

**STANDARD CHEM. & PHARM. CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2025 AND 2024**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of STANDARD CHEM. & PHARM. CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of STANDARD CHEM. & PHARM. CO., LTD. and its subsidiaries (collectively referred herein as the “Group”) as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as discussed in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical 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.

Basis for Qualified Conclusion

As stated above, the consolidated financial statements included the financial statements of certain non-significant subsidiaries and investments accounted for using the equity method, the financial statements and related information disclosed in Note 13 of which for the same periods were not reviewed by independent auditors. For the three months ended March 31, 2025 and 2024, total assets of these subsidiaries amounted to related \$1,043,077 thousand and \$1,145,891 thousand, representing 9.14% and 9.90% of the consolidated totals, and total liabilities amounted to related \$140,129 thousand and \$177,215 thousand, representing 4.85% and 5.03% of the consolidated totals, respectively; and total comprehensive income amounted to (\$36,302) thousand and (\$20,290) thousand, representing (12.45%) and (4.04%) of the consolidated totals, respectively. In addition, the investments accounted for using the equity method for the three-month periods ended March 31, 2025 and 2024 included the share of income from investees in the amounts of (\$2,439) thousand and \$6,997 thousand, representing (0.84%) and 1.39% of the consolidated totals, respectively; and the carrying amounts of these investments were \$387,600 thousand and \$369,957 thousand, representing 3.40% and 3.20% of the related consolidated totals, respectively.

Qualified Conclusion

Based on our review, except for the non-significant subsidiaries and certain investments accounted for using the equity method described in the Basis for Qualified Conclusion paragraph, the financial statements for the same periods and the related information disclosed in Note 13 had they been reviewed by independent auditors, and any adjustments or disclosures that might have been determined to be necessary as a result, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial

Reporting,” as endorsed and issued by the Financial Supervisory Commission, the consolidated financial position of the Standard Chem & Pharm Group as of March 31, 2025 and 2024, and the consolidated financial performance and cash flows for the three-month periods then ended.

Independent Accountants

Yeh, Fang-Ting

Hsu, Huei-Yu

PricewaterhouseCoopers, Taiwan
Republic of China.
May 9, 2025

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

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

			March 31, 2025		December 31, 2024		March 31, 2024				
Assets			Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%		
Current assets											
1100	Cash and cash equivalents	6(1)	\$	1,634,479	14	\$	1,520,128	14	\$	1,890,587	16
1110	Financial assets at fair value	6(2)									
	through profit or loss - current			135,629	1		157,360	2		171,665	2
1136	Financial assets at amortised cost -	6(1) and 8									
	current			191,105	2		134,500	1		76,500	1
1150	Notes receivable, net	6(4), 7 and 12		178,875	2		283,688	3		314,700	3
1170	Accounts receivable, net	6(4), 7 and 12		1,117,356	10		1,039,155	9		1,055,728	9
1200	Other receivables	6(5) and 7		11,159	–		16,567	–		171,164	1
1220	Current income tax assets	6(27)		732	–		720	–		196	–
130X	Inventory	6(6)(8)		1,636,440	14		1,720,381	15		1,673,348	14
1410	Prepayments	6(3)		225,937	2		126,905	1		110,409	1
1479	Other current assets			2,265	–		2,488	–		7,219	–
11XX	Total current assets			5,133,977	45		5,001,892	45		5,471,516	47
Non-current assets											
1510	Financial assets at fair value	6(2)									
	through profit or loss - non-current			11,289	–		11,267	–		15,869	–
1517	Financial assets at fair value	6(3)									
	through other comprehensive										
	income - non-current			517,626	5		508,242	5		539,813	5
1550	Investments accounted for under	6(7)									
	equity method			688,212	6		688,452	6		672,628	6
1600	Property, plant and equipment	6(8) and 8		4,241,185	37		4,128,811	37		4,070,181	35
1755	Right-of-use assets	6(8)(9) and 7		254,994	2		260,641	2		279,848	3
1780	Intangible assets	6(10)(11)		205,729	2		207,731	2		211,933	2
1840	Deferred income tax assets	6(27)		131,193	1		132,264	1		133,895	1
1915	Prepayments for equipment	6(8)		142,103	1		159,487	2		93,144	1
1920	Guarantee deposits paid			29,681	–		28,783	–		37,165	–
1990	Other non-current assets	6(15)		57,466	1		47,975	–		45,629	–
15XX	Total non-current assets			6,279,478	55		6,173,653	55		6,100,105	53
1XXX	Total assets		\$	11,413,455	100	\$	11,175,545	100	\$	11,571,621	100

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STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

