-term value for our shareholders.

2. FY2025 financial results

Unit: M NTD

Item		Year	FY2024	FY2025
P&L	Sales		18,584	20,509
	Gross profit		10,924	11,907
	Net Income		5,066	4,720
Profitability	ROE (%)		26.31%	21.00%
	Net Profits (%)		27.26%	23.01%
	EPS (NTD)		\$19.35	\$18.14

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

3. R&D Ability and Regulatory Progress

Our in-house R&D focus on developing complex oral oncology generics and 505(b)(2) drugs. In 2025, 4 products completed clinical bioequivalence testing, and 3 new product development projects were initiated. We obtained 103 regulatory approvals in markets worldwide, including significant milestones such as approval for Nintedanib for the treatment of idiopathic pulmonary fibrosis in UK, Bosutinib for the treatment of chronic myeloid leukemia and Adcirca® (tadalafil) for the treatment of pulmonary arterial hypertension (PAH) in Taiwan.

In July 2025, we commenced operations at our new R&D Centre in Genome Valley, Hyderabad, further strengthening our global development platform. Strategically located in India's leading pharmaceutical hub, the 20,000 sq. ft. state-of-the-art centre focuses on oncology and specialty product development, including high-potency and complex molecules. It enhances our capabilities in complex generics, specialty formulations, 505(b)(2) programs, ANDAs, and first-to-file opportunities. The facility also supports regulatory excellence, with expertise in preparing high-quality submissions for major agencies, including the FDA, EMA, PMDA, TFDA, and MFDS. Together with our manufacturing operations in Taiwan, US and South Korea, the centre reinforces Lotus' integrated global R&D and commercialization network.

4. Product Portfolio and Licensing Agreements

Lotus continues to diversify its product portfolio, focusing on in-licensing of innovative products, in addition to our own R&D pipeline. In 2025, we signed 21 business development licensing agreements, including Vietnam drug portfolio acquisition, exclusive licensing agreements for innovative products like Qelbree® (Viloxazine) from Supernus, anti-PD1 mab-Serplulimab from Henlius, VIZZ™ (Aceclidine) from Lenz Therapeutics. We also strengthened our competitive generic pipeline through a License and Supply Agreement with Adalvo for semaglutide injection (Wegovy® and Ozempic® 2mg generics). Additionally, we signed 19 products licensing out agreements for self-development products, further expanding our reach into global markets. In 2025, 214 SKUs of products were launched globally.

5. Production Excellency and Quality Management

Lotus' Taiwan (Nantou), Korea (HyangNam and GongJu) and US (Norwich, NY) production facilities have been certified by regulatory authorities in the United States, European Union, Brazil, Japan, China, Taiwan, and Korea, reinforcing our competitive edge in global export markets. To sustain our growth and drive sustainable development, we remain committed to upgrading production equipment, enhancing quality management systems, optimizing production processes, and improving warehouse inventory management.

6. Market Outlook and Future Development

According to IQVIA's "The Global Use of Medicines 2025 – Outlook through 2029" report, the global pharmaceutical market is projected to grow at a compound annual growth rate (CAGR) of 5–8% over the next five years, reaching approximately \$2.4 trillion by 2029. This growth outlook is primarily driven by increased patient access to innovative therapies, particularly in immunology, oncology, and endocrinology, especially diabetes and obesity.

Developed economies such as North America and Western Europe are seeing accelerated growth driven by the launch of new products and expanded use of branded medicines while regions like Latin America, Japan and Asia-Pacific are projected to grow faster than other regions over the next five years. This continued expansion is attributed to aging populations in major markets like China and Japan, as well as increased patient access to innovative therapies in emerging economies.

In response to these evolving market dynamics, we remain committed to our hybrid growth strategy, integrating internal R&D capabilities with targeted external business development. We will continue advancing the development of complex generics and 505(b)(2) products, while expanding our global footprint through strategic licensing partnerships and collaborations with leading international players. By combining pipeline innovation with disciplined portfolio expansion, Lotus is well positioned to deliver high-quality, affordable medicines to patients worldwide and sustain long-term growth.

7. Corporate sustainability

At Lotus, our mission is to provide affordable medicine to patients worldwide. Over the years, we have successfully evolved from a domestic company focused on generics into a global specialty pharmaceutical company with a hybrid product portfolio, attracting talent from around the world. Today, we have over 1,500 employees globally, with foreign nationals accounting for approximately 11% of our Taiwan workforce, representing 14 different nationalities. To foster cultural understanding and collaboration, we have implemented thoughtful initiatives in internal communication, employee meals, and special celebrations. Lotus actively works to improve healthcare accessibility and equity. In 2025, this included volunteer medical outreach to remote villages in Nantou—serving our neighbours in underserved communities—as well as sponsoring the Street Medicine Program operated by the Charitable Service Association, which delivers medical consultations, follow-up care, and health education to individuals experiencing homelessness and economic hardship across major cities in Taiwan. These initiatives reflect our commitment to bridging healthcare gaps and expanding access to care for vulnerable populations.

Additionally, with gender parity among employees and a 1:1 ratio at the senior executive level, we ensure equal opportunities for career advancement. In recognition of our commitment, Lotus was honored for the fourth consecutive year as one of “HR Asia Best Companies to Work for in Asia – Taiwan Region” in 2025, and received additional awards in Diversity, Equity & Inclusion, Sustainable Workplace, and Tech Empowerment.

In 2025, Lotus is also proud to report continuous improvement in our ESG ratings across global benchmarks. Our MSCI ESG Rating remained at A following the upgrade from BBB, and our FTSE Russell score increased to 3.3 (from 1.9 in 2023–2024). We also achieved a meaningful reduction in our Sustainalytics ESG risk rating, improving from 36.80 in 2024 to 26.07 in 2025, indicating a lower risk profile. The continuous improvement reflected our progress in human capital development, quality initiatives—including multiple successful FDA audits—and corporate governance. Our efforts in board diversity and enhanced disclosures further underscore our dedication to responsible and sustainable business practices.

8. Outlook

Lotus will continue to execute its hybrid growth strategy across Asia-Pacific and the United States — our core operating markets — while further expanding our reach through global export partnerships. We will strengthen our product portfolio through a balanced combination of internal development and targeted external business expansion. By enhancing our market presence and deepening strategic collaborations, we are building a resilient foundation for sustainable long-term growth. Lotus remains committed to creating value for shareholders, employees, and society, contributing to a brighter and more sustainable future for all.

Chairman: Vilhelm Róbert Wessman

CEO: Petar Antonov Vazharov

CFO: Eeling Chan

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Lotus Pharmaceutical Co., Ltd. (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) and the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follow:

1. Revenue Recognition

Please refer to Note 4(15) and Note 6(23) for accounting policy for revenue recognition and “Revenue from contracts with customers”, respectively.

Key audit matters:

Revenues are recognized by net values of contract prices, less sales returns and allowances, after controls of the products are transferred to the customers. The Group's sales is mainly derived from pharmaceuticals and chemical drugs. Because the customers are diverse and numerous, it takes longer time to verify sales transactions and related arrangements. Additionally, there might be a significant risk of material misstatement due to part of the revenue arising from related party transactions. Revenue recognition is one of the important areas in performing our audit procedures. Therefore, revenue recognition is considered as one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter described above, our principal procedures included testing the design and the operating effectiveness of the internal control system of sales and collection operation; examining the selected samples of sales transaction before and after the balance sheet date to ensure the appropriate cut-off of sales revenue; selecting samples of revenues (including sending related parties' confirmation letters), inspecting related documents and contracts to identify performance obligations, ensuring the adequacy and reasonableness of revenue recognition.

2. Goodwill Impairment Assessment

Please refer to Note 4(12), Note 4(13), Note 5, and Note 6(10), for “ Intangible assets”, “Impairment of non-financial assets”, “Significant accounting assumptions and judgments, and major sources of estimation uncertainty”, and “Goodwill”, respectively.

Key audit matters:

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

How the matter was addressed in our audit:

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

3. Purchase Price Allocation

Please Refer to Note 4(9) and Note 6(7) for accounting policies on business combinations and “Acquisition of subsidiary”, respectively.

Key audit matters:

On December 3, 2025, the Group acquired the entire shares of New Alvogen Group Holding Inc., with the purchase price allocation having been made in the fourth quarter of 2025. As the intangible assets arising from the transaction were significant, and the purchase price allocation was determined based on management's assessment of the fair value of the identifiable assets acquired and liabilities assumed, which involves significant management judgment, the purchase price allocation is considered as one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter described above, our principal procedures included evaluating the competence and objectivity of the external valuation expert engaged by management; obtaining and reviewing the valuation report prepared by the external expert for the purchase price allocation; recalculating the acquisition price, as well as reviewing the related disclosures.

Other Matter

Lotus Pharmaceutical Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unqualified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2026

Notes to Readers

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

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

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024				December 31, 2025		December 31, 2024	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(1) and 8)	\$ 7,739,617	8	6,030,113	15	2100	Short-term borrowings (note 6(13))	\$ 1,608,742	2	1,614,619	4
1140	Contract assets—current (notes 6(23) and 7)	184,878	-	221,774	1	2128	Financial liabilities measured at amortized cost—current (note 6(4))	1,332,304	1	2,641	-
1170	Accounts receivable, net (notes 6(5), (12) and 8)	6,677,828	6	1,952,511	5	2130	Contract liabilities—current (notes 6(23) and 7)	179,157	-	180,900	-
1180	Accounts receivable—related parties (note 7)	-	-	5,260,516	13	2170	Notes and accounts payable (note 6(7))	2,416,233	2	988,104	3
1200	Other receivables	667,266	1	66,518	-	2180	Accounts payable—related parties (note 7)	-	-	82,334	-
1210	Other receivables—related parties (note 7)	108	-	69,560	-	2200	Other payables	2,977,111	3	1,229,237	3
1220	Current tax assets	269,183	-	132,461	-	2220	Other payables—related parties (note 7)	40,893	-	99,303	-
1310	Inventories (notes 6(6) and 8)	9,649,408	9	3,833,331	10	2230	Current tax liabilities	1,416,138	1	664,472	2
1479	Other current assets (notes 8 and 9)	1,264,430	1	531,495	1	2250	Provisions—current (notes 6(7) and (17))	4,184,295	4	48,846	-
	Total current assets	<u>26,452,718</u>	<u>25</u>	<u>18,098,279</u>	<u>45</u>	2280	Lease liabilities—current (note 6(15))	159,630	-	84,315	-
Non-current assets:						2320	Current portion of long-term borrowings (notes 6(14) and 8)	2,541,466	3	3,389,979	9
1510	Financial asset at fair value through profit or loss—non-current (note 6(2))	-	-	3,188,859	8	2399	Other current liabilities	22,857	-	53,374	-
1517	Financial asset at fair value through other comprehensive income—non-current (note 6(3))	463,882	-	405,177	1		Total current liabilities	<u>16,878,826</u>	<u>16</u>	<u>8,438,124</u>	<u>21</u>
1600	Property, plant and equipment (notes 6(7), (8) and 8)	6,926,706	7	3,395,360	9	Non-current liabilities:					
1755	Right-of-use assets (notes 6(9) and 8)	680,158	1	270,971	1	2500	Financial liabilities at fair value through profit or loss—non-current (note 6(2))	10,187,370	10	-	-
1805	Goodwill (notes 6(7) and (10))	31,954,931	30	6,126,521	15	2520	Financial liabilities measured at amortized cost—non-current (note 6(4))	1,129,663	1	351	-
1821	Other intangible assets (notes 6(7), (11), 7 and 8)	25,323,596	24	7,838,085	20	2527	Contract liabilities—non-current (note 6(23))	16,287	-	26,563	-
1840	Deferred tax assets (notes 6(7), (19) and 8)	13,942,232	13	486,423	1	2540	Long-term borrowings (notes 6(7) - (14) and 8)	42,447,455	40	8,383,528	21
1930	Long-term accounts receivable (note 6(12))	113,853	-	122,728	-	2550	Provisions—non-current (notes 6(7) and (17))	131,309	-	37,585	-
1990	Other non-current assets (notes 8 and 9)	295,855	-	168,740	-	2570	Deferred tax liabilities (note 6(19))	1,697,093	1	1,092,749	3
	Total non-current assets	<u>79,701,213</u>	<u>75</u>	<u>22,002,864</u>	<u>55</u>	2580	Lease liabilities—non-current (note 6(15))	718,622	1	194,063	-
						2635	Preference share liabilities—non-current (notes 6(7) and (16))	8,458,032	8	-	-
						2640	Defined benefit liabilities, net (note 6(18))	641,510	1	641,208	2
						2670	Other non-current liabilities	67,908	-	106,546	-
							Total non-current liabilities	<u>65,495,249</u>	<u>62</u>	<u>10,482,593</u>	<u>26</u>
							Total liabilities	<u>82,374,075</u>	<u>78</u>	<u>18,920,717</u>	<u>47</u>
						Equity (notes 6(20) and (21)):					
						3100	Share capital	2,668,738	3	2,658,583	7
						3200	Capital surplus	7,641,635	7	7,430,959	19
						3300	Retained earnings	15,903,639	15	12,660,106	31
						3400	Other equity	(1,609,996)	(2)	(1,520,836)	(4)
						3500	Treasury shares	(824,160)	(1)	(48,386)	-
							Total equity	<u>23,779,856</u>	<u>22</u>	<u>21,180,426</u>	<u>53</u>
							Total liabilities and equity	<u>\$ 106,153,931</u>	<u>100</u>	<u>\$ 40,101,143</u>	<u>100</u>
	Total assets	<u>\$ 106,153,931</u>	<u>100</u>	<u>40,101,143</u>	<u>100</u>						

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	Net revenue (notes 6(12), (23) and 7)	\$ 20,509,474	100	18,584,227	100
5000	Cost of sales (notes 6(6) and 7)	<u>8,602,805</u>	<u>42</u>	<u>7,660,151</u>	<u>41</u>
5900	Gross profit from operations	<u>11,906,669</u>	<u>58</u>	<u>10,924,076</u>	<u>59</u>
Operating expenses (notes 6(7), (11) and 7):					
6100	Selling expenses	3,060,535	15	2,630,420	14
6200	Administrative expenses	1,963,115	9	1,502,744	8
6300	Research and development expenses	986,712	5	773,894	5
6450	Expected credit loss reversed (note 6(5))	<u>(7,609)</u>	<u>-</u>	<u>(2,961)</u>	<u>-</u>
	Total operating expenses	<u>6,002,753</u>	<u>29</u>	<u>4,904,097</u>	<u>27</u>
6900	Operating income	<u>5,903,916</u>	<u>29</u>	<u>6,019,979</u>	<u>32</u>
Non-operating income and expenses:					
7100	Interest income	114,508	-	101,437	1
7010	Other income (notes 6(3) and 7)	131,041	1	74,773	-
7020	Other gains and losses, net (notes 6(25) and 7)	463,193	2	734,154	4
7050	Finance costs (notes 6(25) and 7)	<u>(894,483)</u>	<u>(4)</u>	<u>(570,765)</u>	<u>(3)</u>
		<u>(185,741)</u>	<u>(1)</u>	<u>339,599</u>	<u>2</u>
7900	Income before income tax	5,718,175	28	6,359,578	34
7950	Less: Income tax expense (note 6(19))	<u>998,122</u>	<u>5</u>	<u>1,294,068</u>	<u>7</u>
	Net income	<u>4,720,053</u>	<u>23</u>	<u>5,065,510</u>	<u>27</u>
8300	Other comprehensive income (loss):				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurement of defined benefit plans (note 6(18))	52,915	-	(96,612)	(1)
8316	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	68,319	-	(35,780)	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss (note 6(19))	<u>(11,356)</u>	<u>-</u>	<u>22,807</u>	<u>-</u>
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>109,878</u>	<u>-</u>	<u>(109,585)</u>	<u>(1)</u>
8360	Components of other comprehensive loss that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	<u>(216,010)</u>	<u>(1)</u>	<u>(226,354)</u>	<u>(1)</u>
	Components of other comprehensive loss that may be reclassified to profit or loss	<u>(216,010)</u>	<u>(1)</u>	<u>(226,354)</u>	<u>(1)</u>
8300	Other comprehensive loss, net	<u>(106,132)</u>	<u>(1)</u>	<u>(335,939)</u>	<u>(2)</u>
8500	Total comprehensive income	<u>\$ 4,613,921</u>	<u>22</u>	<u>4,729,571</u>	<u>25</u>
Earnings per share (note 6(22))					
9750	Basic earnings per share	<u>\$ 18.14</u>		<u>19.35</u>	
9850	Diluted earnings per share	<u>\$ 18.04</u>		<u>19.23</u>	

