

Formosa Pharmaceuticals, Inc. and Subsidiaries

**Consolidated Financial Statements and Independent
Auditors' Review Report**

For six months ended June 30, 2025 and 2024
(Stock Code: 6838)

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Formosa Pharmaceuticals, Inc. and Subsidiaries

For the six months ended June 30, 2025 and 2024 Consolidated Financial Statements and
Independent Auditors' Review Report

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Independent Auditors' Review Report

(2025) Review Report No. 25001200

To Formosa Pharmaceuticals, Inc.:

Preface

Formosa Pharmaceuticals, Inc. and subsidiaries (hereinafter referred to as "the Group") consolidated balance sheets as of June 30, 2025 and 2024, the consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, and the consolidated statements of changes in equity, consolidated statements of cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements (including summary of material accounting policies) have been reviewed by us. 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 IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, and our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

We conducted our reviews in accordance with Statement of Auditing Standards No. 2410 "Review of Financial Statements" of the Republic of China. A review of consolidated financial statements consists of making inquiries (primarily of persons responsible for financial and accounting matters), applying analytical procedures, and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements have not been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, and therefore fail to present fairly the consolidated financial position of the Group as of June 30, 2025 and 2024, its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, and its consolidated cash flows for the six months ended June 30, 2025 and 2024.

PricewaterhouseCoopers

Teng, Sheng-Wei

Certified Public Accountant

Yen, Yu-Fang

Financial Supervisory Commission

Approval Document No.: FSC Approval No. 1020013788

FSC Approval No. 1080323093

August 12, 2025

Pricewaterhouse Coopers, Taiwan

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Formosa Pharmaceuticals, Inc. and Subsidiaries
consolidated balance sheets
June 30, 2025, December 31, 2024 and June 30, 2024

Unit: NT\$ thousand

Assets	Notes	June 30, 2025		December 31, 2024		June 30, 2024		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 230,752	11	\$ 425,785	20	\$ 167,062	11
1136	Financial assets measured at amortized cost-current	6(2)	1,330,000	62	1,220,000	58	866,594	57
1170	Accounts receivable, net		-	-	-	-	498	-
1200	Other receivables		9,813	-	37,426	2	33,138	2
1220	Current income tax assets		3,678	-	2,977	-	2,033	-
130X	Inventories		4,834	-	2,893	-	-	-
1410	Prepayments	6(3) and 7	39,689	2	38,191	2	38,873	3
1470	Other current assets		879	-	518	-	557	-
11XX	Total current assets		<u>1,619,645</u>	<u>75</u>	<u>1,727,790</u>	<u>82</u>	<u>1,108,755</u>	<u>73</u>
Non-current assets								
1517	Financial assets at fair value through other comprehensive income-non-current	6(4)	4,389	-	5,151	-	18,339	1
1600	Property, plant and equipment	6(5)	12,574	1	4,458	-	4,354	-
1755	Right-of-use assets	6(6) and 7	22,547	1	25,428	1	28,547	2
1780	Intangible assets	6(7)	482,308	23	342,391	16	358,837	24
1900	Other non-current assets		7,362	-	7,054	1	6,098	-
15XX	Total non-current assets		<u>529,180</u>	<u>25</u>	<u>384,482</u>	<u>18</u>	<u>416,175</u>	<u>27</u>
1XXX	Total assets		<u>\$ 2,148,825</u>	<u>100</u>	<u>\$ 2,112,272</u>	<u>100</u>	<u>\$ 1,524,930</u>	<u>100</u>

(Continued on next page)

Formosa Pharmaceuticals, Inc. and Subsidiaries
consolidated balance sheets
June 30, 2025 December 31, 2024 June 30, 2024

Unit: NT\$ thousand

Liabilities and equity	Notes	June 30, 2025		December 31, 2024		June 30, 2024		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2130	Contract liabilities - current	6(17)	\$ 23,882	1	\$ 4,507	-	\$ 2,704	-
2180	Accounts payable - related parties	7	165	-	-	-	-	-
2200	Other payables	6(8)	104,967	5	181,007	9	154,410	10
2220	Other payables - related parties	7	936	-	6,750	1	2,223	-
2280	Lease liabilities - current	7	4,734	-	5,497	-	5,847	1
2300	Other current liabilities	6(11) (26)	29,682	2	190	-	1,006	-
21XX	Total current liabilities		<u>164,366</u>	<u>8</u>	<u>197,951</u>	<u>10</u>	<u>166,190</u>	<u>11</u>
Non-current liabilities								
2520	Financial liabilities at amortized cost - non-current	6(9) and 7	58,600	3	65,570	3	64,900	4
2527	Contract liabilities - non-current	6(17)	14,341	-	23,479	1	4,779	-
2570	Deferred income tax liabilities		3,704	-	3,951	-	4,198	-
2580	Lease liabilities - non-current	7	18,252	1	20,304	1	22,986	2
2600	Other non-current liabilities	6(7) (11)						
		(26) and 7	<u>320,835</u>	<u>15</u>	<u>252,445</u>	<u>12</u>	<u>249,865</u>	<u>17</u>
25XX	Total non-current liabilities		<u>415,732</u>	<u>19</u>	<u>365,749</u>	<u>17</u>	<u>346,728</u>	<u>23</u>
2XXX	Total liabilities		<u>580,098</u>	<u>27</u>	<u>563,700</u>	<u>27</u>	<u>512,918</u>	<u>34</u>
Equity								
	Share capital	6(13)						
3110	Common stock capital		1,509,771	70	1,509,771	71	1,341,621	88
	Capital surplus	6(14)						
3200	Capital surplus		2,279,077	106	2,278,738	108	1,816,697	119
	Accumulated deficit	6(15)						
3350	Accumulated deficit pending compensation		(2,129,347)	(99)	(2,152,937)	(102)	(2,068,243)	(136)
	Other equity	6(16)						
3400	Other equity		(91,273)	(4)	(87,594)	(4)	(78,640)	(5)
31XX	Total equity attributable to owners of parent		<u>1,568,228</u>	<u>73</u>	<u>1,547,978</u>	<u>73</u>	<u>1,011,435</u>	<u>66</u>
36XX	Non-controlling interests		<u>499</u>	<u>-</u>	<u>594</u>	<u>-</u>	<u>577</u>	<u>-</u>
3XXX	Total equity		<u>1,568,727</u>	<u>73</u>	<u>1,548,572</u>	<u>73</u>	<u>1,012,012</u>	<u>66</u>
	Significant Contingent Liabilities and Unrecognized Commitments							
	Significant Subsequent Events	11						
3XX2X	Total liabilities and equity		<u>\$ 2,148,825</u>	<u>100</u>	<u>\$ 2,112,272</u>	<u>100</u>	<u>\$ 1,524,930</u>	<u>100</u>

The accompanying notes form an integral part of these consolidated financial statements, please read them together.

Chairman:
Cheng, Chen-Yu

President:
Erick Co

Principal accounting officer:
Tsao, Nai-Hsien

Formosa Pharmaceuticals, Inc. and Subsidiaries
Consolidated statements of comprehensive income
For the six months ended June 30, 2025 and 2024

Unit: NT\$ thousand

(Except loss per share, which is expressed in New Taiwan Dollars)

Item	Notes	For the three months ended June 30, 2025		For the three months ended June 30, 2024		For the six months ended June 30, 2025		For the six months ended June 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue	6(17)	\$ 4,764	100	\$ 5,328	100	\$ 5,358	100	\$ 133,128	100
5000 Operating costs		(1,005)	(21)	(1,457)	(28)	(2,265)	(42)	(17,432)	(13)
5900 Operating gross profit		<u>3,759</u>	<u>79</u>	<u>3,871</u>	<u>72</u>	<u>3,093</u>	<u>58</u>	<u>115,696</u>	<u>87</u>
Operating expenses	6(23) and 7								
6100 Selling expenses		(1,887)	(39)	-	-	(6,160)	(115)	-	-
6200 General and administrative expenses		(7,758)	(163)	(27,489)	(516)	(18,132)	(338)	(38,452)	(29)
6300 Research and development expenses		(45,821)	(962)	(77,383)	(1,452)	(65,421)	(1,221)	(164,866)	(124)
6000 Total operating expenses		(55,466)	(1,164)	(104,872)	(1,968)	(89,713)	(1,674)	(203,318)	(153)
6900 Operating loss		(51,707)	(1,085)	(101,001)	(1,896)	(86,620)	(1,616)	(87,622)	(66)
Non-operating income and expense									
7100 Interest income	6(18)	6,575	138	3,948	74	12,821	239	8,181	6
7010 Other revenue	6(19)	49,067	1,030	-	-	49,067	916	25	-
7020 Other gains and losses	6(20)	60,425	1,268	315	6	48,294	901	(17,532)	(13)
7050 Financial costs	6(6)	(111)	(2)	(129)	(2)	(227)	(4)	(261)	(-)
7000 Total non-operating income and expenses		<u>115,956</u>	<u>2,434</u>	<u>4,134</u>	<u>78</u>	<u>109,955</u>	<u>2,052</u>	<u>(9,587)</u>	<u>(7)</u>
7900 Earnings before tax (loss)		64,249	1,349	(96,867)	(1,818)	23,335	436	(97,209)	(73)
7950 Income tax benefit (expense)	6(24)	61	1	63	1	184	3	(19,014)	(14)
8200 Net profit (loss) for the period		<u>\$ 64,310</u>	<u>1,350</u>	<u>(\$ 96,804)</u>	<u>(1,817)</u>	<u>\$ 23,519</u>	<u>439</u>	<u>(\$ 116,223)</u>	<u>(87)</u>
Other comprehensive income									
Items not to be reclassified to profit or loss									
8316 Unrealized gain on investments in equity instruments at fair value through other comprehensive income	6(16)	\$ 3,886	81	(\$ 27,710)	(520)	(\$ 763)	(14)	(\$ 40,921)	(31)
Items that may be subsequently reclassified to profit or loss									
8361 Exchange differences on translation of foreign operations		(9,302)	(195)	(5,165)	(97)	(2,940)	(55)	(7,873)	(6)
8300 Other comprehensive income (net of income tax)		(\$ 5,416)	(114)	(\$ 32,875)	(617)	(\$ 3,703)	(69)	(\$ 48,794)	(37)
8500 Total comprehensive income for the period		<u>\$ 58,894</u>	<u>1,236</u>	<u>(\$ 129,679)</u>	<u>(2,434)</u>	<u>\$ 19,816</u>	<u>370</u>	<u>(\$ 165,017)</u>	<u>(124)</u>
Net income (loss) attributable to:									
8610 Owners of parent		\$ 64,337	1,351	(\$ 96,849)	(1,818)	\$ 23,592	440	(\$ 116,320)	(87)
8620 Non-controlling interests		(27)	(1)	45	1	(73)	(1)	97	-
Total comprehensive income attributable to:		<u>\$ 64,310</u>	<u>1,350</u>	<u>(\$ 96,804)</u>	<u>(1,817)</u>	<u>\$ 23,519</u>	<u>439</u>	<u>(\$ 116,223)</u>	<u>(87)</u>
8710 Owners of parent		\$ 58,992	1,238	(\$ 129,684)	(2,434)	\$ 19,911	372	(\$ 165,053)	(124)
8720 Non-controlling interests		(98)	(2)	5	-	(95)	(2)	36	-
Earnings (loss) per share	6(25)	<u>\$ 58,904</u>	<u>1,236</u>	<u>(\$ 129,679)</u>	<u>(2,434)</u>	<u>\$ 19,816</u>	<u>370</u>	<u>(\$ 165,017)</u>	<u>(124)</u>
9750 Earnings (loss) per share			0.43	(0.72)		0.16		(0.87)	
9850 Diluted earnings (loss) per share			0.43	(0.72)		0.16		(0.87)	

The accompanying notes form an integral part of these consolidated financial statements, please read them together.