			March 31, 2025		December 31, 2024		March 31, 2024	
Liabilities and Equity			AMOUNT		AMOUNT		AMOUNT	
Notes			%		%		%	
Current liabilities								
2100	Short-term borrowings	6(12) and 8	\$ 300,000	3	\$ 110,000	1	\$ 664,476	6
2130	Contract liabilities - current	6(20)	104,941	1	94,986	1	88,820	1
2150	Notes payable	7	226,819	2	360,766	3	310,093	3
2170	Accounts payable	7	313,503	3	242,304	2	265,863	2
2200	Other payables	6(13)(18) and 7	1,173,581	10	573,375	5	1,144,484	10
2230	Current income tax liabilities	6(27)	265,825	2	195,817	2	308,372	3
2280	Lease liabilities - current	6(9) and 7	23,856	–	23,754	–	24,322	–
2310	Receipts in advance		1,692	–	583	–	810	–
2320	Long-term liabilities, current portion	6(14) and 8	59,027	–	59,027	1	59,027	–
2365	Refund liabilities - current	6(20)	320	–	320	–	320	–
21XX	Total current liabilities		2,469,564	21	1,660,932	15	2,866,587	25
Non-current liabilities								
2540	Long-term borrowings	6(14) and 8	49,189	–	163,946	1	208,216	2
2570	Deferred income tax liabilities	6(27)	85,987	1	85,494	1	88,556	–
2580	Lease liabilities - non-current	6(9) and 7	198,179	2	203,701	2	221,214	2
2640	Net defined benefit liability - non-current	6(15)	75,322	1	76,632	1	126,497	1
2645	Guarantee deposits received		9,134	–	8,772	–	12,766	–
25XX	Total non-current liabilities		417,811	4	538,545	5	657,249	5
2XXX	Total liabilities		2,887,375	25	2,199,477	20	3,523,836	30
Equity attributable to owners of parent								
Share capital								
3110	Common stock	6(16)	1,786,961	16	1,786,961	16	1,786,961	15
3200	Capital surplus	6(7)(17)	300,417	3	300,128	2	298,813	3
	Retained earnings	6(3)(18)(19)						
3310	Legal reserve		964,252	8	964,252	9	878,245	8
3320	Special reserve		–	–	–	–	115,935	1
3350	Unappropriated retained earnings		2,439,865	21	2,745,543	25	2,057,455	18
3400	Other equity interest	6(3)(7)(19)	119,725	1	108,131	1	162,477	1)
31XX	Equity attributable to owners of the parent		5,611,220	49	5,905,015	53	5,299,886	46
36XX	Non-controlling interest	4(3)	2,914,860	26	3,071,053	27	2,747,899	24
3XXX	Total equity		8,526,080	75	8,976,068	80	8,047,785	70
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		\$ 11,413,455	100	\$ 11,175,545	100	\$ 11,571,621	100

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

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Three months ended March 31,

	Items	Notes	2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20) and 7	\$ 1,640,034	100	\$ 1,613,535	100
5000	Operating Costs	6(6)(9)(10)(15)(25)(26) and 7	(939,862)	(57)	(898,191)	(56)
5900	Net operating margin		700,172	43	715,344	44
	Operating expenses	6(9)(10)(15)(25)(26) and 7				
6100	Selling expenses		(210,824)	(13)	(202,977)	(12)
6200	General and administrative expenses		(113,336)	(7)	(107,271)	(7)
6300	Research and development expenses		(61,869)	(4)	(60,778)	(4)
6450	Expected credit gains (losses)	12	2,750	-	3,621	-
6000	Total operating expenses		(383,279)	(24)	(374,647)	(23)
6900	Operating profit		316,893	19	340,697	21
	Non-operating income and expenses					
7100	Interest income	6(21)	4,899	-	11,527	1
7010	Other income	6(22) and 7	15,549	1	16,534	1
7020	Other gains and losses	6(2)(23) and 12	14,223	1	58,937	3
7050	Finance costs	6(8)(9)(24)(29) and 7	(1,558)	(-)	(5,145)	(-)
7060	Share of (loss) profit of associates and joint ventures accounted for under equity method	6(7)	(638)	-	5,734	-
7000	Total non-operating income and expenses		32,475	2	87,587	5
7900	Profit before income tax		349,368	21	428,284	26
7950	Income tax expense	6(27)	(69,557)	(4)	(82,044)	(5)
8200	Profit for the period		\$ 279,811	17	\$ 346,240	21
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8316	Unrealised gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(3)(19)	\$ 9,384	1	\$ 148,893	9
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		2,165	-	6,691	1
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method - will be reclassified to profit or loss	6(7)(19)	109	-	103	-
8300	Total other comprehensive income for the period		\$ 11,658	1	\$ 155,687	10
8500	Total comprehensive income for the period		\$ 291,469	18	\$ 501,927	31
	Profit attributable to:					
8610	Owners of the parent		\$ 194,671	12	\$ 252,704	15
8620	Non-controlling interest		85,140	5	93,536	6
			\$ 279,811	17	\$ 346,240	21
	Total comprehensive income attributable to:					
8710	Owners of the parent		\$ 206,265	13	\$ 408,422	25
8720	Non-controlling interest		85,204	5	93,505	6
			\$ 291,469	18	\$ 501,927	31
	Earnings per share (in dollars)	6(28)				
9750	Basic		\$ 1.09		\$ 1.41	
9850	Diluted		\$ 1.09		\$ 1.41	