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Share capital	Capital surplus	Retained earnings			Total	Other equity		Total	Treasury shares	Total equity	
			Legal reserve	Special reserve	Unappropriated retained earnings		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial asset at fair value through other comprehensive income				Unearned share-based payments
Balance at January 1, 2024	\$ 2,649,583	7,130,549	491,542	1,034,284	7,374,263	8,900,089	(764,111)	(81,965)	(449,413)	(1,295,489)	(51,097)	17,333,635
Net income	-	-	-	-	5,065,510	5,065,510	-	-	-	-	-	5,065,510
Other comprehensive loss	-	-	-	-	(73,805)	(73,805)	(226,354)	(35,780)	-	(262,134)	-	(335,939)
Total comprehensive income (loss)	-	-	-	-	4,991,705	4,991,705	(226,354)	(35,780)	-	(262,134)	-	4,729,571
Appropriation of earnings:												
Legal reserve appropriated	-	-	407,667	-	(407,667)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(188,210)	188,210	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,231,688)	(1,231,688)	-	-	-	-	-	(1,231,688)
Share-based payments	9,000	300,410	-	-	-	-	-	-	36,787	36,787	2,711	348,908
Balance at December 31, 2024	2,658,583	7,430,959	899,209	846,074	10,914,823	12,660,106	(990,465)	(117,745)	(412,626)	(1,520,836)	(48,386)	21,180,426
Net income	-	-	-	-	4,720,053	4,720,053	-	-	-	-	-	4,720,053
Other comprehensive income (loss)	-	-	-	-	41,559	41,559	(216,010)	68,319	-	(147,691)	-	(106,132)
Total comprehensive income (loss)	-	-	-	-	4,761,612	4,761,612	(216,010)	68,319	-	(147,691)	-	4,613,921
Appropriation of earnings:												
Legal reserve appropriated	-	-	499,171	-	(499,171)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	262,134	(262,134)	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,519,653)	(1,519,653)	-	-	-	-	-	(1,519,653)
Share-based payments	10,155	210,676	-	-	1,574	1,574	-	-	58,531	58,531	(775,774)	(494,838)
Balance at December 31, 2025	\$ 2,668,738	7,641,635	1,398,380	1,108,208	13,397,051	15,903,639	(1,206,475)	(49,426)	(354,095)	(1,609,996)	(824,160)	23,779,856

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Income before income tax	\$ 5,718,175	6,359,578
Adjustments:		
Adjustments to reconcile income		
Depreciation expense	415,760	366,398
Amortization expense	1,119,842	916,855
Expected credit loss reversed	(7,609)	(2,961)
Gains on financial asset at fair value through profit or loss	(548,277)	(604,158)
Finance costs	894,483	570,765
Gains on financial liabilities at amortized cost	(75,920)	-
Interest income	(114,508)	(101,437)
Dividend income	(11,795)	(11,274)
Share-based payment costs	279,377	348,649
Losses on disposal of property, plant and equipment	11,032	641
Losses on disposal of intangible assets	2,684	57
Impairment losses on intangible assets	303,019	159,991
Unrealized foreign exchange losses (gains)	57,834	(9,035)
Write-downs (reversals) of inventories	(87,340)	191,690
Losses from early repayment of loans	69,454	911
Losses on lease modifications	1,784	944
Total adjustments to reconcile income	<u>2,309,820</u>	<u>1,828,036</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	36,644	(92,945)
Accounts receivable, net	29,820	(126,896)
Accounts receivable—related parties	2,089,135	(630,928)
Other receivables	46,587	(23,906)
Other receivables—related parties	94,432	12,711
Inventories	(447,431)	(181,332)
Other current assets	(79,395)	(29,332)
Long-term accounts receivable	43,214	(5,408)
Other non-current assets	(442)	(20)
Total changes in operating assets	<u>1,812,564</u>	<u>(1,078,056)</u>
Changes in operating liabilities:		
Contract liabilities	(10,777)	32,933
Notes and accounts payable	(45,726)	311,982
Accounts payable—related parties	(81,868)	34,470
Other payables	143,538	(53,191)
Other payables—related parties	(57,387)	(79,665)
Provisions	(23,702)	18,920
Other current liabilities	(50,587)	17,837
Defined benefit liabilities, net	72,070	82,316
Other non-current liabilities	-	507
Total changes in operating liabilities	<u>(54,439)</u>	<u>366,109</u>
Total changes in operating assets and liabilities	<u>1,758,125</u>	<u>(711,947)</u>
Total adjustments	<u>4,067,945</u>	<u>1,116,089</u>

(Continued)

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows (Continued)
For the Years Ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	<u>2025</u>	<u>2024</u>
Cash flows generated from operations	9,786,120	7,475,667
Interest received	104,483	89,489
Interest paid	(1,107,346)	(495,055)
Income taxes paid	<u>(1,301,278)</u>	<u>(915,235)</u>
Net cash flows generated from operating activities	<u>7,481,979</u>	<u>6,154,866</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(1,319,753)	(353,838)
Proceeds from disposal of property, plant and equipment	155	613
Proceeds from disposal of disposal of intangible assets	1,863	-
Decrease in refundable deposits	1,408	10,674
Acquisition of intangible assets (including capitalized development expenses)	(3,035,194)	(1,111,695)
Decrease (increase) in other non-current assets	786	(7)
Dividends received	17,017	5,157
Net cash outflow arising from acquisition of subsidiaries	<u>(8,134,178)</u>	<u>(1,241,622)</u>
Net cash flows used in investing activities	<u>(12,467,896)</u>	<u>(2,690,718)</u>
Cash flows from financing activities:		
Proceeds from short-term borrowings	3,900,000	2,377,521
Repayments of short-term borrowings	(4,004,092)	(1,259,690)
Proceeds from long-term borrowings	21,721,926	2,950,752
Repayments of long-term borrowings	(12,313,743)	(2,010,570)
Decrease in guarantee deposits received	-	(312)
Payments of lease liabilities	(114,076)	(112,183)
Payments of dividends	(1,519,653)	(1,231,688)
Payment to acquire treasury shares	(780,988)	-
Treasury shares transferred to employees	5,198	259
Cash dividends returned from unvested restricted stock awards	<u>1,574</u>	<u>-</u>
Net cash flows generated from financing activities	<u>6,896,146</u>	<u>714,089</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(200,725)</u>	<u>80,996</u>
Net increase in cash and cash equivalents	1,709,504	4,259,233
Cash and cash equivalents at beginning of period	<u>6,030,113</u>	<u>1,770,880</u>
Cash and cash equivalents at end of period	<u>\$ <u>7,739,617</u></u>	<u><u>6,030,113</u></u>

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

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

Opinion

We have audited the parent-company-only financial statements of Lotus Pharmaceutical Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2025 and 2024, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follows:

1. Revenue Recognition

Please refer to Note 4(14) and Note 6(19) for accounting policy for revenue recognition and “Revenue from contracts with customers”, respectively.

Key audit matters:

Revenues are recognized by net values of contract prices, less sales returns and allowances, after controls of the products are transferred to the customers. The Company's sales is mainly derived from pharmaceuticals and chemical drugs. Because the customers are diverse and numerous, it takes longer time to verify sales transactions and related arrangements. Additionally, there might be a significant risk of material misstatement due to part of the revenue arising from related party transactions. Revenue recognition is considered as one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter described above, our principal procedures included testing the design and the operating effectiveness of the internal control system of sales and collection operation; examining the selected samples of sales transaction before and after the balance sheet date to ensure the appropriate cut-off of sales revenue; selecting samples of revenues (including sending related parties' confirmation letters), inspecting related documents and contracts to identify performance obligations, ensuring the adequacy and reasonableness of revenue recognition.

2. Impairment Assessment of Goodwill of the Company and its subsidiaries accounted for Using Equity Method

Please refer to Note 4(8), Note 4(12), Note 4(13), Note 5 and Note 6(9), for “Investments in subsidiaries”, “Intangible assets”, “Impairment of non-financial assets”, “Significant accounting assumptions and judgments, and major sources of estimation uncertainty”, and “Goodwill”, respectively.

Key audit matters:

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

How the matter was addressed in our audit:

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2026

Notes to Readers

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

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

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

Lotus Pharmaceutical Co., Ltd.

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024				December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets											
Current assets:								Liabilities and Equity			
1100	Cash and cash equivalents (note 6(1))	\$ 3,914,881	8	3,033,779	9	2100	Short-term borrowings (note 6(11))	\$ 1,300,000	3	1,050,000	3
1140	Contract assets—current (notes 6(19) and 7)	186,680	-	216,667	1	2130	Contract liabilities—current (notes 6(19) and 7)	155,245	-	152,863	-
1170	Accounts receivable, net (note 6(3))	1,178,846	2	809,888	2	2170	Notes and accounts payable	283,277	1	313,319	1
1180	Accounts receivable—related parties (note 7)	2,782,834	6	4,316,227	12	2180	Accounts payable—related parties (note 7)	286,894	1	180,335	1
1200	Other receivables	8,499	-	33,343	-	2200	Other payables	715,077	1	683,020	2
1210	Other receivables—related parties (note 7)	14,734	-	57,408	-	2220	Other payables—related parties (note 7)	222,334	-	215,315	1
1220	Current tax assets	205,570	-	146,434	-	2230	Current tax liabilities	1,085,705	2	454,801	1
1310	Inventories (note 6(4))	2,099,748	4	1,701,741	5	2280	Lease liabilities—current (note 6(13))	23,405	-	24,539	-
1479	Other current assets (notes 8 and 9)	<u>300,622</u>	<u>1</u>	<u>332,966</u>	<u>1</u>	2320	Current portion of long-term borrowings (notes 6(12) and 8)	437,500	1	2,944,484	8
	Total current assets	<u>10,692,414</u>	<u>21</u>	<u>10,648,453</u>	<u>30</u>	2399	Other current liabilities	<u>14,734</u>	<u>-</u>	<u>44,858</u>	<u>-</u>
	Non-current assets:						Total current liabilities	<u>4,524,171</u>	<u>9</u>	<u>6,063,534</u>	<u>17</u>
1510	Financial asset at fair value through profit or loss—non-current (note 6(2))	-	-	3,188,859	9		Non-current liabilities:				
1550	Investments accounted for using equity method (note 6(5))	28,256,646	56	9,771,929	28	2527	Contract liabilities—non-current (note 6(19))	8,979	-	8,979	-
1600	Property, plant and equipment (notes 6(7) and 8)	2,512,755	5	2,612,512	7	2540	Long-term borrowings (notes 6(12) and 8)	19,860,033	39	7,274,592	21
1755	Right-of-use assets (note 6(8))	47,212	-	65,771	-	2570	Deferred tax liabilities (note 6(15))	608,602	1	893,488	2
1805	Goodwill (note 6(9))	2,751,253	5	2,751,253	8	2580	Lease liabilities—non-current (note 6(13))	26,137	-	43,825	-
1821	Other intangible assets (notes 6(10) and 7)	5,939,070	12	6,317,114	18	2620	Other payables to related parties—non-current (note 7)	1,886,550	4	-	-
1840	Deferred tax assets (note 6(15))	428,897	1	48,616	-	2640	Defined benefit liabilities, net (note 6(14))	218	-	5,648	-
1900	Other non-current assets (notes 8 and 9)	<u>72,587</u>	<u>-</u>	<u>72,526</u>	<u>-</u>	2670	Other non-current liabilities	<u>6,288</u>	<u>-</u>	<u>6,541</u>	<u>-</u>
	Total non-current assets	<u>40,008,420</u>	<u>79</u>	<u>24,828,580</u>	<u>70</u>		Total non-current liabilities	<u>22,396,807</u>	<u>44</u>	<u>8,233,073</u>	<u>23</u>
							Total liabilities	<u>26,920,978</u>	<u>53</u>	<u>14,296,607</u>	<u>40</u>
							Equity (notes 6(16) and (17)):				
						3100	Share capital	2,668,738	5	2,658,583	7
						3200	Capital surplus	7,641,635	15	7,430,959	21
						3300	Retained earnings	15,903,639	32	12,660,106	36
						3400	Other equity	(1,609,996)	(3)	(1,520,836)	(4)
						3500	Treasury shares	<u>(824,160)</u>	<u>(2)</u>	<u>(48,386)</u>	<u>-</u>
							Total equity	<u>23,779,856</u>	<u>47</u>	<u>21,180,426</u>	<u>60</u>
	Total assets	<u>\$ 50,700,834</u>	<u>100</u>	<u>35,477,033</u>	<u>100</u>		Total liabilities and equity	<u>\$ 50,700,834</u>	<u>100</u>	<u>35,477,033</u>	<u>100</u>

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

Lotus Pharmaceutical Co., Ltd.

Statements of Comprehensive Income

For the Years Ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	Net revenue (notes 6(19) and 7)	\$ 9,723,020	100	10,720,875	100
5000	Cost of sales (notes 6(4) and 7)	3,742,990	38	3,909,938	36
5900	Gross profit from operations	5,980,030	62	6,810,937	64
5910	(Unrealized) realized gains on transactions with subsidiaries	(42,965)	(1)	29,540	-
5950	Gross profit from operations	5,937,065	61	6,840,477	64
Operating expenses (notes 6(6) and 7):					
6100	Selling expenses	1,162,981	12	1,191,963	11
6200	Administrative expenses	1,203,807	12	1,029,642	10
6300	Research and development expenses	652,190	7	463,841	4
6450	Expected credit loss (reversed) recognized (note 6(3))	(5,047)	-	2,149	-
	Total operating expenses	3,013,931	31	2,687,595	25
6900	Operating income	2,923,134	30	4,152,882	39
Non-operating income and expenses:					
7100	Interest income	83,439	1	88,067	1
7010	Other income (note 7)	104,402	1	48,489	-
7020	Other gains and losses, net (notes 6(21) and 7)	331,964	3	801,647	8
7050	Finance costs (notes 6(21) and 7)	(474,936)	(5)	(395,041)	(4)
7060	Share of profit of subsidiaries accounted for using equity method (note 6(5))	2,506,314	26	1,425,282	13
		2,551,183	26	1,968,444	18
7900	Income before income tax	5,474,317	56	6,121,326	57
7950	Less: Income tax expense (note 6(15))	754,264	8	1,055,816	10
	Net income	4,720,053	48	5,065,510	47
8300	Other comprehensive income (loss):				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans (note 6(14))	3,173	-	1,229	-
8330	Share of other comprehensive income (loss) of subsidiaries accounted for using equity method	107,340	1	(110,568)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(15))	(635)	-	(246)	-
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	109,878	1	(109,585)	(1)
8360	Components of other comprehensive loss that may be reclassified to profit or loss				
8381	Exchange differences on translation of foreign financial statements	(216,010)	(2)	(226,354)	(2)
	Components of other comprehensive loss that may be reclassified to profit or loss	(216,010)	(2)	(226,354)	(2)
8300	Other comprehensive loss, net	(106,132)	(1)	(335,939)	(3)
8500	Total comprehensive income	\$ 4,613,921	47	4,729,571	44
Earnings per share (note 6(18))					
9750	Basic earnings per share	\$ 18.14		19.35	
9850	Diluted earnings per share	\$ 18.04		19.23	

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

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

Lotus Pharmaceutical Co., Ltd.