Chairman:
Cheng, Chen-Yu

President:
Erick Co

Principal accounting officer: Tsao, Nai-Hsien

Formosa Pharmaceuticals, Inc. and Subsidiaries Consolidated Statements of Changes in Equity
For the six months ended June 30, 2025 and 2024

Unit: NT\$ thousand

	Notes	Equity attributable to owners of parent						Total	Non-controlling interests	Total	
		Capital surplus				Other equity					
		Common stock capital	Additional paid-in capital	Employee stock options	Others	Accumulated deficit pending compensation	Exchange differences on translation of foreign operations				Financial assets measured at fair value through other comprehensive income Unrealized valuation gain or loss
2024											
Balance at January 1, 2024		\$ 1,341,421	\$ 1,775,220	\$ 5,010	\$ 208	(\$ 1,951,923)	(\$ 25,267)	(\$ 4,640)	\$ 1,140,029	\$ 541	\$ 1,140,570
Loss for the period		-	-	-	-	(116,320)	-	-	(116,320)	97	(116,223)
Other comprehensive income (loss) for the period		-	-	-	-	-	(7,812)	(40,921)	(48,733)	(61)	(48,794)
Total comprehensive income for the period		-	-	-	-	(116,320)	(7,812)	(40,921)	(165,053)	36	(165,017)
Employee stock option compensation cost	6(12)	-	-	35,665	-	-	-	-	35,665	-	35,665
Exercise of employee stock options		200	882	(288)	-	-	-	-	794	-	794
Balance at June 30, 2024		<u>\$ 1,341,621</u>	<u>\$ 1,776,102</u>	<u>\$ 40,387</u>	<u>\$ 208</u>	<u>(\$ 2,068,243)</u>	<u>(\$ 33,079)</u>	<u>(\$ 45,561)</u>	<u>\$ 1,101,435</u>	<u>\$ 577</u>	<u>\$ 1,012,012</u>
2025											
Balance at January 1, 2025		\$ 1,509,771	\$ 2,250,487	\$ 5,887	\$ 22,364	(\$ 2,152,937)	(\$ 28,845)	(\$ 58,749)	\$ 1,547,978	\$ 594	\$ 1,548,572
Net profit (loss) for the period		-	-	-	-	23,592	-	-	23,592	(73)	23,519
Other comprehensive income (loss) for the period		-	-	-	-	-	2,918	(763)	(3,681)	(22)	(3,703)
Total comprehensive income for the period		-	-	-	-	23,592	2,918	(763)	19,911	(95)	19,816
Employee stock option compensation cost	6(12)	-	-	339	-	-	-	-	339	-	339
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(4)	-	-	-	-	(2)	-	2	-	-	-
Balance at June 30, 2025		<u>\$ 1,509,771</u>	<u>\$ 2,250,487</u>	<u>\$ 6,226</u>	<u>\$ 22,364</u>	<u>(\$ 2,129,347)</u>	<u>(\$ 31,763)</u>	<u>(\$ 59,510)</u>	<u>\$ 1,568,228</u>	<u>\$ 499</u>	<u>\$ 1,568,727</u>

The accompanying notes form an integral part of these consolidated financial statements, please read them together.

Chairman: Cheng, Chen-Yu

President: Erick Co

Principal accounting officer: Tsao, Nai-Hsien

Formosa Pharmaceuticals, Inc. and Subsidiaries
Consolidated statements of cash flows
For the six months ended June 30, 2025 and 2024

Unit: NT\$ thousand

	Notes	For the six months ended June 30, 2025 Amount	For the six months ended June 30, 2024 Amount
Cash flows from operating activities			
Income (loss) before income tax for the period		\$ 23,335	(\$ 97,209)
Adjustments			
Adjustments to reconcile profit or loss			
Depreciation expenses	6(5) (6) (22)	4,045	3,764
Amortization expenses	6(7)(22)	19,296	17,292
Interest expenses	6(21)	227	261
Interest income	6(18)	(12,821)	(8,181)
Employee stock option compensation cost	6(12)	339	35,665
Loss on fair value measurement of contingent consideration	6(20)(26)	-	6,961
Gain on lease modification	6(20)	-	(1)
Net changes in operating assets/liabilities			
Accounts receivable		-	(498)
Other receivables		32,458	(3,250)
Inventories		(1,941)	-
Prepayments		(1,498)	(321)
Other current assets		361	(122)
Net changes in operating liabilities			
Contract liabilities		10,237	(97,513)
Account payable- related parties		165	-
Other payables		(67,537)	29,677
Other payables - related parties		(5,814)	(4,768)
Other current liabilities		192	794
Cash inflow (outflow) generated from operations		322	(117,449)
Interest received		7,275	9,488
Interest paid		(227)	(261)
Income tax paid		(63)	(61)
Net cash inflow (outflow) from operating activities		7,307	(108,283)
Cash flows from investing activities			
Acquisitions of financial assets at amortized cost-current	6(2)	(560,000)	(364,779)
Disposals of financial assets at amortized cost-current	6(2)	450,000	332,732
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income		1	-
Acquisition of property, plant and equipment	6(26)	(9,364)	(701)
Acquisition of intangible assets	6(26)	(31,582)	-
Payment for acquisition of subsidiaries	6(26)	-	(79,289)
Increase in prepayment for purchases of equipment		(308)	(5,434)
Increase in refundable deposits		-	(11)
Net cash outflow from investing activities		(151,253)	(117,482)
Cash flows from financing activities			
Repayment of lease principal	6(27)	(2,815)	(3,015)
Stock options exercised during the period	6(12)	-	794
Net cash outflow from financing activities		(2,815)	(2,221)
Effect of exchange rate changes on cash and cash equivalents		(48,272)	10,343
Decrease in cash and cash equivalents for the period		(195,033)	(217,643)
Cash and cash equivalents at beginning of period		425,785	384,705
Cash and cash equivalents at end of period		\$ 230,752	\$ 167,062

The accompanying notes form an integral part of these consolidated financial statements,
please read them together.

Chairman: Cheng,
Chen-Yu

President:
Erick Co

Principal accounting officer:
Tsao, Nai-Hsien

Formosa Pharmaceuticals, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements of Financial Statements.
For the six months ended June 30, 2025 and 2024

Unit: NT\$ thousand
(Unless Otherwise Specified)

I. Company History

Formosa Pharmaceuticals, Inc. (hereinafter referred to as "the Company") was approved for establishment by the Ministry of Economic Affairs on December 6, 2010. The Company and its subsidiaries (hereinafter referred to as "the Group") are primarily engaged in new drug development and transfers. Formosa Laboratories, Inc. holds 40.66% equity interest in the Group and is the parent company of the Group.

II. Date and Procedures of Financial Statements Approval

These consolidated financial statements were approved and issued by the Board of Directors on August 12, 2025.

III. Adoption of New and Amended Standards and Interpretations

(I) Impact of adoption of newly issued and amended International Financial Reporting Standards endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as "FSC")

The following table summarizes the new standards, amendments and revisions to International Financial Reporting Standards and interpretations endorsed and issued into effect by the FSC that are applicable in 2025:

New/Amended/Revised Standards and Interpretations	Effective Date Issued by International Accounting Standards Board
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance.

(II) Impact of Not Yet Adopted New and Amended International Financial Reporting Standards Endorsed by the FSC

The following table summarizes the new, amended and revised standards and interpretations of International Financial Reporting Standards endorsed by the FSC that are effective from 2026:

New/Amended/Revised Standards and Interpretations	Effective Date Issued by International Accounting Standards Board
Partial Amendments to IFRS 9 and IFRS 7 "Amendments to Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts"	January 1, 2026

Involving Natural Electricity	
IFRS 17 "Insurance Contracts	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023
Annual Improvements to IFRS Standards - Volume 11	January 1, 2026
January 1, 2026	

The Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance.

(III) Impact of International Financial Reporting Standards Issued by IASB but Not Yet Endorsed by the FSC

The following table summarizes the new, amended and revised standards and interpretations of International Financial Reporting Standards issued by IASB but not yet endorsed by the FSC:

New/Amended/Revised Standards and Interpretations	Effective Date Issued by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Pending IASB's decision
IFRS 18 "Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosure	January 1, 2027

Except for the following, the Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance. The related impact amounts will be disclosed upon completion of the assessment:

IFRS 18 "Presentation and Disclosure in Financial Statements

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 and updates the structure of the statement of comprehensive income, adds disclosures of management performance measures, and strengthens the principles of aggregation and disaggregation applied to primary financial statements and notes.

IV. Summary of Material Accounting Policies

The main accounting policies adopted in preparing these consolidated financial statements are described below. Unless otherwise stated, these policies have been consistently applied to all reporting periods.

(I) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission.

(II) Basis of Preparation

1. Except for financial liabilities measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income that are measured at fair value, these consolidated financial statements have been prepared on a historical cost basis.
2. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), and Interpretations and Interpretative Bulletins endorsed and issued into effect by the Financial Supervisory Commission requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of Consolidation

1. Principles of Preparing Consolidated Financial Statements

- (1) The Group includes all subsidiaries in the preparation of the consolidated financial statements. Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date the Group obtains control and are excluded from the consolidated financial statements from the date the Group loses control.
- (2) Intercompany transactions, balances and unrealized gains and losses between companies within the Group have been eliminated. The accounting policies of subsidiaries are consistent with those adopted by the Group.
- (3) The components of profit or loss and other comprehensive income are attributed to owners of parent and non-controlling interests; total

comprehensive income is also attributed to owners of parent and non-controlling interests even if this results in a deficit balance in non-controlling interests.

- (4) Changes in shareholdings of subsidiaries that do not result in loss of control (transactions with non-controlling interests) are treated as equity transactions, that is, as transactions with owners. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.

2. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary Name	Nature of business	Percentage of ownership (%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
Formosa Pharmaceuticals, Inc.	Activus Pharma Co., Ltd.	Development and research of biotechnology medicine	99.23	99.23	99.23	

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments and treatments for subsidiaries with different accounting periods: None.
5. Significant restrictions: None.
6. Subsidiaries with non-controlling interests that are material to the Group: None.

(IV) Foreign Currency Translation

Each item listed in the financial reports of every entity within the Group is measured using the currency of the primary economic environment in which the entity operates (i.e., functional currency). These consolidated financial statements are presented in the Company's functional currency "New Taiwan Dollars" as the presentation currency.

1. Foreign Currency Transactions and Balances

- (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or measurement dates, and the resulting translation differences are recognized in current profit or loss.
- (2) Foreign currency monetary assets and liabilities balances are revalued using the exchange rates prevailing at the balance sheet date, and the

resulting translation differences from such revaluation are recognized in current profit or loss.