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

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent												Non-controlling interest	Total equity
	Capital Surplus				Retained Earnings				Other Equity Interest					
	Common stock	Additional paid-in capital	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Change in net equity of associates and joint ventures accounted for under equity method	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total			
	\$ 1,786,961	\$152,088	\$ 60,898	\$ 10,366	\$ 534	\$ 878,245	\$ 115,935	\$2,280,812	(\$ 7,452)	\$ 20,629	\$ 5,299,016	\$ 2,838,321	\$ 8,137,337	
6(3)(19)	-	-	-	-	-	-	-	252,704	-	-	252,704	93,536	346,240	
	-	-	-	-	-	-	-	-	6,825	148,893	155,718	(31)	155,687	
	-	-	-	-	-	-	-	252,704	6,825	148,893	408,422	93,505	501,927	
6(7)(17)	-	-	-	74,906	-	-	-	-	-	-	74,906	-	74,906	
6(17)	-	-	-	-	21	-	-	-	-	-	21	24	45	
6(3)(19)	-	-	-	-	-	-	-	6,418	-	(6,418)	-	-	-	
6(18)	-	-	-	-	-	-	-	(482,479)	-	-	(482,479)	-	(482,479)	
	-	-	-	-	-	-	-	-	-	-	-	(183,951)	(183,951)	
	\$ 1,786,961	\$152,088	\$ 60,898	\$ 85,272	\$ 555	\$ 878,245	\$ 115,935	\$2,057,455	(\$ 627)	\$ 163,104	\$ 5,299,886	\$ 2,747,899	\$ 8,047,785	
	\$ 1,786,961	\$152,088	\$ 60,898	\$ 86,536	\$ 606	\$ 964,252	\$ -	\$ 2,745,543	\$ 4,489	\$ 103,642	\$ 5,905,015	\$ 3,071,053	\$ 8,976,068	
6(3)(19)	-	-	-	-	-	-	-	194,671	-	-	194,671	85,140	279,811	
	-	-	-	-	-	-	-	-	2,210	9,384	11,594	64	11,658	
	-	-	-	-	-	-	-	194,671	2,210	9,384	206,265	85,204	291,469	
6(7)(17)	-	-	-	289	-	-	-	-	-	-	289	-	289	
6(18)	-	-	-	-	-	-	-	(500,349)	-	-	(500,349)	-	(500,349)	
	-	-	-	-	-	-	-	-	-	-	-	(241,397)	(241,397)	
	\$ 1,786,961	\$152,088	\$ 60,898	\$ 86,825	\$ 606	\$ 964,252	\$ -	\$ 2,439,865	\$ 6,699	\$ 113,026	\$ 5,611,220	\$ 2,914,860	\$ 8,526,080	

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

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Three months ended March 31,	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 349,368	\$ 428,284
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(23)	1,810	(1,097)
Expected credit (gain) loss	12	(2,750)	3,621
Provision (reversal of allowance) for inventory market price decline	6(6)	5,859	(7,907)
Share of loss (profit) of associates and joint ventures accounted for under equity method	6(7)	638	(5,734)
Depreciation	6(8)(9)(25)	99,608	90,487
Net loss on disposal of property, plant and equipment	6(23)	5	275
Amortisation	6(25)	5,095	4,692
Interest income	6(21)	(4,899)	(11,527)
Interest expense	6(24)	1,558	5,145
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		19,899	8,458
Notes receivable		104,787	(28,325)
Accounts receivable	(	75,425)	(82,972)
Other receivables		6,092	5,535
Inventories		75,604	(51,566)
Prepayments	(	99,032)	(7,320)
Other current assets		223	(1,656)
Other non-current assets	(	612)	(2,259)
Changes in operating liabilities			
Contract liabilities - current		9,955	5,610
Notes payable	(	134,737)	(37,538)
Accounts payable		71,199	(3,285)
Other payables	(	152,923)	(63,144)
Receipts in advance		1,109	104
Refund liabilities - current		-	320
Net defined benefit liabilities - non-current	(	1,310)	(12,750)
Cash inflow generated from operations		281,121	235,451
Interest received		4,215	14,499
Interest paid	(	1,571)	(6,821)
Income tax paid		2,003	2,816
Net cash flows from operating activities		285,768	245,945

(Continued)