Statements of Changes in Equity

For the Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity					Total equity
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial asset at fair value through other comprehensive income	Unearned share-based payments	Total	Treasury shares	
Balance at January 1, 2024	\$ 2,649,583	7,130,549	491,542	1,034,284	7,374,263	8,900,089	(764,111)	(81,965)	(449,413)	(1,295,489)	(51,097)	17,333,635
Net income	-	-	-	-	5,065,510	5,065,510	-	-	-	-	-	5,065,510
Other comprehensive loss	-	-	-	-	(73,805)	(73,805)	(226,354)	(35,780)	-	(262,134)	-	(335,939)
Total comprehensive income (loss)	-	-	-	-	4,991,705	4,991,705	(226,354)	(35,780)	-	(262,134)	-	4,729,571
Appropriation of earnings:												
Legal reserve appropriated	-	-	407,667	-	(407,667)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(188,210)	188,210	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,231,688)	(1,231,688)	-	-	-	-	-	(1,231,688)
Share-based payments	9,000	300,410	-	-	-	-	-	-	36,787	36,787	2,711	348,908
Balance at December 31, 2024	<u>2,658,583</u>	<u>7,430,959</u>	<u>899,209</u>	<u>846,074</u>	<u>10,914,823</u>	<u>12,660,106</u>	<u>(990,465)</u>	<u>(117,745)</u>	<u>(412,626)</u>	<u>(1,520,836)</u>	<u>(48,386)</u>	<u>21,180,426</u>
Net income	-	-	-	-	4,720,053	4,720,053	-	-	-	-	-	4,720,053
Other comprehensive income (loss)	-	-	-	-	41,559	41,559	(216,010)	68,319	-	(147,691)	-	(106,132)
Total comprehensive income (loss)	-	-	-	-	4,761,612	4,761,612	(216,010)	68,319	-	(147,691)	-	4,613,921
Appropriation of earnings:												
Legal reserve appropriated	-	-	499,171	-	(499,171)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	262,134	(262,134)	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,519,653)	(1,519,653)	-	-	-	-	-	(1,519,653)
Share-based payments	10,155	210,676	-	-	1,574	1,574	-	-	58,531	58,531	(775,774)	(494,838)
Balance at December 31, 2025	<u>\$ 2,668,738</u>	<u>7,641,635</u>	<u>1,398,380</u>	<u>1,108,208</u>	<u>13,397,051</u>	<u>15,903,639</u>	<u>(1,206,475)</u>	<u>(49,426)</u>	<u>(354,095)</u>	<u>(1,609,996)</u>	<u>(824,160)</u>	<u>23,779,856</u>

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

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

Lotus Pharmaceutical Co., Ltd.

Statements of Cash Flows

For the Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Income before income tax	\$ 5,474,317	6,121,326
Adjustments:		
Adjustments to reconcile income		
Depreciation expense	221,557	193,040
Amortization expense	788,608	746,525
Expected credit loss (reversed) recognized	(5,047)	2,149
Gains on financial asset at fair value through profit or loss	(548,277)	(604,158)
Finance costs	474,936	395,041
Interest income	(83,439)	(88,067)
Share-based payment costs	279,377	348,649
Share of profit of subsidiaries accounted for using equity method	(2,506,314)	(1,425,282)
(Gains) losses on disposal of property, plant and equipment	(1,687)	1,037
Losses on disposal of intangible assets	3	-
Impairment losses on intangible assets	234,409	35,746
Unrealized (realized) gains on transactions with subsidiaries	42,965	(29,540)
Unrealized foreign exchange losses (gains)	33,050	(40,334)
Write-downs of inventories	43,246	69,622
Losses from early repayment of loans	63,037	-
Losses (gains) on lease modifications	766	(8)
Total adjustments to reconcile income	<u>(962,810)</u>	<u>(395,580)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	29,988	(87,885)
Accounts receivable, net	(351,070)	83,121
Accounts receivable—related parties	1,580,074	303,970
Other receivables	24,844	(32,375)
Other receivables—related parties	46,093	41,918
Inventories	(441,253)	9,034
Other current assets	32,342	(10,536)
Total changes in operating assets	<u>921,018</u>	<u>307,247</u>
Changes in operating liabilities:		
Contract liabilities	2,381	59,683
Notes and accounts payable	(29,689)	(22,516)
Accounts payable—related parties	104,922	46,980
Other payables	106,974	(36,981)
Other payables—related parties	(7,894)	(63,474)
Other current liabilities	(30,192)	19,242
Defined benefit liabilities, net	(2,257)	(1,849)
Total changes in operating liabilities	<u>144,245</u>	<u>1,085</u>
Total changes in operating assets and liabilities	<u>1,065,263</u>	<u>308,332</u>
Total adjustments	<u>102,453</u>	<u>(87,248)</u>

(Continued)

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

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

Lotus Pharmaceutical Co., Ltd.

Statements of Cash Flows (Continued)

For the Years Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	<u>2025</u>	<u>2024</u>
Cash flows generated from operations	5,576,770	6,034,078
Interest received	83,439	88,067
Interest paid	(336,185)	(340,769)
Income taxes paid	(848,388)	(757,774)
Net cash flows generated from operating activities	<u>4,475,636</u>	<u>5,023,602</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(208,540)	(291,477)
(Increase) decrease in refundable deposits	(61)	2,905
Acquisition of intangible assets (including capitalized development expenses)	(675,031)	(962,803)
Proceeds from disposal of property, plant and equipment	18,144	-
Net cash outflow arising from acquisition of subsidiary	(927)	(1,368,693)
Net cash outflow on acquisition of new shares in subsidiary	(12,391,976)	(1,406,293)
Net cash flows used in investing activities	<u>(13,258,391)</u>	<u>(4,026,361)</u>
Cash flows from financing activities:		
Proceeds from short-term borrowings	3,900,000	1,610,000
Repayments of short-term borrowings	(3,650,000)	(1,070,000)
Proceeds from long-term borrowings	20,705,841	2,713,779
Repayments of long-term borrowings	(10,763,710)	(1,346,635)
Other payables to related parties – non-current	1,863,911	-
Payments of lease liabilities	(29,144)	(23,662)
Decrease in guarantee deposits received	-	(312)
Payments of dividends	(1,519,653)	(1,231,688)
Payments to acquire treasury shares	(780,988)	-
Cash dividends returned from unvested restricted stock awards	1,574	-
Treasury shares transferred to employees	5,198	259
Net cash flows generated from financing activities	<u>9,733,029</u>	<u>651,741</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(69,172)</u>	<u>80,010</u>
Net increase in cash and cash equivalents	881,102	1,728,992
Cash and cash equivalents at beginning of year	3,033,779	1,304,787
Cash and cash equivalents at end of year	<u><u>\$ 3,914,881</u></u>	<u><u>3,033,779</u></u>

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

Attachment 2: 2025 Audit and Risk Committee's Review Report

美時化學製藥股份有限公司
Lotus Pharmaceutical Co., Ltd.
審計暨風險管理委員會查核報告書
Audit and Risk Committee's Review Report

董事會造具本公司民國一一四年度之財務報表及合併財務報表，業經安侯建業聯合會計師事務所鄭安志會計師及周寶蓮會計師查核完竣，連同營業報告書及盈餘分派表經本審計暨風險管理委員會查核，認為尚無不符，爰依證券交易法第十四條之四及公司法第二百一十九條規定繕具報告，敬請 鑒核。

此致

美時化學製藥股份有限公司一一五年股東常會

審計暨風險管理委員會召集人：楊郁民



To 2026 Annual General Meeting of Lotus Pharmaceutical Co., Ltd

The Company's 2025 standalone Financial Statements and consolidated Financial Statements prepared by the Board of Directors have been duly audited by KPMG. The Financial Statements, along with the Business Report and proposal for appropriation of earnings, have been reviewed and determined to be correct and accurate by the Audit and Risk Committee members of Lotus Pharmaceutical Co., Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Lotus Pharmaceutical Co., Ltd

Chairman of Audit and Risk Committee : Ivy Yang

中 華 民 國 一 一 五 年 三 月 十 二 日

Date: March 12th, 2026

Attachment 3: 2025 Employees' Profit-sharing Bonus and Directors' Compensation

For the year ended December 31, 2025, accruals for employees' remuneration and directors' remuneration were NTD 55,296 thousand and 0 thousand, respectively; see calculation below:

	TWD
Profits before tax before deducting remuneration to employees and directors	<u>5,529,612,745</u>
Calculation base to accrue remuneration to employees and directors	<u><u>5,529,612,745</u></u>
1% for remuneration to employees	<u>55,296,128</u>
0% for remuneration to directors	<u>-</u>

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

Attachment 4: 2025 Distribution of Cash Dividends

Lotus Pharmaceutical Co., Ltd. Year 2025 Earnings Distribution Statement

Unit: TWD

Items		Amount
Undistributed earnings of prior years		\$ 8,633,864,060
Add (minus):		
Remeasurement of defined benefit plans recognized in unappropriated earnings	41,559,583	
Net income for the year	4,720,052,644	
Cash dividends returned from unvested RSA	1,574,848	
Distributable earnings		13,397,051,135
Legal reserve (10%)	(476,318,708)	
Special reserve for the negative amounts of other equity (Note 1)	(147,692,320)	
Cash dividend	(673,842,617)	
Stock dividend	(34,165,280)	
Undistributed earnings at the end of year		\$12,065,032,210
<p>Note 1: It was the net amount of (1) \$68,318,878 unrealized gain from financial asset at fair value through other comprehensive income and (2) \$(216,011,198) exchange differences on translation of foreign financial statements. Please refer to statement of changes in equity for the year of 2025..</p> <p>Note 2: Cash dividends will be distributed in dollars, rounded down to the nearest whole dollar. Any fractional amount less than one dollar will not be distributed and will be accounted for as other income of the company.</p>		

Chairman: Vilhelm Róbert Wessman

CEO: Petar Antonov Vazharov

CFO: Eeling Chan

Attachment 5: The comparison chart on “Articles of Incorporation” (“AOI”) and after amendments

Lotus Pharmaceutical Co. Ltd.

“Articles of Incorporation” Amendment Comparison Chart

Article Number	Proposal	Original (Thirty-fifth amended on June 26, 2025)	Description
Article 19-1	The Company shall, after covering all losses incurred in the past years and paying all taxes and dues, set aside a legal capital reserve at 10 % of the profits left over, until the accumulated legal capital reserve has equaled the <u>paid-in capital</u> of the Company, and then set aside special capital reserve in accordance with relevant laws or regulations of the Republic of China or as requested by the competent authorities. If any remaining profits are available, plus the beginning undistributed earnings, it will be the accumulated distributable earnings and Board of Directors will draft the proposal for earnings distribution or no distribution under scenarios approved by Board of Directors, and have it passed by the resolution of shareholders’ meeting before distribution or modification.	The Company shall, after covering all losses incurred in the past years and paying all taxes and dues, set aside a legal capital reserve at 10 % of the profits left over, until the accumulated legal capital reserve has equaled the <u>total capital</u> of the Company, and then set aside special capital reserve in accordance with relevant laws or regulations of the Republic of China or as requested by the competent authorities. If any remaining profits are available, plus the beginning undistributed earnings, it will be the accumulated distributable earnings and Board of Directors will draft the proposal for earnings distribution or no distribution under scenarios approved by Board of Directors, and have it passed by the resolution of shareholders’ meeting before distribution or modification.	Adjust the wordings and structure to reflect terms of relevant regulations.
Article 22	These Articles of Incorporation are agreed to and signed on May 25th, 1966. (Omitted) <u>The thirty-sixth Amendment was made on June 16th, 2026.</u>	These Articles of Incorporation are agreed to and signed on May 25th, 1966. (Omitted)	Add a record of the amendments made in this revision.

LOTUS PHARMACEUTICAL CO., LTD.

ARTICLES OF INCORPORATION

[English translation for reference only]

Section I — General Provisions

Article 1

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

Article 2

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

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

Article 3

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

Article 4

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

Article 5

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

Section II — Capital Stock

Article 6

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

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

Article 6-1

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

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

Article 7

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

Article 8

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

Article 8-1

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

Section III — Shareholders Meetings

Article 9

Shareholders' meetings of the Company are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened whenever necessary

in accordance with the relevant laws, rules and regulations of the Republic of China. The Company's shareholders meeting shall be held via video conference or other communication media that announced by the regulatory authorities.

Article 9-1

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

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

Article 10

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

Article 11

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

Article 12

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

Article 12-1

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

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

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

Article 12-2

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

Section IV — Directors

Article 13

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

Article 13-1

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

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

Article 13-2

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

Article 14

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

Article 14-1

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

Article 14-2

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

Article 15

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

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

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

Article 16

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

Article 16-1

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

Article 16-2

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

Article 16-3

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

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

Article 16-4

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

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

Article 16-5

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

Section V — Management

Article 17

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

Section VI — Accounting

Article 18

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

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

Article 19

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

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

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

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

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

Article 19-1

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

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

Article 19-2

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

Section VII — Supplementary Provisions

Article 20

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

Article 21

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

Article 22

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

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

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

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

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

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

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

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

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

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

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

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

The twelfth Amendment was made on June 16th, 1998.
The thirteenth Amendment was made on February 17th, 2001.
The fourteenth Amendment was made on April 20th, 2002.
The fifteenth Amendment was made on June 14th, 2003.
The sixteenth Amendment was made on August 23rd, 2003.
The seventeenth Amendment was made on June 18th, 2005.
The eighteenth Amendment was made on June 23rd, 2006.
The nineteenth Amendment was made on June 27th, 2008.
The twentieth Amendment was made on June 16th, 2009.
The twenty-first Amendment was made on June 17th, 2010.
The twenty-second Amendment was made on June 5th, 2012.
The twenty-third Amendment was made on June 3rd, 2013.
The twenty-fourth Amendment was made on February 17th, 2014.
The twenty-fifth amendment was made on March 3rd, 2015. The deletion of the articles in relation to Supervisors and the amendment to the articles in relation to the Audit Committee take effect on the date when the audit committee is established.
The twenty-sixth Amendment was made on June 27th, 2016.
The twenty-seventh Amendment was made on October 25th, 2016.
The twenty-eighth Amendment was made on December 16th, 2016.
The twenty-ninth Amendment was made on June 27th, 2017.
The thirtieth Amendment was made on June 24th, 2019.
The thirty-first Amendment was made on June 30th, 2020.
The thirty-second Amendment was made on June 30th, 2022.
The thirty-third Amendment was made on June 15th, 2023.
The thirty-fourth Amendment was made on June 13th, 2024.
The thirty-fifth Amendment was made on June 26th, 2025.
The thirty-sixth Amendment was made on June 16th, 2026.

Attachment 6: The comparison chart on “Procedures for Loaning of Funds and Making of Endorsements and Guarantees” and after amendments

**Lotus Pharmaceutical Co. Ltd.
“Procedures for Loaning of Funds and Making of Endorsements and Guarantees” Amendment Comparison Chart**

Article Number	Proposal	Original	Description
	Approved on <u>2026/06/16</u>	Approved on <u>2022/06/30</u>	To update the amendment date.
Article 3	<p>The total amount for lending purpose and the maximum amount available to any borrower are set forth below:</p> <ol style="list-style-type: none"> 1. The total amount available for lending purpose shall not exceed forty percent (40%) of the Company’s net worth. 2. The total amount for lending to companies having business relationship with the Company shall not exceed twenty percent (20%) of the Company’s net worth. The amount for lending to a single company having business relationship with the Company shall not exceed ten percent (10%) of the Company’s net worth and shall not exceed the total transaction amount between the parties during the period of twelve (12) months prior to the time of lending. Having business relationship with the Company refers to purchase amount or sales amount of the goods between the parties, whichever is higher, in the current one (1) year or during the current year. 3. The total amount for lending to companies and to a single company for funding for a short-term period shall not exceed forth percent (40%) of the Company’s net worth. 4. The aggregate amount of inter-company loans of funds between offshore companies whose voting shares are 100% owned, directly or indirectly, by the Company, or the loans of fund to the Company by any offshore companies in which the Company holds, directly or indirectly, 100% of the voting shares shall not exceed one hundred percent (100%) of the lending company’s net worth; 	<p>The total amount for lending purpose and the maximum amount available to any borrower are set forth below:</p> <ol style="list-style-type: none"> 1. The total amount available for lending purpose shall not exceed forty percent (40%) of the Company’s net worth. 2. The total amount for lending to companies having business relationship with the Company shall not exceed twenty percent (20%) of the Company’s net worth. The amount for lending to a single company having business relationship with the Company shall not exceed ten percent (10%) of the Company’s net worth and shall not exceed the total transaction amount between the parties during the period of twelve (12) months prior to the time of lending. Having business relationship with the Company refers to purchase amount or sales amount of the goods between the parties, whichever is higher, in the current one (1) year or during the current year. 3. The total amount for lending to companies and to a single company for funding for a short-term period shall not exceed forth percent (40%) of the Company’s net worth. 4. The aggregate amount of inter-company loans of funds between offshore companies whose voting shares are 100% owned, directly or indirectly, by the Company, or the loans of fund to the Company by any offshore companies in which the Company holds, directly or indirectly, 100% of the voting shares shall not exceed one hundred percent (100%) of the lending company’s net worth; 	For subsidiary autonomy, adding clause on having subsidiaries adhere to their own loan to others policy.