- (3) Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are translated using the exchange rates prevailing at the balance sheet date, and the resulting exchange differences from such translation are recognized in current profit or loss; those measured at fair value through other comprehensive income are translated using the exchange rates prevailing at the balance sheet date, and the resulting exchange differences are recognized in other comprehensive income. For those not measured at fair value, they are measured using the historical exchange rates at the dates of initial transactions.
- (4) All other exchange gains and losses are reported under "Other gains and losses" in the income statement based on the nature of the transactions.

2. Translation of Foreign Operations

For all group entities whose functional currency differs from the presentation currency, their results of operations and financial position are translated into the presentation currency as follows:

- (1) Assets and liabilities presented in each balance sheet are translated using the closing exchange rate at the date of that balance sheet;
- (2) Income and expenses presented in each statement of comprehensive income are translated using the average exchange rates for the period; and
- (3) All exchange differences arising from translation are recognized in other comprehensive income.
- (4) Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

(V) Classification Criteria for Current and Non-current Assets and Liabilities

1. Assets that meet one of the following conditions are classified as current assets:
 - (1) Expected to be realized in the normal operating cycle, or intended to be sold or consumed.
 - (2) Held primarily for trading purposes.

- (3) Expected to be realized within twelve months after the reporting period.
- (4) Cash or cash equivalents, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all assets that do not meet the above conditions as non-current.

2. Liabilities that meet one of the following conditions are classified as current liabilities:
 - (1) Expected to be settled within the normal operating cycle.
 - (2) Held primarily for trading purposes.
 - (3) Due to be settled within twelve months after the reporting period.
 - (4) Does not have the right to defer settlement of the liability for at least twelve months after the reporting period. The Group classifies all liabilities that do not meet the above conditions as non-current.

(VI) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(VII) Financial assets measured at fair value through other comprehensive income

1. Refers to an irrevocable election made at initial recognition to present changes in fair value of equity instrument investments not held for trading in other comprehensive income; or debt instrument investments that simultaneously meet the following conditions:
 - (1) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
 - (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Group adopts trade date accounting for financial assets measured at fair value through other comprehensive income that meet regular way

transactions.

3. The Group measures these assets at fair value plus transaction costs at initial recognition, and subsequently measures them at fair value. Changes in fair value of equity instruments are recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income shall not be subsequently reclassified to profit or loss, but are transferred to retained earnings. When the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow to the Group, and the amount of dividends can be measured reliably, the Group recognizes dividend income in profit or loss.

(VIII) Financial assets measured at amortized cost

The Group holds time deposits that do not qualify as cash equivalents. Due to their short holding periods, the impact of discounting is insignificant, and therefore these deposits are measured at their investment amount.

(IX) Accounts receivable

1. Refers to receivables that represent an unconditional right to receive payment for the transfer of goods or services based on contractual agreements.
2. For non-interest bearing short-term accounts receivable, due to the insignificant impact of discounting, the Group measures them at their original invoice amount.

(X) Impairment of financial assets

At each balance sheet date, the Group considers all reasonable and supportable information for financial assets measured at amortized cost. For assets whose credit risk has not increased significantly since initial recognition, the allowance for impairment loss is measured based on 12-month expected credit losses; for those whose credit risk has increased significantly since initial recognition, the allowance for impairment loss is measured based on lifetime expected credit losses.

(XI) Derecognition of financial assets

When the Group's contractual rights to receive cash flows from financial assets expire, the financial assets are derecognized.

(XII) Inventories

Inventories are measured at the lower of cost and net realizable value, with cost determined using the weighted average method. The cost of finished goods and work in process includes raw materials, direct labor, other direct costs and manufacturing overhead related to production (allocated based on normal capacity), but excludes borrowing costs. When comparing the lower of cost and net realizable value, the item-by-item comparison method is used. Net realizable value refers to the estimated selling price in the normal course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(XIII) Property, plant and equipment

1. Property, plant and equipment are recorded based on acquisition cost.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part should be derecognized. All other maintenance costs are recognized in profit or loss for the current period.
3. Property, plant and equipment are subsequently measured using the cost model, with depreciation calculated using the straight-line method over their estimated useful lives. If components of property, plant and equipment are significant, they are depreciated separately.
4. At the end of each financial year, the Group reviews the residual value, useful life, and depreciation method of each asset. When the expected residual value and useful life differ from previous estimates, or when there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, changes are accounted for as changes in accounting estimates in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The useful lives of the various assets are as follows:

Testing equipment	5 years
Leasehold improvements	3 years
Machinery and equipment	6 years

(XIV) Lessee's lease transactions - Right-of-use assets/Lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they become available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.
2. The lease liability is recognized at the present value of the unpaid lease payments discounted at the Group's incremental borrowing rate on the lease commencement date. Lease payments are fixed payments less any lease incentives receivable. Subsequently, the lease liability is measured at amortized cost using the interest method, with interest expenses accrued over the lease term. When there are changes in the lease term or lease payments not arising from contract modifications, the lease liability will be reassessed and will be remeasured with adjustments made to the right-of-use assets.
3. Right-of-use assets are recognized at cost on the lease commencement date. The cost includes:
 - (1) The initial measurement amount of lease liabilities;
 - (2) Any lease payments made at or before the commencement date; and
 - (3) Any initial direct costs incurred;

Subsequently measured using the cost model, depreciation expenses are recognized over the shorter of the useful life of the right-of-use assets or the lease term. When lease liabilities are reassessed, the right-of-use assets are adjusted for any remeasurement of the lease liabilities.

(XV) Intangible assets

1. Computer software is recorded at cost and amortized on a straight-line basis over its estimated useful life of 3.67~5 years .
2. Technical expertise is recorded at cost and amortized on a straight-line basis over its estimated economic benefit period of 14~22 years .
3. Goodwill arises from business combinations using the acquisition method.

(XVI) Impairment of non-financial assets

1. At the balance sheet date, the Group estimates the recoverable amount of assets that show signs of impairment. When the recoverable amount is lower than its carrying amount, an impairment loss is recognized. The recoverable amount refers to an asset's fair value less costs of disposal or

its value in use, whichever is higher.

2. Goodwill is regularly assessed for its recoverable amount. When the recoverable amount is lower than its carrying amount, an impairment loss is recognized. Impairment losses on goodwill are not reversed in subsequent years.
3. Goodwill is allocated to cash-generating units for the purpose of impairment testing. This allocation is based on operating segments, allocating goodwill to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that generated the goodwill.

(XVII) Financial liabilities measured at fair value through profit or loss

1. These are financial liabilities designated as at fair value through profit or loss upon initial recognition. The Group designates financial liabilities as at fair value through profit or loss upon initial recognition when one of the following conditions is met:
 - (1) It is a hybrid (combined) contract; or
 - (2) Can eliminate or significantly reduce measurement or recognition inconsistencies; or
 - (3) It is an instrument managed and evaluated on a fair value basis according to written risk management policies.
2. The Group measures these at fair value upon initial recognition, recognizes related transaction costs in profit or loss, and subsequently measures them at fair value with gains or losses recognized in profit or loss.

(XVIII) Financial liabilities at amortized cost

The Group initially recognizes financial liabilities at amortized cost at their issuance amount, and subsequently recognizes interest expenses in profit or loss over the circulation period using the interest method for amortization. When there is a change in estimated payments, the revised estimated cash flows are discounted at the original effective interest rate to recalculate the amortized cost of the financial liability, with the adjustment recognized in profit or loss.

(XIX) Derecognition of financial liabilities

The Group derecognizes financial liabilities when the obligations specified in the contract are fulfilled, cancelled or expired.

(XX) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid and recognized as expenses when the related services are provided.

2. Pensions

Under the defined contribution plan, the amount of pension fund to be contributed is recognized as current pension costs on an accrual basis. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in future payments is available.

3. Employees' and directors' compensation

Employees' and directors' compensation are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. When there is a difference between the actual distribution amount subsequently resolved and the estimated amount, it is treated as a change in accounting estimate.

(XXI) Employee share-based payments

For equity-settled share-based payment arrangements, employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation costs over the vesting period with a corresponding adjustment to equity. The fair value of equity instruments should reflect the impact of market vesting conditions and non-vesting conditions. The recognized compensation cost is adjusted according to the expected number of awards that will meet service conditions and non-market vesting conditions, until the final amount is recognized based on the vested quantity at the vesting date. The grant date of the aforementioned share-based payment arrangements is the date when both the subscription price and number of shares are determined.

(XXII) Income tax

1. Income tax expenses include current and deferred income tax. Except for income tax related to items included in other comprehensive income or directly recognized in equity, which are respectively recognized in other comprehensive income or directly in equity, income tax is recognized in profit or loss.

2. The Group calculates current income tax based on the tax rates that have been enacted or substantively enacted at the balance sheet date in countries where it operates and generates taxable income. Management periodically evaluates the status of income tax filings with respect to applicable tax regulations, and where applicable, estimates income tax liabilities based on expected payments to tax authorities. The additional income tax levied on undistributed earnings under the Income Tax Act is recognized as undistributed earnings income tax expense based on the actual distribution of earnings after the shareholders' meeting approves the earnings distribution proposal in the year following the year in which the earnings were generated.
3. Deferred income tax is accounted for using the balance sheet method, recognizing temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheets. Deferred income tax is measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized, and unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.
5. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available for the use of unused income tax credits carried forward from research and development expenditures and other sources.
6. Income tax expense for interim periods is calculated by applying the estimated annual effective tax rate to pre-tax income for the interim period, and related information is disclosed in accordance with the aforementioned policies.

(XXIII) Share capital

Common stock is classified as equity. The incremental costs directly attributable to the issuance of new shares or subscription rights are recorded as a deduction from equity, net of income tax.

(XXIV) Revenue recognition

1. Research and development revenue

(1) The Group provides drug research and development and related services. Service revenue is recognized in the financial reporting period when services are rendered to customers. For fixed-price contracts, revenue is recognized based on the proportion of actual services provided to the total services to be provided as of the balance sheet date. The percentage of completion of services is estimated based on the proportion of services performed to date to the total services to be performed as of the financial reporting date. At the beginning of the contract, when the total input costs cannot be reliably measured, revenue is recognized in an amount equal to the costs incurred to satisfy the performance obligation if such costs are expected to be recoverable in the future. Customers pay the contract price according to the agreed payment schedule.

(2) The Group revises its estimates of revenue, costs, and completion progress as circumstances change. Any estimated increases or decreases in revenue or costs resulting from changes in estimates are reflected in profit or loss in the period when the circumstances that led to the revision become known to management.

2. Intellectual Property License Revenue

The Group enters contracts with customers to license its patent technology to customers. Since the license is distinct, the license revenue is recognized either over the license period or at the point when control of the rights is transferred to customers, depending on the nature of the license. Customers pay a non-refundable upfront fee at the time of signing the contract and make milestone payments when each milestone is achieved. When the Group undertakes activities that significantly affect the patent technology and directly impact the licensed customers, and these activities do not result in the transfer of goods or services to customers, the nature of the license is to provide the right to access intellectual property, and the related royalties are recognized as revenue on a straight-line basis over the license period. If the license does not meet the aforementioned conditions, its nature is to provide the right to use intellectual property, and revenue is recognized at the point when the license is transferred.