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Three months ended March 31,	
	Notes	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost -current		(\$ 56,605)	(\$ 16,000)
Acquisition of financial assets at fair value through other comprehensive income - non-current		-	(56,326)
Proceeds from disposal of financial assets at fair value through other comprehensive income - non-current	6(3)	-	12,504
Acquisition of investments accounted for under equity method	6(7)	-	(11,856)
Cash paid for acquisition of property, plant and equipment	6(29)	(97,558)	(109,386)
Interest paid for acquisition of property, plant and equipment	6(8)(24)(29)	(989)	(305)
Proceeds from disposal of property, plant and equipment		-	14,763
Acquisition of intangible assets	6(10)	(1,094)	(480)
Increase in prepayments for equipment		(72,999)	(76,083)
(Increase) decrease in guarantee deposits paid		(898)	7,653
Increase in other non-current assets		(10,878)	(1,864)
Net cash flows used in investing activities		(241,021)	(237,380)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(30)	240,000	434,476
Decrease in short-term borrowings	6(30)	(50,000)	(570,000)
Payments of lease liabilities	6(30)	(6,264)	(6,078)
Decrease in long-term borrowings	6(30)	(114,757)	(14,757)
Increase in guarantee deposit received	6(30)	362	467
Overdue cash dividends payable	6(17)	-	45
Net cash flows from (used in) financing activities		69,341	(155,847)
Effects of foreign exchange		263	1,126
Net increase (decrease) in cash and cash equivalents		114,351	(146,156)
Cash and cash equivalents at beginning of period	6(1)	1,520,128	2,036,743
Cash and cash equivalents at end of period	6(1)	\$ 1,634,479	\$ 1,890,587

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

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) Standard Chem. & Pharm. Co., Ltd. (the ‘Company’) was incorporated on June 30, 1967 under the provisions of the Company Act of the Republic of China (R.O.C.) and other regulations. The Company is primarily engaged in the manufacturing and sales of Chinese and western medicine, cosmetics, beverage, normal instruments and medical instruments. Refer to Note 4(3), ‘Basis of consolidation’ for the main business activities of the Company and its subsidiaries (the “Group”).

(2) The Company has been listed on the Taiwan Stock Exchange starting from December 1995.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on May 9, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board (“IASB”)
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 9 and IFRS 7, ‘Amendments to the Classification and Measurement of Financial Instruments’	January 1, 2026

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 9 and IFRS 7, 'Amendments to the Classification and Measurement of Financial Instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
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
IFRS 18, 'Presentation and Disclosure in Financial Statements'	January 1, 2027
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18 replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for compliance statement, basis of preparation, basis of consolidation, additional policies and applicable policies of the interim financial statements as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Accounting Standard 34, 'Interim Financial Reporting' that came into effect as endorsed by the FSC.
- B. The consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires that use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5, ‘Critical accounting judgements, estimates and key sources of assumption uncertainty’.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements is consistent with those for the preparation of consolidated financial statements for the year ended December 31, 2024.

B. Subsidiaries included in the consolidated financial statements:

Name of investors	Name of subsidiaries	Main business activities	Ownership (%) March 31, 2025	Ownership (%) December 31, 2024	Description
Standard Chem & Pharm. Co., Ltd.	Standard Pharmaceutical Co., Ltd.	Research and development, trading, investment and other business of medical products	100.00	100.00	—
Standard Chem & Pharm. Co., Ltd.	Chia Scheng International Co., Ltd.	Sale of various medical supplements	100.00	100.00	—
Standard Chem & Pharm. Co., Ltd.	Standard Chem. & Pharm. Philippines, Inc.	Import and export of Various medical products, medicine, medical supplements and other business of medical products	100.00	100.00	—
Standard Chem & Pharm. Co., Ltd.	Inforight Technology Co., Ltd.	Wholesale of multifunction printers and information software	100.00	100.00	—
Standard Chem & Pharm. Co., Ltd.	Souriree Biotech & Pharm. Co., Ltd.	Manufacturing of western medicine and retail and wholesale of various medicine	93.58	93.58	—