Article Number	Proposal	Original	Description
	<p>the amount of such loan permitted to a single company shall not exceed one hundred percent (100%) of the lending company's net worth. The duration of such loan shall not exceed ten (10) years. <u>If the offshore subsidiary of the Company has formulated the operating procedures of the loan of funds, the aggregate amount of loan of funds and the amount of loan permitted to a single company should be complying with its respective procedures.</u></p> <p>Where the Company's responsible persons violate the provisions of Article 2 and Article 3, the principal shall be jointly and severally liable for repayment with the borrower; and such principal shall also be liable for damages incurred by the Company therefrom.</p>	<p>the amount of such loan permitted to a single company shall not exceed one hundred percent (100%) of the lending company's net worth. The duration of such loan shall not exceed ten (10) years.</p> <p>Where the Company's responsible persons violate the provisions of Article 2 and Article 3, the principal shall be jointly and severally liable for repayment with the borrower; and such principal shall also be liable for damages incurred by the Company therefrom.</p>	
Article 9	<p>Any lending of the Company's funds shall be evaluated with and subject to the relevant regulations announced by the securities regulatory authority and the Procedures, and then submitted, together with the result of the evaluation made as described in Article 5 and Article 6, to the Board of Directors for its approval and no delegation shall be made to any person in this regard. However, lending of funds shall be approved by the <u>Audit and Risk Committee</u> in accordance with relevant regulations and submitted to the Board of Directors for a resolution.</p> <p>Lending between the Company and its Parent company, subsidiaries, or among the subsidiaries, shall be approved by the Board of Directors of the Company, which the Board may authorize the Chairman to lend funds to a specific borrowing counterparty, within a certain pre-approved monetary amount and within a period not exceeding one year, in one or several drawdowns or via a revolving credit line.</p> <p>The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending</p>	<p>Any lending of the Company's funds shall be evaluated with and subject to the relevant regulations announced by the securities regulatory authority and the Procedures, and then submitted, together with the result of the evaluation made as described in Article 5 and Article 6, to the Board of Directors for its approval and no delegation shall be made to any person in this regard. However, lending of funds shall be approved by the <u>Audit Committee</u> in accordance with relevant regulations and submitted to the Board of Directors for a resolution.</p> <p>Lending between the Company and its Parent company, subsidiaries, or among the subsidiaries, shall be approved by the Board of Directors of the Company, which the Board may authorize the Chairman to lend funds to a specific borrowing counterparty, within a certain pre-approved monetary amount and within a period not exceeding one year, in one or several drawdowns or via a revolving credit line.</p> <p>The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending</p>	Amend wording per the Company's practices.

Article Number	Proposal	Original	Description
	company, except in cases of companies in compliance with Paragraph 4 of Article 3 of the Procedures.	company, except in cases of companies in compliance with Paragraph 4 of Article 3 of the Procedures.	
Article 12	Should a borrower no longer satisfy the criteria set forth in the relevant regulations and/or these Procedures or there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan has to be provided to the <u>Audit and Risk Committee</u> and the proposed correction actions should be implemented within the period specified in such plan.	Should a borrower no longer satisfy the criteria set forth in the relevant regulations and/or these Procedures or there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan has to be provided to the <u>Audit Committee</u> and the proposed correction actions should be implemented within the period specified in such plan.	Amend wording per the Company's practices.
Article 17	<p>The total amount of endorsement/guarantee provided by the Company; or by the Company and its subsidiaries is subject to the following limits:</p> <ol style="list-style-type: none"> 1. The total amount of endorsement/guarantee shall not exceed fifty percent (50%) of the Company's net worth. 2. The total amount of the endorsement/guarantee to any single company shall not exceed fifty percent (50%) of the Company's net worth. 3. The total amount of endorsement/guarantee provided by the Company to any single company deriving from business relations shall not exceed the total business amount between such party and the Company for the twelve-month period immediately before the extension of endorsement/guarantee where the business amount refers to purchase amount or sales amount of the goods between the parties, whichever is higher. <p>In case the above limits have to be exceeded to accommodate business needs, the approval from the <u>Audit and Risk Committee</u> and a resolution of the Board of Directors should be obtained and over half of all the directors should jointly endorse the potential loss that may be brought about by the excess of limits. The Board of Directors should also revise the Procedures and has it ratified at the Shareholders' Meeting. If the revised Procedures are not ratified at</p>	<p>The total amount of endorsement/guarantee provided by the Company; or by the Company and its subsidiaries is subject to the following limits:</p> <ol style="list-style-type: none"> 1. The total amount of endorsement/guarantee shall not exceed fifty percent (50%) of the Company's net worth. 2. The total amount of the endorsement/guarantee to any single company shall not exceed fifty percent (50%) of the Company's net worth. 3. The total amount of endorsement/guarantee provided by the Company to any single company deriving from business relations shall not exceed the total business amount between such party and the Company for the twelve-month period immediately before the extension of endorsement/guarantee where the business amount refers to purchase amount or sales amount of the goods between the parties, whichever is higher. <p>In case the above limits have to be exceeded to accommodate business needs, the approval from the <u>Audit Committee</u> and a resolution of the Board of Directors should be obtained and over half of all the directors should jointly endorse the potential loss that may be brought about by the excess of limits. The Board of Directors should also revise the Procedures and has it ratified at the Shareholders' Meeting. If the revised Procedures are not ratified at the</p>	Amend wording per the Company's practices.

Article Number	Proposal	Original	Description
	the Shareholders' Meeting, the Board of Directors should furnish a plan containing a timetable to withdraw the excess portion.	Shareholders' Meeting, the Board of Directors should furnish a plan containing a timetable to withdraw the excess portion.	
Article 18	If, due to changes of circumstances, the party to whom the Company provided endorsement and/or guarantee no longer satisfies the criteria set forth in the Procedures, or the amount of endorsement and/or guarantee exceeded the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be provided to the <u>Audit and Risk Committee</u> and the proposed correction actions should be implemented within the period specified in the plan.	If, due to changes of circumstances, the party to whom the Company provided endorsement and/or guarantee no longer satisfies the criteria set forth in the Procedures, or the amount of endorsement and/or guarantee exceeded the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be provided to the <u>Audit Committee</u> and the proposed correction actions should be implemented within the period specified in the plan.	Amend wording per the Company's practices.
Article 19	The procedures and authority level for providing endorsement and/or guarantee are defined as follows: 1. Any endorsement and/or guarantee to be provided by the Company shall be evaluated with the "Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies" announced by the securities regulatory authority, and the Procedures. Finance Department shall then evaluate the necessity and rationality of the endorsement/guarantee, the credibility and risk of involved parties, the impact towards the Company's operating risk, financial position and shareholders' equity, and the necessity to acquire collateral and appraisal of collateral. Such evaluation results, along with comments and opinions provided by other related departments, shall be submitted to the <u>Audit and Risk Committee</u> for approval and then submitted to the Board of Directors for a resolution. A pre-determined limit not exceeding ten percent (10%) of the Company's net worth may be delegated to the Chairman by the Board of Directors to facilitate execution and such endorsement/guarantee shall be reported to the most upcoming Board of Directors' Meeting for ratification.	The procedures and authority level for providing endorsement and/or guarantee are defined as follows: 1. Any endorsement and/or guarantee to be provided by the Company shall be evaluated with the "Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies" announced by the securities regulatory authority, and the Procedures. Finance Department shall then evaluate the necessity and rationality of the endorsement/guarantee, the credibility and risk of involved parties, the impact towards the Company's operating risk, financial position and shareholders' equity, and the necessity to acquire collateral and appraisal of collateral. Such evaluation results, along with comments and opinions provided by other related departments, shall be submitted to the <u>Audit Committee</u> for approval and then submitted to the Board of Directors for a resolution. A pre-determined limit not exceeding ten percent (10%) of the Company's net worth may be delegated to the Chairman by the Board of Directors to facilitate execution and such endorsement/guarantee shall be reported to the most upcoming Board of Directors' Meeting for ratification.	Amend wording per the Company's practices.

Article Number	Proposal	Original	Description
	<p>2. In case the Company contemplates to provide endorsement and/or guarantee for the benefit of a subsidiary whose net worth is lower than half of its paid-in capital, the Company shall request the subsidiary to provide improvements for its business, financial, and credit statuses as well as sources of repayment. The improvement measures shall be approved by the Board of Directors before being implemented. Where the Board of Directors does not consent with the improvement measures proposed, a plan shall be formulated in order to discharge the amount in excess within a given time limit. For purposes of determining the paid-in capital of the above-mentioned subsidiary who has no par value or has a par value other than NT\$10, the sum of the share capital plus "capital surplus - additional paid-in capital" shall be deemed as its paid-in capital.</p> <p>3. The Company shall establish and maintain a reference book to record all endorsement/guarantee-related information in accordance with the relevant regulations.</p> <p>4. The Company shall assess and recognize, if any, contingent losses brought about by the endorsement/guarantee, to adequately disclose information in the financial statements, and to provide external auditors with necessary information for conducting due auditing and issuing auditing report.</p>	<p>2. In case the Company contemplates to provide endorsement and/or guarantee for the benefit of a subsidiary whose net worth is lower than half of its paid-in capital, the Company shall request the subsidiary to provide improvements for its business, financial, and credit statuses as well as sources of repayment. The improvement measures shall be approved by the Board of Directors before being implemented. Where the Board of Directors does not consent with the improvement measures proposed, a plan shall be formulated in order to discharge the amount in excess within a given time limit. For purposes of determining the paid-in capital of the above-mentioned subsidiary who has no par value or has a par value other than NT\$10, the sum of the share capital plus "capital surplus - additional paid-in capital" shall be deemed as its paid-in capital.</p> <p>3. The Company shall establish and maintain a reference book to record all endorsement/guarantee-related information in accordance with the relevant regulations.</p> <p>4. The Company shall assess and recognize, if any, contingent losses brought about by the endorsement/guarantee, to adequately disclose information in the financial statements, and to provide external auditors with necessary information for conducting due auditing and issuing auditing report.</p>	
Article 23	The Company's internal auditors shall perform auditing on the Company's lending profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the <u>Audit and Risk Committee</u> .	The Company's internal auditors shall perform auditing on the Company's lending profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the <u>Audit Committee</u> .	Amend wording per the Company's practices.
Article 25	When the Procedures are submitted to the Board of Directions for deliberation, the opinions of independent directors shall be taken into full account. The objections or reservations of the independent directors, if any, shall be stated in the meeting minutes of the	When the Procedures are submitted to the Board of Directions for deliberation, the opinions of independent directors shall be taken into full account. The objections or reservations of the independent directors, if any, shall be stated in the meeting minutes of the	Amend wording per the Company's practices.

Article Number	Proposal	Original	Description
	<p>Board of Directors.</p> <p>The establishment or amendment of the Procedures shall be approved by more than half of the <u>Audit and Risk Committee</u>, and submitted to the Board of Directors for resolution. If such establishment or amendment fails to be approved by more than half of the <u>Audit and Risk Committee</u>, it shall be approved by more than two thirds of all directors, and the resolution of the <u>Audit and Risk Committee</u> shall be stated in the meeting minutes of the Board of Directors.</p> <p>All members of the <u>Audit and Risk Committee</u> and all directors of the Board of Directors as mentioned in the preceding paragraph shall be subject to the actual incumbents.</p> <p>The Procedures shall be approved by the <u>Audit and Risk Committee</u>, the Board of Directors, and the Shareholders' Meeting. Any amendment is subject to the same procedure.</p>	<p>Board of Directors.</p> <p>The establishment or amendment of the Procedures shall be approved by more than half of the <u>Audit Committee</u>, and submitted to the Board of Directors for resolution. If such establishment or amendment fails to be approved by more than half of the <u>Audit Committee</u>, it shall be approved by more than two thirds of all directors, and the resolution of the <u>Audit Committee</u> shall be stated in the meeting minutes of the Board of Directors.</p> <p>All members of the <u>Audit Committee</u> and all directors of the Board of Directors as mentioned in the preceding paragraph shall be subject to the actual incumbents.</p> <p>The Procedures shall be approved by the <u>Audit Committee</u>, the Board of Directors, and the Shareholders' Meeting. Any amendment is subject to the same procedure.</p>	

LOTUS PHARMACEUTICAL CO., LTD.
PROCEDURES FOR LOANING OF FUNDS AND MAKING OF
ENDORSEMENTS AND GUARANTEES
[English translation for reference only]

Amendments to be made at the shareholders' meeting on June 16, 2026

Section 1 Procedures for Loaning of Funds

Article 1 The Company shall follow the Procedures set forth below for lending funds to other parties. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in the Procedures means the equity attributable to owners of the parent in the balance sheet.

Article 2 The party to whom the Company may lend its funds shall be limited to:

1. Companies having business relationship with the Company; or
2. Companies in need of short-term financing facility which limited to the following conditions:
 - I. A company where fifty percent (50%) of the voting shares is directly or indirectly held by the Company that needs short-term financing; or
 - II. A company directly and indirectly holding more than fifty percent (50%) of the voting shares of the Company that needs short-term financing; or
 - III. Other necessary short-term financing and financial loans that have been approved by the Board of Directors of the Company.

"Short-term period" hereof shall mean the period of one (1) year.

Article 3 The total amount for lending purpose and the maximum amount available to any borrower are set forth below:

1. The total amount available for lending purpose shall not exceed forty percent (40%) of the Company's net worth.
2. The total amount for lending to companies having business relationship with the Company shall not exceed twenty percent (20%) of the Company's net worth. The amount for lending to a single company having business relationship with the Company shall not exceed ten percent (10%) of the Company's net worth and shall not exceed the total transaction amount between the parties during the period of twelve (12) months prior to the time of lending. Having business relationship with the Company refers to purchase amount or sales amount of the goods between the parties, whichever is higher, in the current one (1) year or during the current year.
3. The total amount for lending to companies and to a single company for funding for a short-term period shall not exceed forty percent (40%) of the Company's net worth.
4. The aggregate amount of inter-company loans of funds between offshore companies whose voting shares are 100% owned, directly or indirectly, by the Company, or the loans of fund to the Company by any offshore companies in which the Company holds, directly or indirectly, 100% of the voting shares shall not exceed one hundred

percent (100%) of the lending company's net worth; the amount of such loan permitted to a single company shall not exceed one hundred percent (100%) of the lending company's net worth. The duration of such loan shall not exceed ten (10) years. If the offshore subsidiary of the Company has formulated the operating procedures of the loan of funds, the aggregate amount of loan of funds and the amount of loan permitted to a single company should be complying with its respective procedures.

Where the Company's responsible persons violate the provisions of Article 2 and Article 3, the principal shall be jointly and severally liable for repayment with the borrower; and such principal shall also be liable for damages incurred by the Company therefrom.

Article 4 Duration and interest calculation:

1. Duration of Loan

The term of each loan shall not exceed one (1) year.