(XXV) Operating Segments

The Group's operating segments information is reported in a manner consistent with the internal management reports provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources to operating segments and assessing their performance. The Group has identified its Board of Directors as the chief operating decision-maker.

V. Main Sources of Material Accounting Judgments, Estimates, and Assumption Uncertainties

In preparing these consolidated financial statements, management has exercised judgment in determining the accounting policies to be adopted, and has made accounting estimates and assumptions based on reasonable expectations of future events according to the circumstances at the balance sheet date. The material accounting estimates and assumptions made may differ from actual results, and will be continuously evaluated and adjusted considering historical experience and other factors. Such estimates and assumptions pose risks that may result in significant adjustments to the carrying amounts of assets and liabilities in the next financial year. The Group has no material accounting judgments in the application of accounting policies; please refer to the following for explanations of significant accounting estimates and assumption uncertainties:

Significant Accounting Estimates and Assumptions:

(I) Goodwill Impairment Assessment

The assessment of goodwill impairment relies on the Group's subjective judgment, based on evaluating the recoverable amount using the discounted value of expected future cash flows, and analyzing the reasonableness of related assumptions. For details on goodwill impairment assessment, please refer to Note 6(7).

As of June 30, 2025, the carrying amount of the Group's goodwill was \$30,544.

(II) Technical Know-how Impairment Assessment

When assessing whether there are indications of impairment for technical know-how, the Group considers both internal and external information, including factors such as government regulatory changes, project research and development planning and progress, as well as market prospects for the technology. Changes in socioeconomic conditions and company strategy may lead to significant changes in these estimates in the future.

As of June 30, 2025, the carrying amount of the Group's technical know-how was \$451,717.

VI. Description of Significant Accounting Items

(I) Cash and cash equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Petty cash	\$ 20	\$ 20	\$ 20
Demand deposits	230,732	356,304	167,042
Time deposits	-	69,461	-
	<u>\$ 230,752</u>	<u>\$ 425,785</u>	<u>\$ 167,042</u>

1. The Group deals with financial institutions of good credit quality, and maintains relationships with multiple financial institutions to diversify credit risk. The probability of default is expected to be very low.

2. The Group has not pledged any cash and cash equivalents as collateral.

(II) Financial assets measured at amortized cost

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Time deposits with maturities over 3 months and within 1 year	<u>\$ 1,330,000</u>	<u>\$ 1,220,000</u>	<u>\$ 865,594</u>

1. Details of financial assets at amortized cost recognized in profit or loss are as follows:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Interest income	\$ 5,679	\$ 2,978
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
	<u>\$ 10,891</u>	<u>\$ 6,828</u>

2. The maximum exposure to credit risk of the Group's financial assets measured at amortized cost, without taking into account any collaterals held or other credit enhancements, amounted to \$1,330,000, \$1,220,000 and \$866,594 as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

3. The Group has not pledged any financial assets measured at amortized cost as collateral.

4. Please refer to Note 12(2) for credit risk information on financial assets measured at amortized cost

(III) Prepayments

	June 30, 2025	December 31, 2024	June 30, 2024
Prepaid rent	\$ 23,338	\$ 2	\$ 4
Tax overpayment	11,920	11,254	12,916
Prepaid service fees (Note)	1,673	24,431	24,431
Others	2,758	2,504	1,522
	<u>\$ 39,689</u>	<u>\$ 38,191</u>	<u>\$ 38,873</u>

Note: Please refer to Note 7(3)3. for details.

(IV) Financial assets measured at fair value through other comprehensive income

<u>Item</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Non-current items:			
Equity instruments			
Listed and OTC stocks	\$ 63,899	\$ 63,900	\$ 63,900
Valuation adjustments	(59,510)	(58,749)	(45,561)
	<u>\$ 4,389</u>	<u>\$ 5,151</u>	<u>\$ 18,339</u>

1. The Group elected to classify strategic equity investments as financial assets measured at fair value through other comprehensive income. The fair values of such investments were \$4,389, \$5,151 and \$18,339 as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
2. In 2025, the Group sold fractional shares due to the reverse stock split of Eyenovia, Inc. The company's stock with a fair value of \$1, resulting in a cumulative disposal loss of \$2; there was no such situation in 2024.
3. The details of financial assets measured at fair value through other comprehensive income recognized in profit or loss and comprehensive income are as follows:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value changes recognized in other comprehensive income	<u>\$ 3,886</u>	<u>(\$ 27,710)</u>
Accumulated losses transferred to retained earnings due to derecognition	<u>\$ -</u>	<u>\$ -</u>

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value changes recognized in other comprehensive income	(\$ <u>763</u>)	(\$ <u>40,921</u>)
Accumulated losses transferred to retained earnings due to derecognition	(\$ <u>2</u>)	\$ <u>-</u>

4. Without considering the collaterals held or other credit enhancements, the maximum exposure to credit risk of the Group's financial assets measured at fair value through other comprehensive income as of June 30, 2025, December 31, 2024, and June 30, 2024, were \$4,389, \$5,151, and \$18,339, respectively.
5. The Group has not pledged any financial assets measured at fair value through other comprehensive income as collateral.
6. For related credit risk information on financial assets measured at fair value through other comprehensive income, please refer to Note 12(2).

(V) Property, plant and equipment

	<u>2025</u>			
	<u>Machinery and Equipment</u>	<u>Testing equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
January 1				
Cost	\$ 3,896	\$ 4,239	\$ 701	\$ 8,836
Accumulated depreciation	(<u>2,505</u>)	(<u>1,688</u>)	(<u>185</u>)	(<u>4,378</u>)
	<u>\$ 1,391</u>	<u>\$ 2,551</u>	<u>\$ 516</u>	<u>\$ 4,458</u>
January 1	\$ 1,391	\$ 2,551	\$ 516	\$ 4,458
Additions	-	9,280	-	9,280
Depreciation expenses	(<u>278</u>)	(<u>798</u>)	(<u>88</u>)	(<u>1,164</u>)
June 30	<u>\$ 1,113</u>	<u>\$ 11,033</u>	<u>\$ 428</u>	<u>\$ 12,574</u>
June 30				
Cost	\$ 3,896	\$ 13,519	\$ 701	\$ 18,116
Accumulated depreciation	(<u>2,783</u>)	(<u>2,486</u>)	(<u>273</u>)	(<u>5,542</u>)
	<u>\$ 1,113</u>	<u>\$ 11,033</u>	<u>\$ 428</u>	<u>\$ 12,574</u>

	2024			
	Machinery and Equipment	Testing equipment	Leasehold improvements	Total
January 1				
Cost	\$ 3,896	\$ 3,485	\$ 453	\$ 7,834
Accumulated depreciation	(1,948)	(1,114)	(19)	(3,081)
	<u>\$ 1,948</u>	<u>\$ 2,371</u>	<u>\$ 434</u>	<u>\$ 4,753</u>
January 1	\$ 1,948	\$ 2,371	\$ 434	\$ 4,753
Additions	-	-	248	248
Depreciation expenses	(278)	(291)	(78)	(647)
June 30	<u>\$ 1,670</u>	<u>\$ 2,080</u>	<u>\$ 604</u>	<u>\$ 4,354</u>
June 30				
Cost	\$ 3,896	\$ 3,485	\$ 701	\$ 8,082
Accumulated depreciation	(2,226)	(1,405)	(97)	(3,728)
	<u>\$ 1,670</u>	<u>\$ 2,080</u>	<u>\$ 604</u>	<u>\$ 4,354</u>

(VI) Lease Transactions - Lessee

- The leased assets of the Group include buildings and official vehicles, with lease terms typically ranging from 2 to 10 years. The lease contracts are individually negotiated and contain various terms and conditions. Other than the leased assets not being used as loan collateral, no other restrictions are imposed.
- The carrying amount of right-of-use assets and recognized depreciation expenses are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
	Carrying amount	Carrying amount	Carrying amount
Official vehicles	\$ 446	\$ 567	\$ 690
Buildings	22,101	24,861	27,857
	<u>\$ 22,547</u>	<u>\$ 25,428</u>	<u>\$ 28,547</u>

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
	Depreciation expenses	Depreciation expenses
Official vehicles	\$ 60	\$ 60
Buildings	1,380	1,511
	<u>\$ 1,440</u>	<u>\$ 1,571</u>

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
	Depreciation expenses	Depreciation expenses
Official vehicles	\$ 121	\$ 121
Buildings	2,760	2,996
	<u>\$ 2,881</u>	<u>\$ 3,117</u>

3. The additions of right-of-use assets for the Group were \$0 and \$2,146 from January 1 to June 30, 2025 and 2024, respectively .
4. Information on profit and loss items related to lease contracts is as follows:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 111	\$ 129
Expense on short-term lease contracts	160	12
Expense on low-value asset leases	7	-
Gain on lease modification	-	1

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 227	\$ 261
Expense on short-term lease contracts	315	18
Expense on low-value asset leases	14	-
Gain on lease modification	-	1

5. The Group's total lease cash outflows for the six months ended June 30, 2025 and 2024 were \$3,371 and \$3,294, respectively .
6. When determining the lease term, the Group takes into consideration all facts and circumstances that create economic incentives to exercise extension options. The lease term will be reassessed when significant events occur that affect the assessment of whether to exercise extension options or not to exercise termination options.

(VII) Intangible assets

	Technical know-how							Total
	Goodwill	APP13007 Ophthalmic anti- inflammatory drugs	APP13002 Antibiotic eye medications	TSY-0110 Anti-breast cancer drugs	TSY-0210 Antibiotics with low risk of drug resistance	TSY-310 Antibody- Drug Conjugate	Computer software	
January 1, 2025								
Cost	\$ 82,166	231,912	1,259	193,851	84,150	-	1,890	595,228
Accumulated amortization and impairment	(51,622)	(100,949)	(581)	(84,384)	(14,377)	-	(924)	(252,837)
	<u>\$ 30,544</u>	<u>\$ 130,963</u>	<u>\$ 678</u>	<u>\$ 109,467</u>	<u>\$ 69,773</u>	<u>\$ -</u>	<u>\$ 966</u>	<u>\$ 342,391</u>
<u>2025</u>								
January 1	\$ 30,544	\$ 130,963	\$ 678	\$ 109,467	\$ 69,773	-	\$ 966	\$ 342,391
Additions	-	-	-	-	-	159,223	-	159,223
Amortization expenses	-	(8,185)	(40)	(6,842)	(2,104)	(1,206)	(919)	(19,296)
Net exchange differences	-	-	20	-	-	-	-	20
June 30	<u>\$ 30,544</u>	<u>\$ 122,778</u>	<u>\$ 618</u>	<u>\$ 102,625</u>	<u>\$ 67,669</u>	<u>158,027</u>	<u>\$ 47</u>	<u>\$ 482,308</u>
June 30, 2025								
Cost	\$ 82,166	\$ 231,912	\$ 1,219	\$ 193,851	\$ 84,150	159,233	\$ 1,890	\$ 754,421
Accumulated amortization and impairment	(51,622)	(109,134)	(601)	(91,226)	(16,481)	(1,206)	(1,843)	(272,113)
	<u>\$ 30,544</u>	<u>\$ 122,778</u>	<u>\$ 618</u>	<u>\$ 102,625</u>	<u>\$ 67,669</u>	<u>158,027</u>	<u>\$ 47</u>	<u>\$ 482,308</u>