Name of investors	Name of subsidiaries	Main business activities	Ownership (%)	Ownership (%)	Description
			March 31, 2025	December 31, 2024	
Standard Chem & Pharm. Co., Ltd.	Multipower Enterprise Corp.	Import and export of western medicine, nourishment and function food, processing, manufacturing and sale of food	90.72	90.72	—
Standard Chem & Pharm. Co., Ltd.	Advpharma Inc.	Research and development, manufacturing and sale of various medicines	88.71	88.71	—
Standard Chem & Pharm. Co., Ltd.	Syngen Biotech Co., Ltd.	Research and development, manufacturing and sale of APIs, biopesticide, fertiliser and biochemical nutrition, sale of preventive medicines	46.68	46.68	(Note 1)
Standard Chem & Pharm. Co., Ltd.	Syn-Tech Chem. & Pharm. Co., Ltd.	Manufacturing and sale of APIs, reagent, surfactant, Chinese and western medicine and veterinary medicine	28.43	28.43	(Note 2)
Standard Chem & Pharm. Co., Ltd.	Ho Yao Biopharm Co., Ltd.	Research and development of new medicine	84.99	84.99	—
Standard Chem & Pharm. Co., Ltd.	Shanghai Standard Pharmaceuticals Co., Ltd.	Sale of various medicine and dietary supplement	100.00	100.00	—
Standard Chem & Pharm. Co., Ltd.	Standard Chem. & Pharm. Vietnam Co., Ltd.	Import and export of various medicine	100.00	100.00	(Note 3)
Standard Pharmaceutical Co., Ltd.	Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	Research and development, technical consulting and technical services of medicines	100.00	100.00	—
Syngen Biotech Co., Ltd.	Syngen Biotech International Sdn. Bhd.	Research and development, manufacturing and sale of APIs and biochemical nutrition, sale of preventive medicines	100.00	100.00	—

Name of investors	Name of subsidiaries	Main business activities	Ownership (%) March 31, 2025	Ownership (%) December 31, 2024	Description
Syngen Biotech Co., Ltd.	Jhan Shuo Biopharma Co., Ltd.	Manufacturing, wholesale and sale of western medicine	100.00	100.00	—
Syn-Tech Chem. & Pharm. Co., Ltd.	Advpharma Inc.	Research and development, manufacturing and sale of various medicine	2.49	2.49	—
Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	Jiangsu Standard-Dia Biopharma Co., Ltd.	Research and development, manufacturing and sale of various medicines	55.00	55.00	(Note 4)

Name of investors	Name of subsidiaries	Main business activities	Ownership (%) March 31, 2024	Description
Standard Chem & Pharm. Co., Ltd.	Standard Pharmaceutical Co., Ltd.	Research and development, trading, investment and other business of medical products	100.00	—
Standard Chem & Pharm. Co., Ltd.	Chia Scheng International Co., Ltd.	Sale of various medical supplements	100.00	—
Standard Chem & Pharm. Co., Ltd.	Standard Chem. & Pharm. Philippines, Inc.	Import and export of various medical products, medicine, medical supplements and other business of medical products	100.00	—
Standard Chem & Pharm. Co., Ltd.	Inforight Technology Co., Ltd.	Wholesale of multifunction printers and information software	100.00	—
Standard Chem & Pharm. Co., Ltd.	Souriree Biotech & Pharm. Co., Ltd.	Manufacturing of western medicine and retail and wholesale of various medicine	93.58	—
Standard Chem & Pharm. Co., Ltd.	Multipower Enterprise Corp.	Import and export of western medicine, nourishment and function food, processing, manufacturing and sale of food	90.72	—

Name of investors	Name of subsidiaries	Main business activities	Ownership (%) March 31, 2024	Description
Standard Chem & Pharm. Co., Ltd.	Advpharma Inc.	Research and development, manufacturing and sale of various medicines	88.71	—
Standard Chem & Pharm. Co., Ltd.	Syngen Biotech Co., Ltd.	Research and development, manufacturing and sale of APIs, biopesticide, fertiliser and biochemical nutrition, sale of preventive medicines	46.68	(Note 1)
Standard Chem & Pharm. Co., Ltd.	Syn-Tech Chem. & Pharm. Co., Ltd.	Manufacturing and sale of APIs, reagent, surfactant, Chinese and western medicine and veterinary medicine	28.43	(Note 2)
Standard Chem & Pharm. Co., Ltd.	Ho Yao Biopharm Co., Ltd.	Research and development of new medicine	84.99	—
Standard Chem & Pharm. Co., Ltd.	Shanghai Standard Pharmaceuticals Co., Ltd.	Sale of various medicine and dietary supplement	100.00	—
Standard Chem & Pharm. Co., Ltd.	Standard Chem. & Pharm. Vietnam Co., Ltd.	Import and export of various medicine	100.00	(Note 3)
Standard Pharmaceutical Co., Ltd.	Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	Research and development, technical consulting and technical services of medicines	100.00	—
Advpharma Inc.	CNH Technologies Inc.	Research and development of various medicine	35.60	(Note 5)
Syngen Biotech Co., Ltd.	Syngen Biotech International Sdn. Bhd.	Research and development, manufacturing and sale of APIs and biochemical nutrition, sale of preventive medicines	100.00	—
Syngen Biotech Co., Ltd.	Jhan Shuo Biopharma Co., Ltd.	Manufacturing, wholesale and sale of western medicine	100.00	—

Name of investors	Name of subsidiaries	Main business activities	Ownership (%) March 31, 2024	Description
Syn-Tech Chem. & Pharm. Co., Ltd.	Advpharma Inc.	Research and development, manufacturing and sale of various medicine	2.49	—
Syn-Tech Chem. & Pharm. Co., Ltd.	CNH Technologies Inc.	Research and development of various medicine	47.62	(Note 5)
Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	Jiangsu Standard-Dia Biopharma Co., Ltd.	Research and development, manufacturing and sale of various medicines	55.00	—

Note 1: The subsidiary, Syngen Biotech Co., Ltd. (“Syngen Biotech”), filed for an initial public offering with the Taipei Exchange. As part of the public trading process, the Group allowed its underwriter to exercise the overallotment option. Although the Group’s ownership percentage in Syngen Biotech is below 50%, the Group is still the largest single shareholder, and thus the Group did not lose its control over Syngen Biotech.