2. Interest Calculation

The interest rate shall not be lower than the short-term borrowing rate quoted by financial institutions. The interests shall be calculated on a monthly basis. If there is special circumstance to adjust the interest rate, the Board of Directors' approval shall be obtained for the adjustment.

For offshore companies that prescribed in Paragraph 4 of Article 3, the interest rate shall not be lower than the short-term borrowing rate quoted by the local financial institutions. If there is special circumstance to adjust the interest rate, the Board of Directors' approval shall be obtained for the adjustment.

Article 5 Any borrower, when applying for a loan from the Company, shall submit an application or a letter describing in detail the loan amount requested, term, purpose and collateral, together with certain basic information and financial data, to the Company to facilitate the evaluation and credit checking by the Company.

Finance Department, based on the aforesaid information, shall then evaluate the necessity and rationality of the loan application, the credibility and risk of the borrower, the impact towards the Company's operating risk, financial position and shareholders' equity, and the necessity to acquire collateral and appraisal of collateral.

Article 6 Except for subsidiaries in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares and a company directly and indirectly holding more than fifty percent (50%) of the voting shares of the Company, any other borrower shall provide a promissory note, collateral and/or other guarantee as requested by the Company in an amount equivalent to that of the loan when making an application. If any collateral is provided, legal procedures for mortgage and/or lien must be fulfilled to protect the Company's interest.

Article 7 All collateral, except land and securities, shall be covered by property damage insurance. For vehicles, comprehensive insurance shall be procured. The insured amount shall, in principle, be not less than the replacement cost of the collateral. The Company shall be named as the beneficiary of the insurance. The collateral shall only be cancelled when the borrower repay the loan.

Article 8 After a loan is extended, the finance department shall periodically evaluate the financial status and credit of the borrower and guarantor (if any). In the event that a loan is overdue and not repaid even after the Company's repeated attempt to collect payment, the finance department shall immediately notify the legal department for further legal actions to protect the Company's interest.

Article 9 Any lending of the Company's funds shall be evaluated with and subject to the relevant regulations announced by the securities regulatory authority and the Procedures, and then submitted, together with the result of the evaluation made as described in Article 5 and Article 6, to the Board of Directors for its approval and no delegation shall be made to any person in this regard. However, lending of funds shall be approved by the Audit and Risk Committee in accordance with relevant regulations and submitted to the Board of Directors for a resolution.

Lending between the Company and its Parent company, subsidiaries, or among the subsidiaries, shall be approved by the Board of Directors of the Company, which the Board may authorize the Chairman to lend funds to a specific borrowing counterparty, within a certain pre-approved monetary amount and within a period not exceeding one year, in one or several drawdowns or via a revolving credit line.

The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with Paragraph 4 of Article 3 of the Procedures.

Article 10 Should there be any lending which is required to be reported to the governmental authority-in-charge or to be publicly announced, such report or public announcement shall be made by the Company in accordance with the relevant laws, rules and regulations. If there is any reporting and announcement required for the Company's subsidiary which is not a domestic public company, the Company will follow the requirement on behalf of its subsidiary.

Article 11 The Company shall establish and maintain a reference book to record all its lendings and related information in accordance with the relevant regulations. The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

Article 12 Should a borrower no longer satisfy the criteria set forth in the relevant regulations and/or these Procedures or there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan has to be provided to the Audit and Risk Committee and the proposed correction actions should be implemented within the period specified in such plan.

Article 13 The Company's subsidiaries who do not intend to lend funds to others may, after approval by the Board of Directors, be exempt from the obligation of formulating the operating procedures for the loan of funds and others or endorsements/ guarantees.

Where the Company's subsidiary who has not formulate the operating procedures for

the loan of funds, its operation of loan of funds to other should be complying to this Procedures; and the monetary limits shall be based on the net worth of the respective subsidiaries.

When lending to other parties is contemplated by the subsidiary of the Company, a credit assessment report and comments, together with the proposed terms and conditions of lending, should be submitted to and approved by the Board of Directors of the subsidiary.

Relevant information of any lending granted by the Company's subsidiary shall be provided regularly to the Company for inspection.

Section 2 Procedures for Making of Endorsements and Guarantees

Article 14 The Procedures set forth below are the guidelines for the Company to provide endorsement and/or guarantee to outside parties. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in the Procedures means the equity attributable to owners of the parent in the balance sheet.

Article 15 The party to whom the Company may provide endorsement and/or guarantee include the following:

1. Any company who has business relationship with the Company; and
2. Any subsidiary whose voting shares are fifty percent (50%) or more owned, directly or indirectly by the Company; and
3. Any company who directly or through its subsidiaries indirectly own fifty percent (50%) or more of the Company's voting shares.

Subsidiaries whose voting shares are at least 90% owned, directly or indirectly, by the Company may provide endorsement and/or guarantee to each other, and the total amount of such endorsement/guarantee shall not exceed 10% of the Company's net worth. The limit restriction shall not apply to endorsement/guarantee when such subsidiaries' voting shares are 100% owned, directly or indirectly, by the Company.

Article 16 The scope of "endorsement and/or guarantee" is defined as follows:

1. Financing endorsement and/or guarantee, including:
 - I. Endorsement/guarantee to customers' notes for cash financing with a discount;
 - II. Endorsement/guarantee for another company for its financing needs;
 - III. Endorsement/guarantee to the notes issued by the Company to non-financial institutions and entities for the Company's own financing needs.
2. Endorsement/guarantee of customs duties due from the Company or other companies.
3. Other endorsements/guarantees which are not included under paragraphs 1 and 2.

The lien or mortgage provided by the Company against its assets and properties for guaranteeing another company's loan should also follow the policies and procedures set forth herein.

Article 17 The total amount of endorsement/guarantee provided by the Company; or by the Company and its subsidiaries is subject to the following limits:

1. The total amount of endorsement/guarantee shall not exceed fifty percent (50%) of the Company's net worth.
2. The total amount of the endorsement/guarantee to any single company shall not exceed fifty percent (50%) of the Company's net worth.
3. The total amount of endorsement/guarantee provided by the Company to any single company deriving from business relations shall not exceed the total business amount between such party and the Company for the twelve-month period immediately before the extension of endorsement/guarantee where the business amount refers to purchase amount or sales amount of the goods between the parties, whichever is higher.

In case the above limits have to be exceeded to accommodate business needs, the approval from the Audit and Risk Committee and a resolution of the Board of Directors should be obtained and over half of all the directors should jointly endorse the potential loss that may be brought about by the excess of limits. The Board of Directors should also revise the Procedures and has it ratified at the Shareholders' Meeting. If the revised Procedures are not ratified at the Shareholders' Meeting, the Board of Directors should furnish a plan containing a timetable to withdraw the excess portion.

Article 18 If, due to changes of circumstances, the party to whom the Company provided endorsement and/or guarantee no longer satisfies the criteria set forth in the Procedures, or the amount of endorsement and/or guarantee exceeded the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be provided to the Audit and Risk Committee and the proposed correction actions should be implemented within the period specified in the plan.

Article 19 The procedures and authority level for providing endorsement and/or guarantee are defined as follows:

1. Any endorsement and/or guarantee to be provided by the Company shall be evaluated with the "Regulations Governing Loaning of Funds and Making of Endorsements and Guarantees by Public Companies" announced by the securities regulatory authority, and the Procedures. Finance Department shall then evaluate the necessity and rationality of the endorsement/guarantee, the credibility and risk of involved parties, the impact towards the Company's operating risk, financial position and shareholders' equity, and the necessity to acquire collateral and appraisal of collateral. Such evaluation results, along with comments and opinions provided by other related departments, shall be submitted to the Audit and Risk Committee for approval and then submitted to the Board of Directors for a resolution. A pre-determined limit not exceeding ten percent (10%) of the Company's net worth may be delegated to the Chairman by the Board of Directors to facilitate execution and such endorsement/guarantee shall be reported to the most upcoming Board of Directors' Meeting for ratification.
2. In case the Company contemplates to provide endorsement and/or guarantee for the benefit of a subsidiary whose net worth is lower than half of its paid-in capital, the Company shall request the subsidiary to provide improvements for its business, financial, and credit statuses as well as sources of repayment. The improvement measures shall be approved by the Board of Directors before being implemented.

Where the Board of Directors does not consent with the improvement measures proposed, a plan shall be formulated in order to discharge the amount in excess within a given time limit. For purposes of determining the paid-in capital of the above-mentioned subsidiary who has no par value or has a par value other than NT\$10, the sum of the share capital plus "capital surplus - additional paid-in capital" shall be deemed as its paid-in capital.

3. The Company shall establish and maintain a reference book to record all endorsement/guarantee-related information in accordance with the relevant regulations.
4. The Company shall assess and recognize, if any, contingent losses brought about by the endorsement/guarantee, to adequately disclose information in the financial statements, and to provide external auditors with necessary information for conducting due auditing and issuing auditing report.

Article 20 The seals for endorsement/guarantee should be the official corporate seals registered with the Ministry of Economic Affairs and shall be kept separately by persons appointed and authorized by the Board of Directors. The Seal Management Regulations of the Company must be followed for sealing purposes. When providing endorsement/guarantee to a foreign company, the endorsement/guarantee letter should be executed and signed by the person delegated by the Board of Directors.

Article 21 Should there be any endorsement/guarantee which is required to be reported to the governmental authority-in-charge or to be publicly announced, such report or public announcement shall be made by the Company in accordance with the relevant laws, rules and regulations. If there is any reporting and announcement required for the Company's subsidiary which is not a domestic public company, the Company will follow the requirement on behalf of its subsidiary.

Article 22 Where the Company's subsidiaries do not intend to make endorsements or guarantees for others may, after approval by the Board of Directors, be exempt from the obligation of formulating the operating procedures for the endorsements/ guarantees.

Where the Company's subsidiary who has not formulate the operating procedures for the endorsements/ guarantees intend to make endorsements or guarantees for others, its operation of endorsements or guarantees for others should be complying to this Procedures; and the monetary limits shall be based on the net worth of the respective subsidiaries.

Relevant information of the endorsement/guarantee extended by the Company's subsidiary should be provided regularly to the Company for inspection.

The endorsement/guarantee made between the subsidiaries, whose voting shares are at least 90% owned, directly or indirectly, by the Company, shall be submitted to the Board of Directors for approval in advance, provided, however, this approval requirement shall not apply to endorsement/guarantee made between subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares.

Section 3 Others

Article 23 The Company's internal auditors shall perform auditing on the Company's lending profile every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Audit and Risk Committee.

Article 24 The Company's managers and persons-in-charge shall follow the Procedures in order to prevent the Company from incurring any losses. Should there be any violation of related regulations or the Procedures, subsequent castigation is subject to the related internal rules of the Company or change of work scope.

Article 25 When the Procedures are submitted to the Board of Directions for deliberation, the opinions of independent directors shall be taken into full account. The objections or reservations of the independent directors, if any, shall be stated in the meeting minutes of the Board of Directors.

The establishment or amendment of the Procedures shall be approved by more than half of the Audit and Risk Committee, and submitted to the Board of Directors for resolution. If such establishment or amendment fails to be approved by more than half of the Audit and Risk Committee, it shall be approved by more than two thirds of all directors, and the resolution of the Audit and Risk Committee shall be stated in the meeting minutes of the Board of Directors.

All members of the Audit and Risk Committee and all directors of the Board of Directors as mentioned in the preceding paragraph shall be subject to the actual incumbents.

The Procedures shall be approved by the Audit and Risk Committee, the Board of Directors, and the Shareholders' Meeting. Any amendment is subject to the same procedure.

Attachment 7: The comparison chart on “Procedures for Acquisition or Disposal of Assets” and after amendments

**Lotus Pharmaceutical Co. Ltd.
“Procedures for Acquisition or Disposal of Assets”
Amendment Comparison Chart**

Article Number	Proposal	Original	Description
	Approved on <u>2026/06/16</u>	Approved on <u>2024/06/13</u>	To update the amendment date.
Article 4	<p>Operational procedures:</p> <p>1. The acquisition or disposal of the Company’s assets shall be handled in accordance with the following limits and procedures:</p> <p>I. Other than investment in the mainland area, derivatives trading, and assets that are acquired or disposed through merger, spin-off, acquisition or share transfer, the acquisition or disposal of assets specified in Article 2 Paragraph 1 with transaction price of less than 20% of the Company's paid-in capital or NT\$300 million shall be duly handled in accordance with the Company’s internal Delegation of Duty and Authority. Any transaction of transaction value more than 20% of the Company's paid-in capital or NT\$300 million shall be reviewed and approved by the Board of Directors.</p> <p>II. The amount of transactions shall be calculated as follows:</p> <p>i. The amount of each transaction.</p> <p>ii. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.</p> <p>iii. The cumulative transaction amount of real estate or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) for the same development project within one year.</p> <p>iv. The cumulative transaction amount of acquisitions and</p>	<p>Operational procedures:</p> <p>1. The acquisition or disposal of the Company’s assets shall be handled in accordance with the following limits and procedures:</p> <p>I. Other than investment in the mainland area, derivatives trading, and assets that are acquired or disposed through merger, spin-off, acquisition or share transfer, the acquisition or disposal of assets specified in Article 2 Paragraph 1 with transaction price of less than 20% of the Company's paid-in capital or NT\$300 million shall be duly handled in accordance with the Company’s internal Delegation of Duty and Authority. Any transaction of transaction value more than 20% of the Company's paid-in capital or NT\$300 million shall be reviewed and approved by the Board of Directors.</p> <p>II. The amount of transactions shall be calculated as follows:</p> <p>i. The amount of each transaction.</p> <p>ii. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.</p> <p>iii. The cumulative transaction amount of real estate or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) for the same development project within one year.</p> <p>iv. The cumulative transaction amount of acquisitions and</p>	Amend wording per the Company's practices.