	Technical know-how						Total
	Goodwill	APP13007 Ophthalmic anti- inflammatory drugs	APP13002 Antibiotic eye medications	TSY-0110 Anti-breast cancer drugs	TSY-0210 Antibiotics with low risk of drug resistance	Computer software	
January 1, 2024							
Cost	\$ 82,166	231,912	1,303	193,851	84,150	910	594,292
Accumulated amortization and impairment	(51,622)	(84,579)	(520)	(70,700)	(10,169)	(519)	(218,109)
	<u>\$ 30,544</u>	<u>\$ 147,333</u>	<u>\$ 783</u>	<u>\$ 123,151</u>	<u>\$ 73,981</u>	<u>\$ 391</u>	<u>\$ 376,183</u>
<u>2024</u>							
January 1	\$ 30,544	\$ 147,333	\$ 783	\$ 123,151	\$ 73,981	\$ 391	\$ 376,183
Amortization expenses	-	(8,185)	(40)	(6,842)	(2,104)	(121)	(17,292)
Net exchange differences	-	-	(54)	-	-	-	54
June 30	<u>\$ 30,544</u>	<u>\$ 139,148</u>	<u>\$ 689</u>	<u>\$ 116,309</u>	<u>\$ 71,877</u>	<u>\$ 270</u>	<u>\$ 358,837</u>
June 30, 2024							
Cost	82,166	231,912	1,210	193,851	84,150	910	594,199
Accumulated amortization and impairment	(51,622)	(92,764)	(521)	(77,542)	(12,273)	(640)	(235,362)
	<u>\$ 30,544</u>	<u>\$ 139,148</u>	<u>\$ 689</u>	<u>\$ 116,309</u>	<u>\$ 71,877</u>	<u>\$ 270</u>	<u>\$ 358,837</u>

1. Details of intangible assets amortization are as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
General and administrative expenses	\$ 365	\$ 57
Research and development expenses	9,795	8,599
	<u>\$ 10,160</u>	<u>\$ 8,646</u>

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
General and administrative expenses	\$ 911	\$ 113
Research and development expenses	18,385	17,179
	<u>\$ 19,296</u>	<u>\$ 17,292</u>

2. The recoverable amount of goodwill is evaluated based on value in use, and the value in use is calculated based on the projected economic benefits of related research and development projects.

Based on the recoverable amount calculated from value in use exceeding the carrying amount, no impairment of goodwill has occurred. The main factors considered in calculating value in use are operating profit margin, growth rate and discount rate.

Management determines the budgeted operating profit margin based on their expectations of market development; the growth rate adopted refers to industry expectations; the discount rate adopted refers to the weighted average cost of capital of peer companies. The discount rates used from January 1 to June 30, 2025 and 2024 were 19.49% and 18.51%, respectively.

3. In November 2018, based on external expert valuation reports, the Group acquired the biosimilar drug development results (TSY-0110) of Kadcyła® (ado-trastuzumab emtansine, T-DM1) from Formosa Laboratories, Inc. for \$193,851. According to the contract signed between both parties, in addition to paying \$33,847 at signing, milestone license fees will need to be paid upon completion of various development stages. After the drug is marketed, royalties will be paid based on a certain percentage of sales. As of June 30, 2025, December 31, 2024, and June 30, 2024, the aforementioned milestone license fees totaled USD 5,200 thousand (equivalent to NT\$152,360, NT\$170,482, and NT\$166,400 respectively), which have been estimated and recorded (listed under "Other non-current liabilities").
4. In August 2021, based on external expert valuation reports, the Group acquired the research and development results (TSY-0210) of Streptogramin (anti-infective/antibiotic) from Formosa Laboratories, Inc. for \$84,150.

According to the contract signed between both parties, in addition to paying \$14,025 at signing, milestone license fees will need to be paid upon completion of various development stages. As of June 30, 2025, December 31, 2024, and June 30, 2024, the aforementioned milestone license fees totaled USD 2,500 thousand (equivalent to NT\$73,250, NT\$81,963, and NT\$81,125, respectively), which have been estimated and recorded (listed under "Other non-current liabilities").

5. In May 2025, based on external expert valuation reports, the Group acquired the research and development results (TSY-310) of Almac Discovery's bispecific Antibody-Drug Conjugate (ADC) for \$159,233. According to the contract signed between both parties, in addition to paying \$30,330 at the time of signing, the Company will need to pay milestone license fees upon completion of various development stages, and after the related drug is marketed, pay royalties based on a certain percentage of sales.

As of June 30, 2025, the unpaid consideration was \$124,525 (USD 4,250 thousand), of which \$29,300 (USD 1,000 thousand) was listed under "Other current liabilities", and the remaining amount was listed under "Other non-current liabilities"

(VIII) Other payables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Salaries and bonuses payable	\$ 6,085	\$ 7,850	\$ 5,796
Service fees payable	80,515	113,758	90,867
Withholding tax payable	1,607	41,054	38,940
Profit sharing payable	15,016	16,393	16,225
Equipment payable	17	101	-
Others	1,727	1,851	2,582
	<u>\$ 104,967</u>	<u>\$ 181,007</u>	<u>\$ 154,410</u>

(IX) Financial liabilities at amortized cos

<u>Item</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Non-current items:			
New drug development profit sharing agreement	<u>\$ 58,600</u>	<u>\$ 65,570</u>	<u>\$ 64,900</u>

On April 18, 2022, the Group signed a new drug development profit sharing agreement with EirGenix, Inc. (hereinafter referred to as "EirGenix") for TSY-0110 (EG12043) (hereinafter referred to as "the Product"), replacing the original development and manufacturing cooperation agreement. During the development phase, raw materials for the Product will be provided by EirGenix at

reasonable market prices. The Group is responsible for the research and development of the Product, as well as the implementation of production and manufacturing after the Product development is completed. Either party can commercialize the Product in the global market, and both parties will receive fifty percent of any revenue or benefits obtained from the development and commercialization of the Product. According to the aforementioned agreement, the Group will pay a consideration of USD 30,000 thousand for the licensing benefits, which will be received based on contract signing and development milestones. As of June 30, 2025, the Group has received USD 2,000 thousand.

(X) Pension

1. The Company has established a defined contribution pension plan in accordance with the "Labor Pension Act", which applies to local employees. For employees who choose to adopt the labor pension system stipulated in the "Labor Pension Act", the Group contributes 6% of their monthly salaries to their individual pension accounts at the Bureau of Labor Insurance. Upon retirement, employees can receive their pension payment either as monthly pension payments or as a lump sum based on their individual pension accounts and accumulated earnings.
2. For the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, the Group's pension costs recognized under the aforementioned pension plan were \$356, \$320, \$707 and \$631, respectively.

(XI) Other current liabilities and other non-current liabilities

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Other current liabilities:			
Payable for intangible assets (Note)	\$ 29,300	\$ -	\$ -
Others	<u>382</u>	<u>190</u>	<u>1,006</u>
Other non-current liabilities:	<u>\$ 29,682</u>	<u>\$ 190</u>	<u>\$ 1,006</u>
Payable for intangible assets (Note)	<u>\$ 320,835</u>	<u>\$ 252,445</u>	<u>\$ 249,865</u>

Note 1: Note: For the purchase of technical know-how, please refer to Notes 6(7)3, 4 and 5. For partial purchase of technical know-how from related parties, please refer to Notes 6(7)3 and 4.

(XII) Share-based payments

1. From January 1 to June 30, 2025 and 2024, the Group's share-based payment arrangements were as follows:

Type of agreement	Grant date	Number of grants	Contract period	Vesting conditions
Employee Stock options plan	2022.3.9	600 thousand shares	5 years	2~4 years
Cash capital increase reserved for employee subscription	2024.6.20	1,680 thousand shares	Not applicable	Immediate vesting

2. The detailed information of the Employee Stock Options Plan is as follows:

	2025		2024	
	Number of stock options (shares)	Weighted average exercise price (NTD)	Number of stock options (shares)	Weighted average exercise price (NTD)
Outstanding stock options at January 1	455,000	\$ 38.50	490,000	\$ 39.70
Stock options exercised during the period	-	-	(20,000)	39.70
Outstanding stock options at June 30	<u>455,000</u>	<u>\$ 38.50</u>	<u>490,000</u>	<u>\$ 39.70</u>
Exercisable stock options at June 30	<u>332,500</u>	<u>\$ 38.50</u>	<u>245,000</u>	<u>\$ 39.70</u>

3. The expiry dates and exercise prices of the outstanding stock options at the balance sheet date are as follows:

Approval date	Expiry date	June 30, 2025	
		Number of shares	Exercise price (NT\$)
March 9, 2022	March 8, 2027	455,000	\$ 38.50

Approval date	Expiry date	December 31, 2024	
		Number of shares	Exercise price (NT\$)
March 9, 2022	March 8, 2027	455,000	\$ 38.50

Approval date	Expiry date	June 30, 2024	
		Number of shares	Exercise price (NT\$)
March 9, 2022	March 8, 2027	470,000	\$ 39.70

4. The Group used the Black-Scholes option pricing model to estimate the fair value of stock options granted on March 9, 2022. The relevant information is as follows:

Type of agreement	Grant date	Weighted average share price (NT\$)	Exercise price	Expected volatility (Note)	Expected duration	Expected dividend	Risk-free interest rate	Fair value per unit (NT\$)
Employee Stock options plan	2022.3.9	\$39.5% (Note 1)	38.5	\$49.67% (Note 2)	3.5-4.5 years	0%	0.56%	13.8687~ 15.0536

Note 1: Set based on the closing price of the underlying stock on the OTC Securities Exchange on the grant date.

Note 2: Estimated using samples of daily closing prices from comparable companies with similar expected duration periods.

5. The Group uses the Black-Scholes option pricing model to estimate the fair value of stock options granted through cash capital increase with employee subscription rights. The relevant information is as follows:

Type of agreement	Grant date	Stock price	Exercise price	Expected volatility	Expected duration	Expected dividend	Risk-free interest rate	Fair value per unit (NT\$)
Cash capital increase reserved for employee subscription	2024.6.20	56.7 (Note 1)	\$36	19.98% (Note 2)	0.06 years	-	1.22%	\$20.7263

Note 1: Set based on the closing price of the underlying stock on the OTC Securities Exchange on the grant date.

Note 2: Estimated using samples of daily closing prices from the underlying company, looking back from the grant date for a period similar to the expected duration of the stock options.

6. Expenses arising from share-based payment transactions are as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Equity-settled	\$ 115	\$ 35,085
	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Equity-settled	\$ 339	\$ 35,665

7. Employee Stock Option Plan-111: According to the employee stock option regulations, the exercise price of employee stock option certificates was adjusted to NT\$38.5 on August 9, 2024. The aforementioned adjustment to the exercise price did not have a significant impact on the fair value of the stock options.

(XIII) Share capital

1. As of June 30, 2025, the Company's authorized capital was \$2,000,000, divided into 200,000 thousand shares, with paid-in capital of \$1,509,771 and par value of \$10 per share. All payments for the Company's issued shares have been received.
2. The number of outstanding common shares (in thousands) at the beginning and end of the period for the Company is as follows:

	<u>2025</u>	<u>2024</u>
January 1 (same as June 30)	150,977	134,142
Stock options exercised during the period	-	20
June 30	<u>150,977</u>	<u>134,162</u>

3. On June 20, 2024, the Company's Board of Directors resolved to issue 16,800 thousand new common shares through cash capital increase, with a par value of NT\$10 per share, for public offering before initial listing on the Main Board. The capital increase base date was August 9, 2024, and the registration of changes has been completed.