Note 2: The Group’s shareholding ratio is lower than 50%. However, the Group is the single largest shareholder of Syn-Tech Chem. & Pharm. Co., Ltd. (“Syn-Tech”), the Group obtained substantial control over Syn-Tech through comprehensive assessment and reaching an agreement with another major shareholder.

Note 3: Newly established during the first quarter of 2024.

Note 4: Jiangsu Standard Biotech Pharmaceutical Co., Ltd. has filed an application with the local court for the bankruptcy liquidation of Jiangsu Standard-Dia Biopharma Co., Ltd. The application has been formally accepted by the court, and the bankruptcy proceedings are currently ongoing.

Note 5: Liquidated during the third quarter of 2024.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

(1) As of March 31, 2025, December 31, 2024 and March 31, 2024, the non-controlling interest of the Group amounted to \$2,914,860, \$3,071,053, and \$2,747,899, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiaries	Principal place of business	Non-controlling interest				Description
		March 31, 2025		December 31, 2024		
		Amount	Ownership (%)	Amount	Ownership (%)	
Syngen Biotech Co., Ltd.	Taiwan	<u>\$ 1,152,396</u>	53.32%	<u>\$ 1,191,888</u>	53.32%	—
Syn-Tech Chem. & Pharm. Co., Ltd.	Taiwan	<u>\$ 1,704,822</u>	71.57%	<u>\$ 1,819,839</u>	71.57%	—

Name of subsidiaries	Principal place of business	Non-controlling interest		Description
		March 31, 2024		
		Amount	Ownership (%)	
Syngen Biotech Co., Ltd.	Taiwan	<u>\$ 1,095,947</u>	53.32%	
Syn-Tech Chem. & Pharm. Co., Ltd.	Taiwan	<u>\$ 1,597,049</u>	71.57%	

(2) Summarised financial information of the subsidiaries:

A. Syngen Biotech Co., Ltd. and its subsidiaries

(a) Balance sheets

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 1,136,782	\$ 1,155,042	\$ 1,215,901
Non-current assets	1,931,175	1,929,552	1,953,661
Current liabilities	(696,889)	(520,155)	(736,522)
Non-current liabilities	(209,097)	(328,363)	(376,938)
Total net assets	<u>\$ 2,161,971</u>	<u>\$ 2,236,076</u>	<u>\$ 2,056,102</u>

(b) Statements of comprehensive income

	For the three-month periods ended March 31,	
	2025	2024
Revenue	\$ 85,910	\$ 467,561
Profit before income tax	\$ 75,987	\$ 71,130
Income tax expense	(14,846)	(11,379)
Net income	\$ 61,141	\$ 59,751
Total comprehensive income	\$ 61,399	\$ 59,941
Comprehensive income attributable to non-controlling interest	\$ 32,284	\$ 32,762

(c) Statements of cash flows

	For the three-month periods ended March 31,	
	2025	2024
Net cash flows provided by operating activities	\$ 63,596	\$ 43,411
Net cash flows used in investing activities	(30,236)	(22,129)
Net cash flows used in financing activities	(58,534)	(17,981)
Effect of exchange rates changes	149	86
Net (decrease) increase in cash and cash equivalents	(25,025)	3,387
Cash and cash equivalents at beginning of period	341,933	366,891
Cash and cash equivalents at end of period	\$ 316,908	\$ 370,278

B. Syn-Tech Chem. & Pharm. Co., Ltd.

(a) Balance sheets

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 1,395,432	\$ 1,333,320	\$ 1,385,246
Non-current assets	1,499,130	1,518,608	1,455,367
Current liabilities	(423,105)	(219,472)	(514,453)
Non-current liabilities	(71,885)	(72,179)	(77,407)
Total net assets	\$ 2,399,572	\$ 2,560,277	\$ 2,248,753

(b) Statements of comprehensive income

	For the three-month periods ended March 31,	
	2025	2024
Revenue	\$ 315,750	\$ 269,782
Profit before income tax	\$ 94,601	\$ 109,240
Income tax expense	(18,971)	(21,846)
Net income	\$ 75,630	\$ 87,394
Total comprehensive income	\$ 75,630	\$ 87,474
Comprehensive income attributable to non-controlling interest	\$ 56,150	\$ 64,987