Article Number	Proposal	Original	Description
	<p>disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.</p> <p>The term “within one year” refers to one year preceding the Date of Event of the current transaction. Items that have been previously approved by the Board need not be counted toward the transaction amount.</p> <p>III. The acquisition or disposal of derivatives: it shall be duly handled in accordance with the procedures as set forth in Section 3.</p> <p>IV. that are acquired or disposed through merger, spin-off, acquisition or share transfer: it shall be duly handled in accordance with the procedures as set forth in Section 4.</p> <p>V. The limits of amounts for the Company and each Subsidiary acquiring non- operating real estate and right-of-use assets or securities:</p> <p>i. The acquisition of real estate and right-of-use assets for non-operating purpose should not exceed 50% of the Company’s net worth.</p> <p>ii. The total amount of all long/short term security investments should not exceed 200% of the Company’s net worth.</p> <p>iii. The amount of investment in each respective security should not exceed 100% of the Company’s net worth.</p> <p>iv. This requirement does not apply to investment in security of subsidiary in which the Company directly or indirectly owns more than 50%.</p> <p>2. Responsible Departments are as follows:</p> <p>I. Long/short term securities investment: Finance Department.</p> <p>II. Real estate and equipment or right-of-use assets: user department and other related departments.</p> <p>III. Membership and intangible assets or right-of-use assets: user department and other related departments.</p>	<p>disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.</p> <p>The term “within one year” refers to one year preceding the Date of Event of the current transaction. Items that have been previously approved by the Board need not be counted toward the transaction amount.</p> <p>III. The acquisition or disposal of derivatives: it shall be duly handled in accordance with the procedures as set forth in Section 3.</p> <p>IV. that are acquired or disposed through merger, spin-off, acquisition or share transfer: it shall be duly handled in accordance with the procedures as set forth in Section 4.</p> <p>V. The limits of amounts for the Company and each Subsidiary acquiring non- operating real estate and right-of-use assets or securities:</p> <p>i. The acquisition of real estate and right-of-use assets for non-operating purpose should not exceed 50% of the Company’s net worth.</p> <p>ii. The total amount of all long/short term security investments should not exceed 200% of the Company’s net worth.</p> <p>iii. The amount of investment in each respective security should not exceed 100% of the Company’s net worth.</p> <p>iv. This requirement does not apply to investment in security of subsidiary in which the Company directly or indirectly owns more than 50%.</p> <p>2. Responsible Departments are as follows:</p> <p>I. Long/short term securities investment: Finance Department.</p> <p>II. Real estate and equipment or right-of-use assets: user department and other related departments.</p> <p>III. Membership and intangible assets or right-of-use assets: user department and other related departments.</p>	

Article Number	Proposal	Original	Description
	<p>IV. Derivatives: to be assessed and executed by the Finance Department</p> <p>V. Assets acquired or disposed through merger, spin-off, acquisition, or transfer of shares, and other material assets: the responsible person appointed by the chairman or the Project Team established shall take the responsibility for assessment and execution.</p> <p>3. When a matter is submitted for discussion by the Board pursuant to the preceding paragraph, the Board shall take into full consideration each independent director’s opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>4. Material asset or derivatives products transactions shall be approved by a majority of the <u>Audit and Risk Committee</u> in accordance with relevant regulations and be approved by the Board.</p> <p>5. The contracts, memorandum, appraisal reports, and opinions of certified public accounts, lawyers or securities underwriters in connection with the Company’s acquisition or disposal of assets shall, except as otherwise specified by relevant laws, be kept in the Company for at least five years.</p>	<p>IV. Derivatives: to be assessed and executed by the Finance Department</p> <p>V. Assets acquired or disposed through merger, spin-off, acquisition, or transfer of shares, and other material assets: the responsible person appointed by the chairman or the Project Team established shall take the responsibility for assessment and execution.</p> <p>3. When a matter is submitted for discussion by the Board pursuant to the preceding paragraph, the Board shall take into full consideration each independent director’s opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>4. Material asset or derivatives products transactions shall be approved by a majority of the <u>Audit Committee</u> in accordance with relevant regulations and be approved by the Board.</p> <p>5. The contracts, memorandum, appraisal reports, and opinions of certified public accounts, lawyers or securities underwriters in connection with the Company’s acquisition or disposal of assets shall, except as otherwise specified by relevant laws, be kept in the Company for at least five years.</p>	
Article 6	<p>The Company’s subsidiaries shall follow the following procedures when acquiring or disposing an asset:</p> <p>1. The Company’s subsidiaries shall establish its own procedures for acquisition or disposal of assets in compliance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”. Such procedures shall be discussed and approved by subsidiaries’ board of directors <u>and shareholders</u>. The same shall apply if any further amendment is made. <u>The Company’s subsidiaries shall upon completion of the adoption or modification of its 'Procedures for the Acquisition or Disposal of Assets,' provide the procedures to the Company.</u></p>	<p>The Company’s subsidiaries shall follow the following procedures when acquiring or disposing an asset:</p> <p>1. The Company’s subsidiaries shall establish its own procedures for acquisition or disposal of assets in compliance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”. Such procedures shall be discussed and approved by subsidiaries’ board of directors and <u>reported to the Company’s Board of Directors</u>. The same shall apply if any further amendment is made.</p> <p>2. This procedure shall be applicable to the Company’s subsidiaries if a subsidiary has not established its own procedures for acquisition or disposal</p>	<p>The procedures regarding the adoption or amendment of the 'Procedures for the Acquisition or Disposal of Assets' by subsidiaries have been revised pursuant to Article 6 of the governing Regulations and are to be followed hereafter.</p>

Article Number	Proposal	Original	Description
	<p>2. This procedure shall be applicable to the Company’s subsidiaries if a subsidiary has not established its own procedures for acquisition or disposal of assets. The guidance related to transaction price shall be calculated based on the paid-in capital, total assets or net worth of the subsidiary.</p> <p>3. If the acquisition or disposal of assets by the Company’s subsidiaries reaches the reporting standard specified in Article 5 of the Procedures and such subsidiaries are not domestic public companies, the Company shall publish and report for such subsidiaries.</p> <p>4. Where a subsidiary in the preceding paragraph is subject to the requirements of 20% of the paid-in capital or 10% of the total assets for public announcement and declaration specified in Article 5 of the Procedures, it shall refer to the Company’s paid-in capital or total assets.</p>	<p>of assets. The guidance related to transaction price shall be calculated based on the paid-in capital, total assets or net worth of the subsidiary.</p> <p>3. If the acquisition or disposal of assets by the Company’s subsidiaries reaches the reporting standard specified in Article 5 of the Procedures and such subsidiaries are not domestic public companies, the Company shall publish and report for such subsidiaries.</p> <p>4. Where a subsidiary in the preceding paragraph is subject to the requirements of 20% of the paid-in capital or 10% of the total assets for public announcement and declaration specified in Article 5 of the Procedures, it shall refer to the Company’s paid-in capital or total assets.</p>	
Article 7	<p>When the Company engages in any acquisition or disposal of assets from or to a related party, the Company shall conduct in compliance with preceding procedures and the “Regulations Governing the Acquisitions and Disposal of Assets by Public Companies” by the competent authorities.</p> <p>1. Acquisition or disposal of assets by the Company from or to a related party shall comply with Article 4 of the Procedures. The Company shall also obtain an appraisal report from a professional appraiser or an opinion from a certified public account in accordance with Article 3 of the Procedures if the transaction price exceeds 10% of the Company’s total assets.</p> <p>2. When the Company intends to acquire or dispose real estate or right-of-use assets from or to a related party, or when the Company intends to acquire or dispose assets or right-of-use assets other than real estate from or to a related party and the transaction price exceeds 20% of the Company's paid-in capital, 10% of the Company's total</p>	<p>When the Company engages in any acquisition or disposal of assets from or to a related party, the Company shall conduct in compliance with preceding procedures and the “Regulations Governing the Acquisitions and Disposal of Assets by Public Companies” by the competent authorities.</p> <p>1. Acquisition or disposal of assets by the Company from or to a related party shall comply with Article 4 of the Procedures. The Company shall also obtain an appraisal report from a professional appraiser or an opinion from a certified public account in accordance with Article 3 of the Procedures if the transaction price exceeds 10% of the Company’s total assets.</p> <p>2. When the Company intends to acquire or dispose real estate or right-of-use assets from or to a related party, or when the Company intends to acquire or dispose assets or right-of-use assets other than real estate from or to a related party and the transaction price exceeds 20% of the Company's paid-in capital, 10% of the Company's total</p>	Amend wording per the Company's practices.

Article Number	Proposal	Original	Description
	<p>assets, or NT\$ 300 million, with the exception of trading of domestic government bonds or bonds under repurchase or resale agreements, or subscription or redemption of domestic money market funds, the following information shall be, after being discussed and approved by a majority of <u>Audit and Risk Committee</u>, submitted to Board of Directors for approval, before entering into a transaction contract or executing a payment:</p> <p>I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets;</p> <p>II. The reason for choosing the related party as a trading counterparty;</p> <p>III. With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with relevant regulations and rules;</p> <p>IV. The date and price, original trading counterparty and the relationship of the said trading counterparty's with this Company and the related party regarding the original acquisition of the real property;</p> <p>V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing the contract, and evaluation of the necessity of the transaction, and the reasonableness of the funds utilization;</p> <p>VI. An appraisal report from a professional appraiser or an opinion from a certified public accountant obtained in compliance with the provisions of the preceding paragraph; and</p> <p>VII. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>When a matter is submitted for discussion by the Board, the Board shall take into full consideration of</p>	<p>assets, or NT\$ 300 million, with the exception of trading of domestic government bonds or bonds under repurchase or resale agreements, or subscription or redemption of domestic money market funds, the following information shall be, after being discussed and approved by a majority of <u>Audit Committee</u>, submitted to Board of Directors for approval, before entering into a transaction contract or executing a payment:</p> <p>I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets;</p> <p>II. The reason for choosing the related party as a trading counterparty;</p> <p>III. With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with relevant regulations and rules;</p> <p>IV. The date and price, original trading counterparty and the relationship of the said trading counterparty's with this Company and the related party regarding the original acquisition of the real property;</p> <p>V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing the contract, and evaluation of the necessity of the transaction, and the reasonableness of the funds utilization;</p> <p>VI. An appraisal report from a professional appraiser or an opinion from a certified public accountant obtained in compliance with the provisions of the preceding paragraph; and</p> <p>VII. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>When a matter is submitted for discussion by the Board, the Board shall take into full consideration of</p>	

Article Number	Proposal	Original	Description
	<p>each independent director’s opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>3. When the Company or its subsidiary that is not a domestic public offering company intends to engage the transaction as mentioned in paragraph 2, and the transaction amount is more than 10% of the total assets of the Company, the Company shall submit the information listed in paragraph 1 to the Shareholders' Meeting for approval before entering a transaction contract or executing a payment. Transaction between the Company and its parent company or subsidiaries, or between its subsidiaries is not subject to this restriction.</p> <p>4. The calculation of the transaction price referred to in paragraph 2 and the preceding paragraph shall be made in accordance with Article 5 Paragraph 1 Item 7, and within the preceding year as used herein refers to the year preceding the date of the event; items which have been approved by the <u>Audit and Risk Committee</u>, the Board of Directors and the Shareholders’ Meeting shall not be counted in the transaction price again.</p> <p>5. Regarding to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Board of Directors may authorize the Chairman to decide the transaction if the transaction price is within NT\$300 million; the transaction shall be subsequently submitted to and ratified in the next Board of Directors meeting:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p>	<p>each independent director’s opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.</p> <p>3. When the Company or its subsidiary that is not a domestic public offering company intends to engage the transaction as mentioned in paragraph 2, and the transaction amount is more than 10% of the total assets of the Company, the Company shall submit the information listed in paragraph 1 to the Shareholders' Meeting for approval before entering a transaction contract or executing a payment. Transaction between the Company and its parent company or subsidiaries, or between its subsidiaries is not subject to this restriction.</p> <p>4. The calculation of the transaction price referred to in paragraph 2 and the preceding paragraph shall be made in accordance with Article 5 Paragraph 1 Item 7, and within the preceding year as used herein refers to the year preceding the date of the event; items which have been approved by the <u>Audit Committee</u>, the Board of Directors and the Shareholders’ Meeting shall not be counted in the transaction price again.</p> <p>5. Regarding to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Board of Directors may authorize the Chairman to decide the transaction if the transaction price is within NT\$300 million; the transaction shall be subsequently submitted to and ratified in the next Board of Directors meeting:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p>	

Article Number	Proposal	Original	Description
	6. When the Company obtains real estate property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs and the handling requirements when the result of appraisal is lower than the transaction price, in compliance with the “Regulations Governing the Acquisitions and Disposal of Assets by Public Companies”.	6. When the Company obtains real estate property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs and the handling requirements when the result of appraisal is lower than the transaction price, in compliance with the “Regulations Governing the Acquisitions and Disposal of Assets by Public Companies”.	
Article 17	The Procedures shall be approved by a majority of the <u>Audit and Risk Committee</u> , the Board of Directors, and the Shareholders’ Meeting. Any amendment is subject to the same procedures.	The Procedures shall be approved by a majority of the <u>Audit Committee</u> , the Board of Directors, and the Shareholders’ Meeting. Any amendment is subject to the same procedures.	Amend wording per the Company's practices.

LOTUS PHARMACEUTICAL CO., LTD
PROCEDURES FOR ACQUISITION OR DISPOSAL OF ASSETS
[English translation for reference only]

Amendments to be made at the shareholders' meeting on June 16, 2026

Section 1 Acquisition or Disposal of Assets

Article 1 This procedure has been stipulated for the purpose of safeguarding assets and achieving data transparency.

This Company's acquisition or disposal of assets should be made in accordance with the following Procedures. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

Article 2 1. The scope of "Assets":

- I. Long/short term security investments (including stocks, bonds, corporate bonds, bank indentures, fund securities, depository receipts, warrants, beneficiary securities, asset-based securities, etc.);
- II. Real estate (including lands, plants and buildings, and investment property), and equipment;
- III. Membership;
- IV. Patent, copyright, trademark, charter right, any intangible assets, etc.;
- V. Derivatives products;
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables);
- VII. Assets that are acquired or disposed through merger, spin-off, acquisition or share transfer;
- VIII. Right-of-use assets;
- IX. Other major assets.

2. "Date of the Event" used herein should mean, in principle, the contracting day, the payment day, the transaction day, the title transferring day, the day of board resolution or other date when the transaction party and the transaction amount can be ascertained (whichever is earlier); for investments required to be approved by government authority, the Date of the Event will be any of the above-mentioned dates or the date on which the approval letter of government authority is received, whichever is earlier.
3. "Professional Appraiser" used herein should mean any appraisers/appraisal institutions specialized in real estate or other lawful appraisers/appraisal institutions of real estate and equipment.
4. "Related Parties" and "Subsidiaries" used herein should mean the companies meeting with the definition stipulated in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
5. "Latest Financial Statements" used herein should mean the financial statements of this Company audited or examined by certified public accountant which has been published in accordance with applicable regulation before the subject acquisition or disposal of assets.
6. "Mainland China area investment" used herein should refer to investments in the mainland China area in accordance with the provisions of the Regulations Governing

Permission for Investment or Technical Cooperation in the Mainland Area stipulated by the Investment Commission of the Ministry of Economic Affairs.

7. "Stock Exchange" used herein should refer to domestic Stock Exchange, it is referred to Taiwan Stock Exchange; for foreign Stock Exchange, it is referred to any stock exchange market which is operated by the juridical organization and administrated and supervised by the local securities authority.
8. "Over the Counter" used herein should refer to domestic Over the Counter, it is referred to the place in which the securities are traded over the counter specially provided by securities firms in accordance with Regulations Governing Securities Trading on the Taipei Exchange; For foreign Over the Counter, it is referred to the operation places of the financial institutions which are qualified to operate securities business and administrated and supervised by the foreign competent securities authority.

The term "10% of the company's total asset" used herein shall be calculated based on the total asset stated in the most recent standalone financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Any unspecified terms in the Procedures shall be subject to the "Regulations Governing Acquisition or Disposal of Assets by Public Companies" announced by the regulatory authority.

Article 3 Evaluation procedures:

1. The ways to determine the price:
 - I. The price of the securities acquired or disposed through the Centralized Trading Market or Taipei Exchange of the Republic of China shall be priced based on the trading price at that time.
 - II. The price of the securities not acquired or disposed through the Centralized Trading Market or Taipei Exchange, the prices shall be determined with consideration of the net worth per share, profitability, potential of future development and with reference to the trading prices at that time; or to be determined with consideration of the interest rate prevalent in the market, interest rate on face of the bonds as well as the debtors' creditability.
 - III. The prices of real estate acquired or disposed shall be determined based on the current official land prices, the values appraised and the most recent transaction price of the real estate nearby.
 - IV. The prices of equipment acquired or disposed shall be determined through any manner among price inquiry, price parity, price negotiations, or bidding.
 - V. The prices of memberships acquired or disposed shall be determined through either manner of price parity or price negotiations.
 - VI. The prices of intangible assets acquired or disposed shall be determined in accordance with the related laws and regulations and contract(s).
 - VII. The prices of derivatives acquired or disposed shall be determined through the manner as set forth in Section 3 in the Procedures.
 - VIII. The prices of assets acquired or disposed through mergers, spin-off, acquisitions, or transfer of shares shall be determined through the manner as set forth in Section 4 in the Procedures.