(XIV) Capital surplus

According to the Company Act, capital surplus from share premium in excess of par value and donations received can only be used to offset losses. When the Company has no accumulated losses, it can be distributed as new shares or cash to shareholders in proportion to their original shareholdings. Additionally, according to the relevant provisions of the Securities and Exchange Act, when using the aforementioned capital surplus for capital increase, the annual total amount is limited to no more than 10% of the paid-in capital. The Company shall not use capital surplus to offset capital losses unless the legal reserve is insufficient to cover such losses.

(XV) Accumulated earnings (losses)

1. According to the Company's Articles of Incorporation, if there are earnings in the annual closing, the Company shall first pay taxes, offset losses, and then set aside 10% as legal reserve. However, this requirement shall not apply when the legal reserve has reached the total paid-in capital of the Company. After setting aside or reversing special reserve in accordance with relevant laws and regulations, and adding the undistributed earnings from previous periods to the shareholders' accumulated distributable earnings, the Board of Directors shall prepare a profit distribution proposal and submit it to the shareholders' meeting for resolution on distribution or retention as deemed necessary for business operations.

2. The Company's dividend policy takes into account current and future development plans, investment environment, capital requirements, domestic and international competition, and shareholder interests when determining the distribution of accumulated distributable earnings to shareholders through retention or distribution in the form of stock dividends, cash dividends, or a combination of both. The cash dividend distribution shall not be less than 10% of the total shareholder dividends, with the remainder being stock dividends.

(XVI) Other equity items

		2025		
		Unrealized gains and losses on financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Total
January 1	(\$	58,749)	(\$ 28,845)	(\$ 87,594)
Valuation adjustments (Revaluation transferred to retained earnings)	(763)	-	(763)
Foreign currency translation differences - Group		2	-	2
		-	2,918	2,918
June 30	(\$	59,510)	(\$ 31,763)	(\$ 91,273)

		2024		
		Unrealized gains and losses on financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Total
January 1	(\$	4,640)	(\$ 25,267)	(\$ 29,907)
Valuation adjustments (Foreign currency translation differences - Group)	(40,921)	-	(40,921)
		-	(7,812)	(7,812)
June 30	(\$	45,561)	(\$ 33,079)	(\$ 78,640)

(XVII) Operating Revenue

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Revenue from contracts with customers	\$ 4,764	\$ 5,328

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Revenue from contracts with customers	\$ 5,358	\$ 133,128

1. Disaggregation of revenue from contracts with customers

The Group's revenue is derived from technology licensing and services that are transferred over time and at a point in time. Revenue can be disaggregated into the following major product lines and geographical regions:

For the three months ended June 30, 2025	Service revenue	Technology licensing	Total
Revenue from external customer contracts recognized at a point in time	\$ -	\$ 4,764	\$ 4,764
For the three months ended June 30, 2024	Service revenue	Technology licensing	Total
Revenue from external customer contracts recognized at a point in time	\$ 5,127	\$ 201	\$ 5,328
For the six months ended June 30, 2025	Service revenue	Technology licensing	Total
Revenue from external customer contracts recognized at a point in time	\$ 594	\$ 4,764	\$ 5,358
For the six months ended June 30, 2024	Service revenue	Technology licensing	Total
Revenue from external customer contracts recognized at a point in time	\$ 5,127	\$ 128,001	\$ 133,128

2. Contract liabilities

The Group recognizes contract liabilities related to revenue from customer contracts as follows:

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract liabilities	\$ 38,223	\$ 27,986	\$ 7,486	\$ 72,996

The Group's contract liabilities at the beginning of the period from January 1 to June 30, 2025 and 2024 were transferred to revenue in the amounts of \$3,414 and \$65,513 respectively.

3. The Group has signed new drug cooperation development and licensing agreements with Grand Pharmaceutical Group Limited (hereinafter referred to as Grand Pharma) for regions including Mainland China, Hong Kong, and Macau. The Group transfers expertise and provides relevant data to Grand Pharma, which is responsible for subsequent clinical development. After Grand Pharma successfully develops the new drug, it will obtain production

and sales rights in Mainland China, Hong Kong, and Macau. According to the contract terms, the Group can receive signing fees, milestone payments, and royalties calculated as a specified percentage of future sales from Grand Pharma. From the signing date to June 30, 2025, the Group has accumulated recognized revenue of \$59,023.

4. The Group has signed a new drug licensing agreement with EYENOVIA, Inc. (hereinafter referred to as EYEN) for the United States region. The Group transferred the drug license in the U.S. region to EYEN Company in March 2024, and EYEN Company obtained the commercialization rights for the U.S. region. According to the contract terms, the Group could receive signing fees, development milestone payments, and sales milestone payments from EYEN Company. Both parties mutually agreed to sign a license termination agreement on June 6, 2025. As per the agreement, all claims and commitments between both parties would be permanently discharged from the termination date, and EYEN Company would return the drug license for the U.S. region. From the contract signing date to the contract termination date, the Group has recognized accumulated revenue of \$127,800.
5. The Group has signed a new drug licensing agreement with Harrow, Inc. (hereinafter referred to as HROW) for the United States region. The Group will transfer the drug license in the U.S. region, and HROW Company will obtain the commercialization rights for the U.S. region. According to the contract terms, the Group can receive royalties and sales milestone payments from HROW Company. From the contract signing date to June 30, 2025, the Group has not recognized any revenue.
6. The Group has signed new drug licensing agreements with various partners for regions including Canada, Mexico, Brazil, Chile and other Central and South American countries, Portugal, Switzerland and other European countries, Israel, Middle East and North Africa, South Africa, and India. The partners will obtain commercialization rights for regions including Canada, Mexico, Brazil, Chile and other Central and South American countries, Portugal, Switzerland and other European countries, Israel, Middle East and North Africa, South Africa, and India. According to the terms of various contracts, the Group can receive signing fees, development milestone payments, and sales milestone payments from partners. As of June 30, 2025, the Group has received the equivalent of NT\$36,859 (listed under "Contract Liabilities"). From the signing dates of various contracts to June 30, 2025, accumulated recognized revenue is \$3,117.

(XVIII) Interest income

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Interest income from bank deposits	\$ 896	\$ 970
Financial assets measured at amortized cost Interest income	5,679	2,978
	<u>\$ 6,575</u>	<u>\$ 3,948</u>

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Write-off of withholding tax payable benefit (Note)	\$ 1,930	\$ 1,353
Financial assets measured at amortized cost Interest income	10,891	6,828
	<u>\$ 12,821</u>	<u>\$ 8,181</u>

(XIX) Other revenue

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Interest income from bank deposits	\$ 38,429	\$ -
Tax refund benefit	10,638	-
	<u>\$ 49,067</u>	<u>\$ -</u>

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Interest income from bank deposits	\$ 38,429	\$ -
Tax refund benefit	10,638	-
Others	-	25
	<u>\$ 49,067</u>	<u>\$ 25</u>

(XX) Other gains and losses

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Gain on currency exchange	\$ 60,455	\$ 343
Miscellaneous disbursements	(30)	(29)
Gain on lease modification disbursements	\$ -	\$ 1
	<u>60,425</u>	<u>315</u>

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Gain (loss) on currency exchange	(\$ 48,324)	(\$ 10,543)
Loss on measurement of contingent consideration (Note)	-	(6961)
Miscellaneous disbursements	30	29
Gain on lease modification disbursements	(\$ -)	(\$ 1)
	<u>48,294</u>	<u>17,532</u>

Note: It arose from the Company's acquisition of 100% equity interest in Activus Pharma Co., Ltd., with contingent consideration measured based on the progress of clinical trials, patents and new drug applications.

(XXI) Financial costs

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Interest expenses	\$ 111	\$ 129
	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Interest expenses	\$ 227	\$ 261

(XXII) Additional information of expenses by nature

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Employee benefits expenses	\$ 10,247	\$ 44,446
Depreciation expenses of right-of-use assets and property, plant and equipment	\$ 2,151	\$ 3,445
Amortization of intangible assets	\$ 10,160	\$ 8,646
	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Employee benefits expenses	\$ 20,659	\$ 53,905
Depreciation expenses of right-of-use assets and property, plant and equipment	\$ 4,045	\$ 3,764
Amortization of intangible assets	\$ 19,296	\$ 17,292

(XXIII) Employee benefits expenses

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Salary expenses	\$ 8,891	\$ 83,13
Employee stock option compensation cost	115	35,085
Labor insurance and national health insurance expenses	575	505
Pension	356	320
Other personnel expenses	310	223
	\$ 10,247	\$ 44,446
	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Salary expenses	\$ 17,734	\$ 16,145
Employee stock option compensation cost	339	35,665
Labor insurance and national health insurance expenses	1,248	1,077
Pension	707	631

Other personnel expenses	631	387
	<u>\$ 20,659</u>	<u>\$ 53,905</u>

1. According to the Company's Articles of Incorporation, if the Company has profit for the year after offsetting accumulated deficits, at least 5% of the remaining profit shall be distributed as employees' compensation, and no more than 2% shall be distributed as directors' compensation..
2. The Company had accumulated deficits for the six months ended June 30, 2025 and 2024, therefore no employees' compensation and directors' remuneration were required to be estimated .

(XXIV) Income tax

1. Income tax expenses

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Current tax:		
Income tax generated from current income	\$ 63	\$ 61
Deferred tax:		
Origination and reversal of temporary differences	(124)	(124)
Income tax expenses	<u>(\$ 61)</u>	<u>(\$ 63)</u>
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Current tax:		
Income tax generated from current income	\$ 63	\$ 19,261
Deferred tax:		
Origination and reversal of temporary differences	(247)	(247)
Income tax expenses	<u>(\$ 184)</u>	<u>\$ 19,014</u>

2. The Company's profit-seeking enterprise income tax returns have been assessed by the tax authority through 2022.

(XXV) Earnings (loss) per share

	<u>For the three months ended June 30, 2025</u>		
	<u>Amount after tax</u>	<u>Weighted average number of common shares outstanding (in thousands)</u>	<u>Earnings per share (NT\$)</u>
<u>Basic and diluted loss per share</u>			
Loss for the period attributable to owners of	<u>\$ 64,337</u>	<u>150,977</u>	<u>\$ 0.43</u>

the parent company

	For the three months ended June 30, 2024		
	Amount after tax	Weighted average number of common shares outstanding (in thousands)	Loss per share (NT\$)
<u>Basic and diluted loss per share</u>			
Loss for the period attributable to owners of the parent company	(\$ 96,849)	134,149	(\$ 0.72)

	For the six months ended June 30, 2025		
	Amount after tax	Weighted average number of common shares outstanding (in thousands)	Earnings per share (NT\$)
<u>Basic and diluted loss per share</u>			
Loss for the period attributable to owners of the parent company	\$ 23,592	150,977	(\$ 0.16)

	For the six months ended June 30, 2024		
	Amount after tax	Weighted average number of common shares outstanding (in thousands)	Loss per share (NT\$)
<u>Basic and diluted loss per share</u>			
Loss for the period attributable to owners of the parent company	(\$ 116,320)	134,145	(\$ 0.87)