(c) Statements of cash flows

	For the three-month periods ended March 31,	
	2025	2024
Net cash flows provided by operating activities	\$ 115,558	\$ 61,456
Net cash flows used in investing activities	(15,838)	(39,238)
Net cash flows used in financing activities	(772)	(100,369)
Net increase (decrease) in cash and cash equivalents	98,948	(78,151)
Cash and cash equivalents at beginning of period	656,797	666,922
Cash and cash equivalents at end of period	\$ 755,745	\$ 588,771

(4) Employee benefit

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes during the period. For the detailed information, refer to Note 5 of the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash:			
Revolving funds and petty cash \$	11, 721	\$ 28, 230	\$ 10, 110
Checking deposits and demand deposits	<u>935, 755</u>	<u>894, 992</u>	<u>857, 353</u>
	<u>947, 476</u>	<u>923, 222</u>	<u>867, 463</u>
Cash equivalents:			
Time deposits	381, 084	566, 906	635, 085
Repurchase bonds	<u>305, 919</u>	<u>30, 000</u>	<u>388, 039</u>
	<u>687, 003</u>	<u>596, 906</u>	<u>1, 023, 124</u>
	<u>\$ 1, 634, 479</u>	<u>\$ 1, 520, 128</u>	<u>\$ 1, 890, 587</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. As of March 31, 2025, December 31, 2024 and March 31, 2024, the carrying amount of more than 3-month time deposits (listed as “Financial assets at amortised cost - current”) was \$191,105, \$134,500 and \$76,500, respectively.
- C. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group has no cash and cash equivalents pledged to others.
- D. Details of the Group’s more than 3-month time deposits (listed as “Financial assets at amortised cost – current”) pledged to others as collateral are provided in Note 8, ‘PLEDGED ASSETS’.

(2) Financial assets at fair value through profit or loss

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 84, 328	\$ 96, 029	\$ 144, 721
Listed stocks	59, 376	61, 471	21, 505
Unlisted stocks	<u>2, 939</u>	<u>12, 820</u>	<u>12, 000</u>
	146, 643	170, 320	178, 226
Valuation adjustment	<u>(11, 014)</u>	<u>(12, 960)</u>	<u>(6, 561)</u>
	<u>\$ 135, 629</u>	<u>\$ 157, 360</u>	<u>\$ 171, 665</u>

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Emerging stocks	\$ 157	\$ 157	\$ 1,759
Unlisted stocks	<u>17,800</u>	<u>17,800</u>	<u>18,567</u>
	17,957	17,957	20,326
Valuation adjustment	<u>(6,668)</u>	<u>(6,690)</u>	<u>(4,457)</u>
	<u>\$ 11,289</u>	<u>\$ 11,267</u>	<u>\$ 15,869</u>

- A. The Group recognised net (loss) gain (listed as “Other gains and losses”) of (\$1,810) and \$1,097 for the three-month periods ended March 31, 2025 and 2024, respectively.
- B. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at fair value through other comprehensive income - non-current

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Equity instruments			
Listed stocks	\$ 186,442	\$ 186,442	\$ 179,713
Unlisted stocks	<u>216,997</u>	<u>216,997</u>	<u>196,997</u>
	403,439	403,439	376,710
Valuation adjustment	<u>114,187</u>	<u>104,803</u>	<u>163,103</u>
	<u>\$ 517,626</u>	<u>\$ 508,242</u>	<u>\$ 539,813</u>

- A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was its book value.
- B. The Group disposed financial assets at fair value through other comprehensive income in the amount of \$— and \$12,504 for the three-month periods ended March 31, 2025 and 2024, respectively. This resulted in cumulative gain on disposal amounting to \$— and \$6,418, which was reclassified to retained earnings for the three-month periods ended March 31, 2025 and 2024, respectively.
- C. The Group recognised \$9,384 and \$148,893 in other comprehensive income in relation to fair value change for the three-month periods ended March 31, 2025 and 2024, respectively.
- D. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group has no financial assets at fair value through other comprehensive income pledged to others.
- E. In March 2025, the Company’s Board of Directors resolved to subscribe for 1,700,000 common shares of Easywell Biomedicals, INC. through a private placement, in accordance with the

“Regulations Governing the Offering and Issuance of Securities by Securities Issuers.” The total subscription amount was \$99,212, and the related payment has been fully settled (listed as “Prepayments”).