2. Basis for pricing reference:

- I. Long/short term security investments: the Company shall, prior to the date of the event, obtain financial statements of the issuing company for the most recent period that was certified or reviewed by a certified public accountant as a reference for appraising the transaction price. If the transaction price reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, the Company shall engage a certified public accountant prior to the date of the event to provide an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that are traded in a liquid market, or where otherwise provided by regulations of the securities regulatory authorities.
- II. Real estate, equipment or right-of-use assets: unless dealing with a domestic government agency, engaging others to build on its own land, engaging others to build on a rental land, or acquiring or disposing any equipment or right-of-use assets for operating use, the Company shall obtain an appraisal report prior to the date of the event from a professional appraiser and further comply with the following provisions if the transaction price reaches 20% of the Company's paid-in capital or exceeds NT\$300 million:
 - i. Where due to special circumstances it is necessary to set a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted to the Board of Directors for approval in advance. The same procedure shall also be applied if any further changes to the terms and conditions of the transaction;
 - ii. Where the transaction price exceeds NT\$1 billion, appraisal reports from two or more professional appraisers are required;
 - iii. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction price, or all the appraisal results for the assets to be disposed of are lower than the transaction price, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 1. The discrepancy between the appraisal result and the transaction price is 20% or more of the transaction price; or
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction price.
 - iv. The period between the issue date of appraisal report and the date of contract execution shall not be more than three (3) months, provided where the publicly announced current value for the same period is used within six months period, an opinion may be issued by the original professional appraiser.
- III. Memberships or intangible assets or right-of-use assets: unless dealing with a domestic government agency, the Company shall engage a certified public accountant prior to the date of the event to render an opinion on the reasonableness of the transaction price if the transaction price reaches 20% of the Company's paid-in capital or exceeds NT\$300 million.
- IV. Derivatives: the transaction shall be duly handled in accordance with the procedures as set forth in Section 3.

- V. Assets that are acquired or disposed through merger, spin-off, acquisition or share transfer: the transaction shall be duly handled in accordance with the procedures as set forth in Section 4.
3. Professional appraisers and their officers, certified public accounts, attorneys, and underwriters who provide appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions meet the following requirements:
- I. Shall not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Law of the Republic of China, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
 - II. Shall not be a related party or de facto related party of any party to the transaction.
 - III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers shall not be related parties or de facto related parties of each other.
- When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the code of conducts of the commercial associations to which it belongs and the followings:
- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
 - II. When executing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
 - III. They shall undertake an item-by-item evaluation of the comprehensiveness, appropriateness, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
 - IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.
4. Where the Company acquires or disposes assets through the court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or certified public accountant's opinion.

Article 4 Operational procedures:

- 1. The acquisition or disposal of the Company's assets shall be handled in accordance with the following limits and procedures:
 - I. Other than investment in the mainland area, derivatives trading, and assets that are acquired or disposed through merger, spin-off, acquisition or share transfer, the acquisition or disposal of assets specified in Article 2 Paragraph 1 with transaction price of less than 20% of the Company's paid-in capital or NT\$300 million shall be duly handled in accordance with the Company's internal Delegation of Duty and

Authority. Any transaction of transaction value more than 20% of the Company's paid-in capital or NT\$300 million shall be reviewed and approved by the Board of Directors.

- II. The amount of transactions shall be calculated as follows:
 - i. The amount of each transaction.
 - ii. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.
 - iii. The cumulative transaction amount of real estate or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) for the same development project within one year.
 - iv. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.

The term “within one year” refers to one year preceding the Date of Event of the current transaction. Items that have been previously approved by the Board need not be counted toward the transaction amount.
 - III. The acquisition or disposal of derivatives: it shall be duly handled in accordance with the procedures as set forth in Section 3.
 - IV. that are acquired or disposed through merger, spin-off, acquisition or share transfer: it shall be duly handled in accordance with the procedures as set forth in Section 4.
 - V. The limits of amounts for the Company and each Subsidiary acquiring non-operating real estate and right-of-use assets or securities:
 - i. The acquisition of real estate and right-of-use assets for non-operating purpose should not exceed 50% of the Company’s net worth.
 - ii. The total amount of all long/short term security investments should not exceed 200% of the Company’s net worth.
 - iii. The amount of investment in each respective security should not exceed 100% of the Company’s net worth.
 - iv. This requirement does not apply to investment in security of subsidiary in which the Company directly or indirectly owns more than 50%.
2. Responsible Departments are as follows:
- I. Long/short term securities investment: Finance Department.
 - II. Real estate and equipment or right-of-use assets: user department and other related departments.
 - III. Membership and intangible assets or right-of-use assets: user department and other related departments.
 - IV. Derivatives: to be assessed and executed by the Finance Department
 - V. Assets acquired or disposed through merger, spin-off, acquisition, or transfer of shares, and other material assets: the responsible person appointed by the chairman or the Project Team established shall take the responsibility for assessment and execution.
3. When a matter is submitted for discussion by the Board pursuant to the preceding paragraph, the Board shall take into full consideration each independent director’s opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.

4. Material asset or derivatives products transactions shall be approved by a majority of the Audit and Risk Committee in accordance with relevant regulations and be approved by the Board.
5. The contracts, memorandum, appraisal reports, and opinions of certified public accounts, lawyers or securities underwriters in connection with the Company's acquisition or disposal of assets shall, except as otherwise specified by relevant laws, be kept in the Company for at least five years.

Article 5 Public Announcement and Declaration:

1. Under any of the following circumstances, the Company shall publicly announce and report in accordance with relevant regulations in the appropriate format as prescribed by the regulations within two days from the date of the event:
 - I. Acquisition or disposal of real estate or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real estate or right-of-use assets from or to a related party where the transaction price exceeds 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million, provided that this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds;
 - II. Merger, spin-off, acquisition, or transfer of shares;
 - III. Losses from derivative trading reach the limits on aggregate losses or losses on individual contracts set out in the Procedures;
 - IV. Where the asset acquired or disposed is equipment for business use or rights-of-use for such equipment, and the trading counterparty is not a related party:
 - i. For the Company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more;
 - ii. For the Company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
 - V. Where land is acquired under an arrangement on engaging third parties to build on the Company's own land, engaging third parties to build on rental land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale and where the transaction counterparty is not a related party;
 - VI. Where an asset transaction other than any of those referred to in the preceding five items or investment in the mainland area, the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million, provided that this shall not apply to the following circumstances:
 - i. Trading of domestic government bonds or foreign government bond with a credit rating not lower than the sovereign rating of Taiwan R.O.C;
 - ii. Trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds;
 - VII. The amount of transactions shall be calculated as follows:
 - i. The amount of each transaction.
 - ii. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.
 - iii. The cumulative transaction amount of real estate or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) for the same development project within one year.

iv. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.

The term “within one year” refers to one year preceding the Date of Event of the current transaction. Items that have been previously publicly announced need not be counted toward the transaction amount.

2. In the event that a public announcement made by the Company is found insufficient or erroneous which calls for correction, the Company shall redo the entire announcement publicly within 2 days immediately from the date of the notice.
3. Should any of the following conditions occur after the filing and public announcement of transactions, the Company needs to file and make public announcement accordingly within two days commencing immediately from the date of the event:
 - I. Amendment, termination or cancellation of the original agreement;
 - II. Merger, spin-off, acquisition or share transfer not completed as scheduled in the agreement;
 - III. Change to the originally publicly announced and reported information.

Article 6 The Company’s subsidiaries shall follow the following procedures when acquiring or disposing an asset:

1. The Company’s subsidiaries shall establish its own procedures for acquisition or disposal of assets in compliance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”. Such procedures shall be discussed and approved by subsidiaries’ board of directors and shareholders. The same shall apply if any further amendment is made. The Company’s subsidiaries shall upon completion of the adoption or modification of its “Procedures for the Acquisition or Disposal of Assets,” provide the procedures to the Company.
2. This procedure shall be applicable to the Company’s subsidiaries if a subsidiary has not established its own procedures for acquisition or disposal of assets. The guidance related to transaction price shall be calculated based on the paid-in capital, total assets or net worth of the subsidiary.
3. If the acquisition or disposal of assets by the Company’s subsidiaries reaches the reporting standard specified in Article 5 of the Procedures and such subsidiaries are not domestic public companies, the Company shall publish and report for such subsidiaries.
4. Where a subsidiary in the preceding paragraph is subject to the requirements of 20% of the paid-in capital or 10% of the total assets for public announcement and declaration specified in Article 5 of the Procedures, it shall refer to the Company’s

Section 2 Related Party Transactions

Article 7 When the Company engages in any acquisition or disposal of assets from or to a related party, the Company shall conduct in compliance with preceding procedures and the “Regulations Governing the Acquisitions and Disposal of Assets by Public Companies” by the competent authorities.

1. Acquisition or disposal of assets by the Company from or to a related party shall comply with Article 4 of the Procedures. The Company shall also obtain an appraisal report from a professional appraiser or an opinion from a certified public account in accordance with Article 3 of the Procedures if the transaction price exceeds 10% of the Company’s total assets.

2. When the Company intends to acquire or dispose real estate or right-of-use assets from or to a related party, or when the Company intends to acquire or dispose assets or right-of-use assets other than real estate from or to a related party and the transaction price exceeds 20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$ 300 million, with the exception of trading of domestic government bonds or bonds under repurchase or resale agreements, or subscription or redemption of domestic money market funds, the following information shall be, after being discussed and approved by a majority of Audit and Risk Committee, submitted to Board of Directors for approval, before entering into a transaction contract or executing a payment:
 - I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets;
 - II. The reason for choosing the related party as a trading counterparty;
 - III. With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with relevant regulations and rules;
 - IV. The date and price, original trading counterparty and the relationship of the said trading counterparty's with this Company and the related party regarding the original acquisition of the real property;
 - V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing the contract, and evaluation of the necessity of the transaction, and the reasonableness of the funds utilization;
 - VI. An appraisal report from a professional appraiser or an opinion from a certified public accountant obtained in compliance with the provisions of the preceding paragraph; and
 - VII. Restrictive covenants and other important stipulations associated with the transaction.

When a matter is submitted for discussion by the Board, the Board shall take into full consideration of each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.
3. When the Company or its subsidiary that is not a domestic public offering company intends to engage the transaction as mentioned in paragraph 2, and the transaction amount is more than 10% of the total assets of the Company, the Company shall submit the information listed in paragraph 1 to the Shareholders' Meeting for approval before entering a transaction contract or executing a payment. Transaction between the Company and its parent company or subsidiaries, or between its subsidiaries is not subject to this restriction.
4. The calculation of the transaction price referred to in paragraph 2 and the preceding paragraph shall be made in accordance with Article 5 Paragraph 1 Item 7, and within the preceding year as used herein refers to the year preceding the date of the event; items which have been approved by the Audit and Risk Committee, the Board of Directors and the Shareholders' Meeting shall not be counted in the transaction price again.
5. Regarding to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the

Board of Directors may authorize the Chairman to decide the transaction if the transaction price is within NT\$300 million; the transaction shall be subsequently submitted to and ratified in the next Board of Directors meeting:

- I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
 - II. Acquisition or disposal of real property right-of-use assets held for business use.
6. When the Company obtains real estate property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs and the handling requirements when the result of appraisal is lower than the transaction price, in compliance with the “Regulations Governing the Acquisitions and Disposal of Assets by Public Companies”.

Section 3 Derivatives Trading

Article 8 The Company shall, when engaging in derivatives trading, comply with Section 1 and this Section by conducting the relevant procedures and assessing reasonableness of the terms of transaction.

Article 9 Principles and guidelines for the transaction:

1. Transaction types:
 - I. Derivatives traded by the Company shall refer to transaction contracts whose values are derived from the forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rates, indexes of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. (such as forward contracts, options, futures, exchanges, and compound contracts arising from a combination of the products listed above)
 - II. When the Company engages in the trade of bond deposits, the transaction shall be conducted in accordance with the Procedures.
2. Operating and hedging strategies: derivatives trading of the Company shall be conducted for the purposes of risk hedging, where selection of derivatives traded shall be those that minimize the risks generated by the Company's business operations, where the currency held shall be consistent with actual foreign currencies needed for actual imports and exports of the Company in order to reduce the Company's overall foreign exchange risks and operating expenses.
3. Segregation of duties:
 - I. Finance and Accounting Department:
 - i. Trader:
 1. Being responsible for formulating the overall financial product trading strategy for the Company;
 2. Traders shall, on a regular basis, every two weeks, calculate trading positions, collect market data, determine market trends and carry out risk analysis, and formulate operating strategies. These evaluations shall be approved in compliance with the Company's internal Delegation of Duty and Authority and be used as a basis for trading;

3. Conducting derivatives trading in compliance with the Company's internal Delegation of Duty and Authority and establishing strategies;
 4. When the financial market is undergoing major changes and the set strategies are considered no longer applicable to the situation as judged by the trader, the trader may, at any time, submit an evaluation report and reformulate trading strategies. The new evaluation report shall be approved in compliance with the Company's internal Delegation of Duty and Authority and be used as a basis for trading.
- ii. Accountant:
 1. Verifying the transactions;
 2. Reviewing the transactions for compliance with the authorized restrictions and established strategies;
 3. Conducting monthly evaluations. Evaluation reports shall be submitted to the responsible supervisors;
 4. Accounting and bookkeeping;
 5. Declaring items and establishing regulations according to the laws of the securities regulatory authorities.
 - iii. Settlement personnel: conducting settlement of the derivatives trading.
- II. Internal Auditor: regularly evaluating whether the derivatives trading is conducted in compliance with the defined procedures and the risks is bearable to the Company.
4. Approval authorization and limits for derivatives trading:
 - I. Single transaction that exceeds US\$1 million, or cumulative net positions that exceed US\$1.5 million, shall be submitted to the Board of Directors for approval before commencing the transaction. Other transactions may be conducted in accordance with the Company's internal Delegation of Duty and Authority.
 - II. Transactions for other specified purposes or non-hedge trades shall be approved by the Board of Directors before commencing with the transaction, regardless of the amount involved.
 5. Total amount of derivatives contracts and maximum loss limit for total and individual contracts:
 - I. Total amount of derivative contracts:
 - i. Maximum limit for hedge trades: Finance Department shall be aware of the Company's overall position and the upper limit shall be the net position of foreign exchange transactions (including anticipated net positions).
 - ii. Transactions for other specified purposes or non-hedge trades shall only be conducted after being approved by the Board of Directors.
 - II. Maximum loss limit for total and individual contracts:
 - i. Hedge trades: The maximum loss limit of total contracts shall be five percent (5%) of the total amount of derivatives contracts; the maximum loss limit for individual contracts shall be five percent (5%) of the individual contract amount. Losses that exceed the maximum limit shall be reported to the General Manager as well as the Chairman. A necessary responding measure shall be reported to the Board of Directors.

- ii. Other specified purposes or non-hedge trading: The maximum loss limit of total contracts shall be five percent (5%) of the total amount of derivatives contracts; the maximum loss limit for individual contracts shall be five percent (5%) of the individual contract amount. Losses that exceed the maximum limit shall be reported to the General Manager as well as the Chairman. A necessary responding measure shall be reported to the Board of Directors.

6. Performance evaluation:

I. Hedge trades:

- i. Gains and losses generated based on the foreign exchange expenses recorded by the Company and the derivatives trading conducted shall be used as the basis for performance evaluation.
- ii. The Company shall conduct gain-loss evaluations on a monthly basis in order to be fully aware and disclose the evaluated risks of derivatives trading. The accountant shall prepare the evaluation report and submit it to senior management personnel authorized by the Board of Directors for review.

II. Other specified purposes or non-hedge trades:

- i. Actual gains and losses shall be served as the basis for performance evaluation on weekly basis. The accountant shall regularly prepare the evaluation report and submit it to senior management personnel authorized by the Board of Directors for review.

Article 10 As the market is impacted by a number of factors which could increase operational risks for derivatives. Therefore, the following principles shall be adopted for risk management:

1. Credit risk management:

- I. Trading counterparty shall mainly be leading financial institutions in the country or overseas.
- II. Derivatives trade shall mainly be financial products provided by leading financial institutions in the country or overseas.
- III. Transaction amount for open positions with the same trading counterparty shall not exceed US\$500,000 unless approved by the General Manager.

2. Market price risk management: losses due to future market price fluctuations are uncertain; as such, follow-up tracking shall be strictly implemented after positions have been established. When losses exceed the pre-set loss limit, it shall be reported to the General Manager for further handling.

3. Liquidity risk management: products with higher liquidity (meaning that the position of the product may be covered in the market at any point of time) will be prioritized in order to ensure the liquidity of the derivatives. Financial institutions entrusted to perform the transaction shall have sufficient information and the ability to conduct trading at any market at any time.