(XXVI) Supplementary cash flow

Investment activities with partial cash payments

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Acquisition of subsidiaries	\$ -	\$ -
Add: Opening balance of contingent consideration payable (shown under other current/non-current liabilities)	-	69,931
Effect of exchange rate changes	-	2,397
Loss on fair value measurement of contingent consideration	-	6,961
Cash paid during the period	\$ -	\$ 79,289

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Purchase of property, plant and equipment	\$ 9,280	\$ 248
Add: Opening balance of contingent consideration payable	101	453
Less: Ending balance of payables for equipment	(17)	-
Cash paid during the period	<u>\$ 9,364</u>	<u>\$ 701</u>

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Purchase of intangible assets	\$ 159,233	\$ -
Add: Opening balance of contingent consideration payable (shown under non-current liabilities)	252,445	236,428
Effect of exchange rate changes	(29,961)	13,437
Less: Ending balance of contingent consideration payable (shown under other current/non-current liabilities)	(350,135)	(249,865)
Cash paid during the period	<u>\$ 31,582</u>	<u>\$ -</u>

(XXVII) Changes in liabilities from financing activities

	<u>2025</u>		
	<u>New drug development profit sharing agreement</u>	<u>Lease liabilities</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 65,570	\$ 25,801	\$ 91,371
Changes in cash flow from financing activities	-	(2,815)	(2,815)
Other non-cash changes	6,970	-	6,970
June 30	<u>\$ 58,600</u>	<u>\$ 22,986</u>	<u>\$ 81,586</u>
	<u>2024</u>		
	<u>New drug development profit sharing agreement</u>	<u>Lease liabilities</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 61,410	\$ 29,788	\$ 91,198
Changes in cash flow from financing activities	-	(3,015)	(3,015)
Other non-cash changes	3,490	2,060	5,550
June 30	<u>\$ 64,900</u>	<u>\$ 28,833</u>	<u>\$ 93,733</u>

VII. Related Party Transactions

(I) Parent company and ultimate controller

Since Formosa Laboratories, Inc. is the Company's largest single shareholder and directs the Company's key operational activities, it is the Company's ultimate parent company. Due to the Company's successive cash capital increases and introduction of new investors since 2018, as of June 30, 2025, Formosa Laboratories, Inc.'s shareholding in the Company is 40.66%.

(II) Names and relationships of related parties

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Formosa Laboratories, Inc.	Parent company
EirGenix, Inc.	Other related parties

(III) Significant transactions with related parties

1. General and administrative expenses

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Parent company	<u>\$ 153</u>	<u>\$ 111</u>
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Parent company	<u>\$ 529</u>	<u>\$ 311</u>

The parent company provides services including administrative resource management. Payment terms are negotiated between both parties, with payments collected according to the agreed schedule.

2. Research and development expenses

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Parent company	<u>\$ 958</u>	<u>\$ 13,151</u>
	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Parent company	<u>\$ 2,435</u>	<u>\$ 23,905</u>
Other related parties	<u>-</u>	<u>1,657</u>
	<u>\$ 2,435</u>	<u>\$ 25,562</u>

These are experimental, production and research methods commissioned to the parent company and other related parties. There are no similar transactions for reference. The terms are negotiated between both parties, and payment terms are not significantly different from general transactions.

3. Prepayments

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Other related parties	\$ 623	\$ 623	\$ 623

These are prepaid service fees for commissioned experiments, production and research methods.

4. Accounts payable

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Other related parties	\$ 165	\$ -	\$ -

The accounts payable to related parties mainly arise from purchases and other transactions, with payment terms due on the 25th of the month following the transaction date.

5. Other payables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Parent company	\$ 936	\$ 3,881	\$ 2,223
Other related parties	-	2,869	-
	<u>\$ 936</u>	<u>\$ 6,750</u>	<u>\$ 2,223</u>

Other payables to related parties mainly arise from management services and research and development transactions, with payments due on the 25th of the month following the transaction date.

6. Financial liabilities at amortized cost

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Other related parties	\$ 58,600	\$ 65,570	\$ 64,900

These are project fees from the profit-sharing agreement for TSY-0110 new drug development received from other related parties. For related details, please refer to Note 6(9).

7. Other current/non-current liabilities

The unpaid amounts for technical know-how obtained by the Group from the parent company are recorded under other current and non-current liabilities. For related details, please refer to Notes 6(7) and (11).

8. Lease transactions - Lessee's lease liabilities

A. Ending balance:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Parent company	\$ 20,757	\$ 21,982	\$ 23,435

B. Interest expenses:

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Parent company	\$ 99	\$ 112

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Parent company	\$ 201	\$ 227

(IV) Key management personnel compensation information

	<u>For the three months ended June 30, 2025</u>	<u>For the three months ended June 30, 2024</u>
Short-term employee benefits	\$ 1,978	\$ 3,505
Post-employment benefits	106	81
Share-based payments	66	12,936
	<u>\$ 2,150</u>	<u>\$ 16,522</u>

	<u>For the six months ended June 30, 2025</u>	<u>For the six months ended June 30, 2024</u>
Short-term employee benefits	\$ 9,689	\$ 6,785
Post-employment benefits	213	162
Share-based payments	194	13,126
	<u>\$ 10,096</u>	<u>\$ 20,073</u>

VIII. Pledged assets

None.

IX. Significant Contingent Liabilities and Unrecognized Commitments

Please refer to Notes 6(7), (9), (11) and Note 7(3) for details..

X. Significant casualty loss

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital Management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern, maintain an optimal capital structure to reduce the cost of capital, and provide returns for shareholders. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Please refer to the balance sheets of each period for the relevant liability and capital ratios.

(II) Financial Instruments

1. Types of Financial Instruments

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Financial assets</u>			
Investments in equity instruments designated to be measured at fair value through other comprehensive income	\$ 4,389	\$ 5,151	\$ 18,339
Financial assets measured at amortized cost			
Cash and cash equivalents	\$ 230,752	\$ 425,785	\$ 167,062
Financial assets measured at amortized cost	1,330,000	1,220,000	866,594
Accounts receivable	-	-	498
Other receivables	9,813	37,426	33,138
Refundable deposits (presented as "other non-current assets")	1,140	1,140	664
	<u>\$ 1,571,705</u>	<u>\$ 1,684,351</u>	<u>\$ 1,067,956</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost			
Accounts payable(Including related parties)	\$ 165	\$ -	\$ -
Other payable(Including related parties)	105,903	187,757	156,633
New drug development profit sharing agreement	58,600	65,570	64,900
Contingent consideration payable (presented as 'Other current/non-current liabilities)	350,135	252,445	249,865
	<u>\$ 514,803</u>	<u>\$ 505,772</u>	<u>\$ 471,398</u>
Lease liabilities	<u>\$ 22,986</u>	<u>\$ 25,801</u>	<u>\$ 28,833</u>

2. Risk management policies

The Group adopts a comprehensive risk management and control system to clearly identify, measure and control all types of risks faced by the Group (including market risk, credit risk, liquidity risk and cash flow risk), enabling the Group's management to effectively control and measure market risk, credit risk, liquidity risk and cash flow risk.

3. Nature and extent of significant financial risks

(1) Market risk

Foreign exchange rate risk

- A. The Group operates internationally and therefore is exposed to foreign exchange risk arising from transactions denominated in currencies different from the functional currencies of the Company and its subsidiaries, primarily with respect to the US dollar and Japanese yen. The relevant foreign exchange risks arise from future commercial transactions and recognized assets and liabilities.
- B. The Group's management has established policies requiring companies within the Group to manage foreign exchange risks relative to their functional currencies. Companies within the Group should hedge their overall foreign exchange risk through the Group's finance department. To manage foreign exchange risks arising from future commercial transactions and recognized assets and liabilities, each entity within the Company utilizes forward exchange contracts through the Company's finance department. Foreign exchange risk arises when future commercial transactions, recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.
- C. The Group's operations involve several non-functional currencies (the Company's functional currency is New Taiwan Dollar, and subsidiaries' functional currency is Japanese Yen), therefore it is affected by exchange rate fluctuations. The information on foreign currency assets and liabilities that are significantly affected by exchange rate fluctuations is as follows:

		June 30, 2025		
		Foreign currency	Exchange rate	Carrying amount TWD
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD: NTD	&	332	29.30	& 9,728
USD: JPY		3,200	144.05	94,260
<u>Non-monetary items</u>				
USD: NTD		150	29.30	4,389
USD: JPY		475,074	0.2034	96,630
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD: NTD		20,031	29.30	586,906

		December 31, 2024		
		Foreign currency	Exchange rate	Carrying amount TWD
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD: NTD	&	2,266	32.785	& 74,291
USD: JPY		3,200	156.19	106,253
<u>Non-monetary items</u>				
USD: NTD		157	32.785	5,151
USD: JPY		518,904	0.2099	108,918
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD: NTD		16,791	32.785	550,493

		June 30, 2024		
		Foreign currency	Exchange rate	Carrying amount TWD
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD: NTD	&	106	32.45	& 3,440
USD: JPY		3,200	160.88	104,006
<u>Non-monetary items</u>				
USD: NTD		565	32.45	18,339
USD: JPY		529,083	0.2017	106,716
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD: NTD		16,085	32.45	521,985

- D. Due to exchange rate fluctuations, the Group recognized foreign currency exchange gains (losses) on monetary items amounting to \$48,324 and (\$10,543) for the six months ended June 30, 2025 and 2024, respectively.

- E. The Group's foreign currency market risk analysis due to significant exchange rate fluctuations is as follows:

For the six months ended June 30, 2025			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	1%	\$ 97	\$ -
USD: JPY	1%	943	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	1%	5,869	-
For the six months ended June 30, 2024			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	1%	\$ 34	\$ -
USD: JPY	1%	1,040	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	1%	5,220	-

Price risk

- A. The Group's equity instruments exposed to price risk are those held and classified as financial assets measured at fair value through other comprehensive income. To manage the price risk of investments in equity instruments, the Group diversifies its investment portfolio according to the limits set by the Group.
- B. The Group primarily invests in equity instruments issued by foreign companies, and the prices of these equity instruments are affected by uncertainties in the future value of the investment targets. If the prices of these equity instruments increase or decrease by 1%, with all other factors remaining constant, the after-tax net income for January 1 to June 30, 2025 and 2024 would increase or decrease by \$43 and \$183 respectively, due to gains or losses from equity investments classified as fair value through other comprehensive income.

Cash flow and fair value interest rate risk

The Group has no borrowings, therefore there is no risk from interest rate fluctuations.

(2) Credit risk

- A. The Group's main credit risk comes from deposits placed with banks and financial institutions. The Company Bank deposits are all placed with financial institutions that have good credit ratings.
- B. The Group's credit risk is the risk of financial loss to the Group resulting from customers or counterparties to financial instruments failing to meet their contractual obligations, mainly arising from counterparties' inability to settle accounts receivable according to payment terms and contractual cash flows of debt investments measured at amortized cost.
- C. The Group establishes credit risk management from a group perspective. According to the internally specified credit policy, each operating entity within the Group must conduct management and credit risk analysis on each new customer before establishing payment and delivery terms and conditions. Internal risk control evaluates customers' credit quality by considering their financial status, past experience and other factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and credit limit usage is regularly monitored.
- D. The Group adopts IFRS 9's presumption that default has occurred when contractual payments are more than 90 days past due according to the agreed payment terms.
- E. The Group adopts the following presumptions provided by IFRS 9 as the basis for determining whether there has been a significant increase in credit risk of financial instruments since initial recognition:

When contractual payments are more than 30 days past due according to the agreed payment terms, it is considered that the credit risk of financial assets has increased significantly since initial recognition.