4. Cash flow risk management: in order to ensure the stability of the working capital of the Company, the source of capital used in derivatives trading engaged by the Company shall be restricted to the Company's disposable funds. Working capital requirements (The anticipated cash inflow and outflow for the subsequent 3 months) shall be considered when deciding the transaction amount.

5. Operational risk management:

- I. To ensure compliance to the Company's authorized limits, operating procedures, and to include the transactions into the scope of internal auditing to avoid operational risks.

- II. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
- III. Risk measurement, monitoring, and control personnel shall be assigned to a separate division of the personnel in the preceding procedures and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
- IV. Derivatives trading positions held shall be evaluated at least once per week. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.
6. Product risk management: traders shall have comprehensive and correct professional knowledge of financial products. It is also important to have the bank fully disclose any risks involved.
7. Legal risk management: documentation to be signed with financial institutions shall be reviewed by professionals in foreign exchange, legal affairs or legal consultation before formally signing the said documentation.

Article 11 Internal auditing system

1. The internal auditors shall periodically understand the suitability of internal controls on derivatives, conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the Procedures and compile a report. Should there any material violations, the internal auditors shall inform all the independent directors in written.
2. The internal auditors shall upload the report on derivatives trading, along with the execution report of annual internal auditing plan, to the securities regulatory authority in the prescribed format through the Internet no later than the end of February of the next year. The performance of corrective action in response to the irregularities shall be reported to the securities regulatory authority no later than end of May of the next year.

Article 12 Procedures of regular evaluation and handling of irregular circumstances are set forth as follows:

1. The designated senior managerial personnel shall pay continuous attention to monitoring and controlling derivatives trading risk and periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.
2. The designated senior managerial personnel shall periodically evaluate and ensure the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Procedures for engaging in derivatives trading formulated by the Company.
3. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; an independent director shall be present at the meeting and express an opinion.
4. The Company shall report the derivatives trading to the latest Board of Directors meeting when authorizing the relevant personnel to handle derivatives trading in accordance with the Procedures.

Article 13 The Company shall establish and maintain a reference book if engaging derivatives trading to record the details of the types and amounts of derivatives trading engaged in, Board of Directors' approval dates, and the matters required to be carefully evaluated per the Procedures.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and upload the information in the prescribed format into the information reporting website designated by the competent authority in charge of securities by the 10th day of each month.

Section 4 Mergers, Spin-off, Acquisitions, and Transfer of Shares

Article 14 The term "Assets acquired or disposed through mergers, spin-off, acquisitions or transfer of shares in accordance with law" as set forth in the Procedures denotes the assets acquired or disposed through mergers, spin-off, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor under Article 156-3 of the Company Law of the Republic of China.

Article 15 Assets acquired or disposed through mergers, spin-off, acquisitions, or transfer of shares shall be in accordance with the Procedures and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".

Articles 15-1 The company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. Such engagement shall not apply to any of the following circumstances: where a public company merges with its directly or indirectly 100% held subsidiary, or the merge between its directly or indirectly 100% held subsidiaries.

Section 5 Others

Article 16 The Company's managers and persons-in-charge shall follow the Procedures in order to prevent this Company from incurring any losses. Should there be any violation of related regulations or the Procedures, subsequent castigation is subject to the related internal rules of the Company. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

Article 17 The Procedures shall be approved by a majority of the Audit and Risk Committee, the Board of Directors, and the Shareholders' Meeting. Any amendment is subject to the same procedures.

Attachment 8: List of Directors and Representative Released from the Non-Competition Restrictions

Position	Name	Concurrent Positions in Other Companies
Director	Representative of Innobic LL Holding Company Limited. Orakul Suebsiri	<ul style="list-style-type: none"> • Executive Vice President, Group Accounting and Tax Policy, PTT Public Co., Ltd. • Director, Dhipaya Insurance Public Co., Ltd. • Director / Chairman, Global Multimodal Logistics Co., Ltd. • Director, Dhipaya Group Holdings Public Co., Ltd. • Director, A C Energy Solution Co., Ltd. • Director, Evme Plus Co., Ltd.

Attachment 9: Matters Shall be Explained for The Transfer of Shares to The Employees at a Price Lower Than Average Acquisition Price of The Share

The following matters shall be explained for the transfer of shares to the employees at a price lower than the actual average repurchase price of the shares:

The third share buyback

- I. The exercise price, the valuation percentage, the bases of calculations, and the reasonableness thereof:

The price for transferring treasury shares to employees is determined as NT\$10, which is 9.59% of the average repurchase price NT\$104.28. The discount ratio is reasonable as judged based on current economic conditions and the Company's operating status in the future.

- II. The number of shares to be transferred, the purpose, and the reasonableness thereof:

- i. Number of shares to be transferred: 294,500 shares
- ii. Purpose: To motivate employees and improve their cohesiveness.
- iii. Reasonableness: It is reasonable to motivate employees appropriately by offering 9.59% of the average repurchase price, and that the proposed number of shares to be transferred to employees complies with Article 10-1 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies and such accumulated shares does not exceed 5% of the company's total issued shares.

- III. Qualification requirements for employees subscribing to shares, and the number of shares they are allowed to subscribe for:

- i. Qualification requirements for share subscribers: subject to Article IV of the "Rules Governing share Repurchase and Transfer to Employees".
- ii. The number of shares employees are allowed to subscribe for: subject to Article V of the "Rules Governing share Repurchase and Transfer to Employees".

- IV. Factors affecting shareholders' equity:

- i. The expensable amount, and dilution of the company's earnings per share:
 - A. Possible expense amount is: (market price (the closing price on the base date of subscription) - actual transfer price) x actual number of shares transferred.
 - B. Dilution of the Company's EPS: Dilution of earnings per share = possible expense amount ÷ number of outstanding shares of the Company.
- ii. Explain what financial burden will be imposed on the company by transferring shares to employees at less than the average actual share repurchase price: If the Company transfers treasury shares to its employees at a price lower than the actual average repurchase price of the shares, the difference between the transfer amount and the costs to be obtained is expected to be NT\$27,765 thousand. Based on the closing stock price on April 14th, 2026, the estimated expense will be NT\$66,115 thousand. After the transfer of treasury stocks to employees, the Company will increase the funds available for use in a total amount of NT\$2,945 thousand, and the Company continues to make profits, so this should not cause major financial burden to the Company. Based on the calculation of the current number of outstanding shares, the dilution of earnings per share due to the expensable amount is a total of approximately NT\$0.20, which will not have a significant impact on shareholders' equity.

The fourth share buyback

- I. The exercise price, the valuation percentage, the bases of calculations, and the reasonableness thereof:

The price for transferring treasury shares to employees is determined as NT\$10, which is 4.67% of the average repurchase price NT\$213.97. The discount ratio is reasonable as judged based on current economic conditions and the Company's operating status in the future.

- II. The number of shares to be transferred, the purpose, and the reasonableness thereof:
- i. Number of shares to be transferred: 897,000 shares
 - ii. Purpose: To motivate employees and improve their cohesiveness.
 - iii. Reasonableness: It is reasonable to motivate employees appropriately by offering 4.67% of the average repurchase price, and that the proposed number of shares to be transferred to employees complies with Article 10-1 of the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies and such accumulated shares does not exceed 5% of the company's total issued shares.
- III. Qualification requirements for employees subscribing to shares, and the number of shares they are allowed to subscribe for:
- i. Qualification requirements for share subscribers: subject to Article IV of the "Rules Governing share Repurchase and Transfer to Employees".
 - ii. The number of shares employees are allowed to subscribe for: subject to Article V of the "Rules Governing share Repurchase and Transfer to Employees".
- IV. Factors affecting shareholders' equity:
- i. The expensable amount, and dilution of the company's earnings per share:
 - A. Possible expense amount is: (market price (the closing price on the base date of subscription) - actual transfer price) x actual number of shares transferred.
 - B. Dilution of the Company's EPS: Dilution of earnings per share = possible expense amount ÷ number of outstanding shares of the Company.
 - ii. Explain what financial burden will be imposed on the company by transferring shares to employees at less than the average actual share repurchase price: If the Company transfers treasury shares to its employees at a price lower than the actual average repurchase price of the shares, the difference between the transfer amount and the costs to be obtained is expected to be NT\$182,960 thousand. Based on the closing stock price on April 14th, 2026, the estimated expense will be NT\$201,377 thousand. After the transfer of treasury stocks to employees, the Company will increase the funds available for use in a total amount of NT\$8,970 thousand, and the Company continues to make profits, so this should not cause major financial burden to the Company. Based on the calculation of the current number of outstanding shares, the dilution of earnings per share due to the expensable amount is a total of approximately NT\$0.62, which will not have a significant impact on shareholders' equity.

Attachment 10: Rules Governing Shares Repurchase and Transfer to Employees

LOTUS PHARMACEUTICAL CO., LTD RULES GOVERNING SHARE REPURCHASE AND TRANSFER TO EMPLOYEES

22 Dec 2011. First released
11 Aug 2014. First amendment
11 Sep 2015. Second amendment
24 Aug 2021. Third amendment
11 Nov 2021. Fourth amendment
10 Nov 2022. Fifth amendment
12 Nov 2025. Sixth amendment

Article 1. In order to encourage employees and improve employee identity, the Company has stipulated Rules Governing Share Repurchase and Transfer to Employees (the “Rules”) in accordance with the provisions of Article 28-2, paragraph 1, subparagraph 1 of the Securities and Exchange Act and the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies released by the Financial Supervisory Commission. The repurchase and transfer of shares to employees shall be conducted in accordance with the relevant statutory regulations and also in compliance with the Rules.

(Type of shares transferred, the rights attaching thereto, and any restrictions on such rights)

Article 2. Shares transferred to employees shall be common shares with the same rights and obligations as the outstanding common shares of the Company, unless another act or regulation provides otherwise.

(Transfer period)

Article 3. Repurchasing of shares shall be conducted in accordance with the provisions of the Rules, and the shares repurchased shall be transferred in a single or multiple installments to the employees within 5 years commencing from the date of repurchasing of the shares.

(Eligibility requirements for transferees)

Article 4. Full-time employees who have served at least six months before the record date for share subscription, remain employed and have made special contributions as approved by the Board, may be in accordance with the provisions in Article 5 in the Rules are eligible to purchase the Company’s treasury stocks. “Employees” refer to full-time staff of the Company and its domestic or overseas subsidiaries where the Company holds over fifty percent (50%) of voting shares. Transferees who resign (or going on unpaid leave) during the period between the record date to the due date for stock subscription payment shall lose eligibility for the stock subscription.

(Number of shares that may be subscribed by employees)

Article 5. The stipulation of the number of shares that the employees may subscribe to or the number of shares that can be transferred to the employees of the Company shall be based on the employees’ job titles, job responsibilities, tenure, work performance, overall contributions, special merits, or other management requirements made towards the Company with consideration to the aggregate amount of repurchased shares held by the Company on the record date and maximum limit of the number of shares subscribed by a single employee shall be proposed by the Company’s General Manager and approved by the Board of Director to decide for the qualification and number of shares of subscription.

Subscriber holding the position of manager should be approved by Remuneration Committee and then submitted to the Board of Directors for resolution, subscriber who are not managers should be approved by Audit and Risk Committee and then submitted to the Board of Directors for resolution.

Employees fail to pay for subscription upon the subscription period due shall be regarded as abandonment of their rights. For any remaining balance resulting from inadequate subscription, the Company shall within the transfer period as mentioned in Article 9 of the Rules; engage other employees for the subscription. Company shall base on the subscriber's job position, submit to the Remuneration Committee or the Audit and Risk Committee for approval, and then submit it to the board of directors for resolution.

(Procedures for transfer of shares)

Article 6. Procedure for repurchase and transfer of shares to the employees:

1. Repurchase shall be executed within an execution period in compliance with the resolution made by Board of Directors and be announced and filed with relevant regulatory authorities.
2. The Chairman shall, as authorized by the Board of Directors, stipulate and publicly announce the record dates, criteria for the number of shares under subscription, subscription payment periods, rights of subscription, restrictions of such rights, and other matters relate to the process.
3. The Company then shall calculate the actual stocks subscribed and fully paid, and implement stocks transfer and registration.

(Agreed transfer price per share)

Article 7. For transfer of repurchased shares, the transfer price shall be the average price of actual repurchases. However, when the number of the Company's issued common shares has increased prior to the transfer, the price may be adjusted according to the ratio of the increase in issued shares.

According to Articles of Incorporation of the Company, if the Company would like to repurchase shares of the Company and transfer them to employees at the price lower than the average acquisition cost, the Company shall submit the proposal to the latest shareholders' meeting and shall be approved by more than two-third (2/3) of attending shareholders with voting rights in the shareholders' meetings attended by shareholders holding the majority of total outstanding shares.

(Rights and obligations subsequent to the transfer)

Article 8. For repurchased shares transferred to the employees that has been registered, unless another regulation provides otherwise, the rights and obligations of such shares shall be the same as the original shares.

(Other rights and obligations related to the Company and its employees)

Article 9. Treasury stock purchased by the Company for the purpose of transferring shares to its employees shall be completely transferred within 5 years commencing from the date of purchase. Shares that have not been transferred within this duration shall be regarded as unissued shares of the Company and shall undergo cancellation of the changes to shares registration in accordance with statutory regulations.

(Others)

Article 10. These Rules come into force after being resolved upon by the Board of Directors; changes may be resolved upon by the Board of Directors as well.

Appendix i

LOTUS PHARMACEUTICAL CO., LTD. ARTICLES OF INCORPORATION OF

(before amendments)
[English translation for reference only]

Section I — General Provisions

Article 1

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

Article 2

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

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

Article 3

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

Article 4

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

Article 5

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

Section II — Capital Stock

Article 6

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

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

Article 6-1

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

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

Article 7

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

Article 8

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

Article 8-1

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

Section III — Shareholders Meetings

Article 9

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

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

Article 9-1

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

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

Article 10

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

Article 11

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

Article 12

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

Article 12-1

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

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

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

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

Section IV — Directors

Article 13

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

Article 13-1

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

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

Article 13-2

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

Article 14

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

Article 14-1

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

Article 14-2

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

Article 15

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

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

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

Article 16

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

Article 16-1

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

Article 16-2

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

Article 16-3

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

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

Article 16-4

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

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

Article 16-5

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

Section V — Management

Article 17

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

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

Section VI — Accounting

Article 18

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

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

Article 19

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

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

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

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

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

Article 19-1

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

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

Article 19-2

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

Section VII — Supplementary Provisions

Article 20

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

Article 21

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

Article 22

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The twenty-fifth amendment was made on March 3rd, 2015. The deletion of the articles in relation to Supervisors and the amendment to the articles in relation to the Audit Committee take effect on the date when the audit committee is established.

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

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

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

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

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

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

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

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

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

The thirty-fifth Amendment was made on June 26th, 2025.

Appendix ii

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

[English translation for reference only]

Approved on 2024/06/13

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix iii

LOTUS PHARMACEUTICAL CO., LTD. SHAREHOLDING OF DIRECTORS

1. Our company's paid-in capital is NT\$2,668,738,120, with a total of 266,873,812 ordinary shares issued.
2. As of the book closure date (April 18, 2026) shares retained by directors and independent directors are as follows:

Position	Name	Shareholding (Shares)	Shareholding ratio (%)
Chairman	Vilhelm Robert Wessman	0	0
Director	Arni Hardarson	0	0
Director	Oranee Tangphao Daniels	0	0
Director	Yves Hermes	0	0
Director	Representative of Alvogen Emerging Markets Holdings Ltd. Petar Antonov Vazharov	81,691,796	30.61
Director	Representative of Innobic LL Holding Company Limited. Nat Ativitavas	17,517,348	6.56
Director	Representative of Innobic LL Holding Company Limited. Krisana Winitthumkul	17,517,348	6.56
Director	Representative of Innobic LL Holding Company Limited. Orakul Suebsiri	17,517,348	6.56
Independent Director	Jennifer Wang	0	0
Independent Director	Karl Alexius Tiger Karlsson	0	0
Independent Director	Ivy Yang	0	0
Total		99,209,144	37.17

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