- F. The Group categorizes accounts receivable based on customer rating characteristics and adopts a simplified approach using a provision matrix rolling rate method and loss rate method as the basis for estimating expected credit losses
- G. After the collection procedures, the Group writes off the amount of financial assets that cannot be reasonably expected to be recovered. However, the Group will continue to pursue legal proceedings to preserve its creditor rights.
- H. The Group incorporates forward-looking considerations to adjust the loss rates for not past due aging established based on historical and current information over specific periods to estimate the allowance for impairment loss on accounts receivable. The Group categorizes customers into prime and non-prime customers and conducts individual assessments for customers with credit risk or in default. The relevant information is as follows:
 - (A) For premium customers, allowance for impairment loss is individually assessed using the expected loss rate method at 0%. The total carrying amounts of accounts receivable as of June 30, 2025, December 31, 2024, and June 30, 2024 were \$0, \$0, and \$498, respectively.
 - (B) For non-premium customers with credit risk or those who have defaulted, allowance for impairment loss is individually assessed at 100% of expected credit losses. The allowance for impairment loss as of June 30, 2025, December 31, 2024, and June 30, 2024 were \$0, \$7,821, and \$0, respectively.

(3) Liquidity risk

- A. Cash flow forecasts are performed by operating entities within the Group and aggregated by the Group's finance department. The Group's finance department monitors the forecast of liquidity requirements to ensure sufficient funds are available to meet operational needs.
- B. The following table groups the Group's non-derivative financial liabilities by their relevant maturity dates. The non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flows disclosed in the table below are undiscounted amounts:

<u>Non-derivative financial liabilities</u>	June 30, 2025			
	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
June 30, 2025				
New drug development profit sharing agreement	\$ -	\$ -	\$ 58,600	\$ -
Accounts payable (including related parties)	165	-	-	-
Other payables (including related parties)	105,903	-	-	-
Other non-current liabilities (including portion due within one year)	29,300	58,600	124,525	137,710
Lease liabilities	4,889	3,061	8,552	8,077

<u>Non-derivative financial liabilities</u>	December 31, 2024			
	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
December 31, 2024				
New drug development profit sharing agreement	\$ -	\$ -	\$ 65,570	\$ -
Other payables (including related parties)	187,757	-	-	-
Other non-current liabilities (including portion due within one year)	-	16,393	81,962	154,090
Lease liabilities	5,927	3,556	8,636	9,502

<u>Non-derivative financial liabilities</u>	June 30, 2024			
	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
June 30, 2024				
New drug development profit sharing agreement	\$ -	\$ -	\$ 64,900	\$ -
Other payables (including related parties)	156,633	-	-	-
Other non-current liabilities (including portion due within one year)	-	16,225	129,800	103,840
Lease liabilities	6,327	4,889	8,762	10,928

(III) Fair value information

1. The definitions of valuation techniques by level used to measure the fair value of financial and non-financial instruments are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market refers to a market where transactions for assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs for the asset or liability, either directly or indirectly, other than quoted prices included in Level 1.

Level 3: Unobservable inputs for the asset or liability.

2. The carrying amounts of the Group's financial instruments not measured at fair value, including cash and cash equivalents, accounts receivable, other payables (including related parties) and financial liabilities measured at amortized cost, are reasonable approximations of fair value.

3. For financial and non-financial instruments measured at fair value, the Group classifies them based on the nature, characteristics and risks of assets and liabilities, as well as the fair value hierarchy. The relevant information is as follows:

The Group classifies assets and liabilities based on their nature. The relevant information is as follows:

June 30, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Equity securities measured at fair value through other comprehensive income (Note)	<u>\$ 4,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,389</u>
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Equity securities measured at fair value through other comprehensive income (Note)	<u>\$ 2,335</u>	<u>\$ 2,816</u>	<u>\$ -</u>	<u>\$ 5,151</u>
June 30, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Equity securities measured at fair value through other comprehensive income (Note)	<u>\$ -</u>	<u>\$ 18,339</u>	<u>\$ -</u>	<u>\$ 18,339</u>

Note: The fair value of financial instruments is obtained through valuation techniques. The fair value obtained through valuation techniques can reference the current fair value of other financial instruments with substantially similar terms and characteristics and the discounted cash flow method.

4. As of June 30, 2025, some of the listed stocks invested by the Group were transferred from Level 2 to Level 1 as their lock-up period restrictions had expired.

5. The following table shows the movements of Level 3 from January 1 to June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
	Payables for acquisition of companies	Payables for acquisition of companies
January 1	\$ -	\$ 69,931
Recognized in profit or loss	-	6,961
Current period payments	-	(79,289)
Valuation adjustments	-	2,397
June 30	<u>\$ -</u>	<u>\$ -</u>

XIII. Notes and Disclosures

The following transactions with subsidiaries have been eliminated when preparing the consolidated financial statements.

(I) Information on Significant Transactions

- Loans to others: Please refer to Table 1.
- Endorsement and guarantees for others: None.
- Securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures): None.
- Purchases from or sales to related parties amounting to NT\$100 million or 20% of paid-in capital or more: None.
- Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more: Please refer to Table 2.
- Business relationships and significant transactions between the parent company and subsidiaries and between subsidiaries: Please refer to Table 3.

(II) Information on investee companies

Information on investee companies, including name, location, etc. (excluding investments in Mainland China): Please refer to Table 4.

(III) Information on investments in Mainland China

- Basic information: None.
- Significant transactions with investee companies in Mainland China, either directly or indirectly through a third region: None.

XIV. Segment information

(I) General information

The Group operates in a single industry, and the Group's Board of Directors evaluates performance and allocates resources on a group-wide basis. Therefore, the Group has been identified as a single reportable segment.

(II) Measurement of segment information

The Group measures the performance of operating segments based on profit or loss after tax from continuing operations, and the accounting policies of operating segments are all consistent with the significant accounting policies described in Note 4.

(III) Segment information

As the Group is a single reportable segment, the reportable information is the same as the financial statements.

(IV) Reconciliation information of segment profit or loss

The profit or loss after tax from continuing operations presented by the Group to the chief operating decision maker is measured consistently with the revenue, expenses and other items in the income statement. The Group does not provide the chief operating decision maker with total assets and total liabilities for operating decisions. As there is no difference between the reports provided to the operating decision maker for segment operating decisions and the segment income statement, no reconciliation is required.

Loans to others of Formosa Pharmaceuticals, Inc. and subsidiaries
For the six months ended June 30, 2025

Table 1

Unit: NT\$ thousand
(Unless Otherwise Specified)

No.	Lender	Borrower	Nature of loan	Whether related party	Maximum balance during the period	Ending balance	Actual amount drawn	Interest rate	Nature of financing (Note 1)	Business transaction amount	Reason for short-term financing needs	Provision for allowance for impairment loss	collaterals		Individual financing limit	Total financing limit	Notes
													Name	Value			
0	Formosa Pharmaceuticals, Inc.	Activus Pharma Co., Ltd.	Receivables from related parties	Yes	\$8,000	\$ -	-	3.244%	2	\$ -	Business turnover	\$ -	\$ -	None	\$ 470,468	548,880	Note 2

Note 1: The nature of financing should be classified as either 1. Business transactions or 2. Short-term financing needs.

Note 2: External financing provided by the Company:

- (1) The limit for individual financing (short-term financing) shall not exceed 30% of the net worth shown in the most recent financial statements of the lending company.
- (2) The total limit for financing (short-term financing) shall not exceed 35% of the net worth shown in the most recent financial statements of the lending company .

Formosa Pharmaceuticals, Inc. and Subsidiaries
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital
 June 30, 2025

Table 2

Unit: NT\$ thousand
(Unless Specified Otherwise)

Company recording the receivables	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate (Note)	Overdue receivables from related parties		Amounts of receivables from related parties subsequently collected	Provision for allowance for impairment loss
					Amount	Processing method		
Activus Pharma Co., Ltd.	Formosa Pharmaceuticals, Inc.	Parent company	\$ 94,260	0.00	\$ -	-	\$ -	\$ -

Note: The turnover rate is shown as 0.00 because the listed long-term receivables are not applicable for turnover rate calculation.

Formosa Pharmaceuticals, Inc. and Subsidiaries

Business relationships and significant transactions between parent company and subsidiaries, and between subsidiaries For the six months ended June 30, 2025

Table 3

Unit: NT\$ thousand
(Unless Otherwise Specified)

(Note 1)	Transaction party name	Transaction counterparty	Relationship with transaction party (Note 2)	Transaction details			
				Account	Amount (Note 4)	Transaction terms	Percentage of consolidated revenue or total assets Ratio to item number (Note 3)
1	Activus Pharma Co., Ltd.	Formosa Pharmaceuticals, Inc.	2	Long-term receivables	\$ 94,260	Note 5	4%

Note 1: Business transactions between the parent company and subsidiaries should be indicated separately in the number column. The numbering method is as follows:

- (1) Parent company is numbered 0.
- (2) Subsidiaries are numbered sequentially starting from Arabic numeral 1 according to company.

Note 2: There are three types of relationships with transaction parties. Simply indicate the type (If it is the same transaction between parent-subsidiary or between subsidiaries, no need for repeated disclosure). For example: For transactions between parent and subsidiary, if the parent company has already disclosed, then the subsidiary does not need to disclose again; for transactions between subsidiaries, if one subsidiary has disclosed, then the other subsidiary does not need to disclose again):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company. (3) Subsidiary to subsidiary.

Note 3: For calculating the ratio of transaction amounts to consolidated total revenue or total assets: for balance sheet items, calculate as ending balance divided by consolidated total assets; for income statement items, calculate as cumulative amount during the period divided by consolidated total revenue.

Note 4: The above disclosure threshold is for transactions reaching NT\$10 million or above. However, the above related party transactions have been eliminated during the preparation of consolidated financial statements.

Note 5: This mainly refers to receivables from authorized transactions in 2018, with payment terms negotiated between both parties. The transaction amount was \$196,928. As this was a transfer within the group, no profit or loss was recognized.

Formosa Pharmaceuticals, Inc. and Subsidiaries

Names and locations of investee companies (excluding investees in Mainland China) as of June 30, 2025

Table 4

Unit: NT\$ thousand

(Unless Otherwise Specified)

Investor	Investee	Location	Main Business Activities	Original Investment Amount		Ending Balance		Carrying amount	Profit (Loss) of Investee for Current Period	Investment Income (Loss) Recognized for Current Period	Notes
				End of Current Period	End of Last Year	Number of shares	Ratio				
Formosa Pharmaceuticals, Inc.	Activus Pharma Co., Ltd.	Japan	Research and Development of New Biotechnology Drugs	\$274,633	\$274,633	1,942	99.23%	\$96,630	(\$ 9,403)	(\$ 9,371)	