(4) Notes and accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable	\$ 179,329	\$ 286,116	\$ 315,106
Less: Allowance for uncollectible accounts	(454)	(428)	(406)
	<u>\$ 178,875</u>	<u>\$ 283,688</u>	<u>\$ 314,700</u>
Accounts receivable	\$ 1,139,464	\$ 1,065,543	\$ 1,074,548
Less: Allowance for uncollectible accounts	(22,108)	(26,388)	(18,820)
	<u>\$ 1,117,356</u>	<u>\$ 1,039,155</u>	<u>\$ 1,055,728</u>

A. The ageing analysis of notes and accounts receivable is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2025</u>
Notes receivable:			
Within the credit period	\$ 178,808	\$ 283,785	\$ 312,743
Overdue up to 90 days	521	327	2,363
Overdue 91 to 180 days	—	4	—
	<u>\$ 179,329</u>	<u>\$ 284,116</u>	<u>\$ 315,106</u>
Accounts receivable:			
Within the credit period	\$ 977,283	\$ 935,243	\$ 972,363
Overdue up to 90 days	71,865	66,981	91,285
Overdue 91 to 180 days	61,501	63,230	10,500
Overdue 181 to 270 days	28,736	—	242
Overdue over 271 days	79	89	158
	<u>\$ 1,139,464</u>	<u>\$ 1,065,543</u>	<u>\$ 1,074,548</u>

The above aging analysis was based on days overdue.

- B. As of March 31, 2025, December 31, 2024 and March 31, 2024, notes and accounts receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to \$1,278,357.
- C. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s notes and accounts receivable was its book value.
- D. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group has no notes and accounts receivable pledged to others.
- E. Information about the credit risk of notes and accounts receivable is provided in Note 12(2), ‘Financial instruments’.

(5) Other receivables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Claims receivable (Note)	\$ –	\$ –	\$ 136,156
Dividends receivable	–	–	24,000
Others	<u>11,159</u>	<u>16,567</u>	<u>11,008</u>
	<u>\$ 11,159</u>	<u>\$ 16,567</u>	<u>\$ 171,164</u>

(Note) The subsidiary, Syn-Tech suffered from a fire incident on May 20, 2021, which resulted in the damage of certain property, plant and equipment and inventories and therefore interrupting part of the operations.

Syn-Tech had obtained property insurance for its property, plant and equipment and has inspected some purchasing contract of the assets and after consideration of Consumer Price Index, calculated the replacement cost that could be covered by the insurance based on the document made by a third-party notary through on-site investigation and accessible information. Syn-Tech recognised indemnity income at \$171,191 limited to the loss of each property for the year ended December 31, 2021. The insurance company had checked the damaged property in September 2024 and paid insurance claims in the amount of \$246,393. Syn-Tech recognised the difference of \$75,202 between the actual indemnity income and original estimated insurance claims as fire claims income in 2024.

(6) Inventories

	<u>March 31, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Merchandise	\$ 118,725	(\$ 5,161)	\$ 113,564
Raw materials	466,418	(20,604)	445,814
Supplies	111,028	(15,223)	95,805
Work in process	290,071	(3,541)	286,530
Finished goods	<u>736,398</u>	<u>(41,671)</u>	<u>694,727</u>
	<u>\$ 1,722,640</u>	<u>(\$ 86,200)</u>	<u>\$ 1,636,440</u>
	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Merchandise	\$ 127,548	(\$ 4,636)	\$ 122,912
Raw materials	445,177	(22,827)	422,350
Supplies	103,561	(15,040)	88,521
Work in process	298,784	(9,769)	289,015
Finished goods	<u>825,652</u>	<u>(28,069)</u>	<u>797,583</u>
	<u>\$ 1,800,722</u>	<u>(\$ 80,341)</u>	<u>\$ 1,720,381</u>

	March 31, 2024		
	Cost	Allowance for valuation loss	Book value
Merchandise	\$ 114,011	(\$ 3,579)	\$ 110,432
Raw materials	512,949	(33,946)	479,003
Supplies	113,865	(10,243)	103,622
Work in process	282,754	(3,552)	279,202
Finished goods	729,104	(28,015)	701,089
	<u>\$ 1,752,683</u>	<u>(\$ 79,335)</u>	<u>\$ 1,673,348</u>

The cost of inventories recognised as expenses for the period:

For the three-month periods ended March 31,

	2025	2024
Cost of goods sold	\$ 921,142	\$ 897,921
Loss on scrapped inventories	12,585	7,674
Provision (reversal of allowance) for inventory market price decline (Note)	5,859 (	7,907)
Underapplied fixed manufacturing overhead	416	414
Gain on physical inventory	(238)	(187)
	<u>\$ 939,764</u>	<u>\$ 897,915</u>

(Note) For the three-month period ended March 31, 2024, the Group reversed a previous inventory write-down as a result of the subsequent sales and scrap of inventories which were previously provided with allowance.

(7) Investments accounted for under equity method

A. Movements of investments accounted for under equity method:

For the three-month periods ended March 31,

	2025	2024
At January 1	\$ 688,452	\$ 604,029
Acquisition of investments accounted for under equity method	–	11,856
Share of profit or loss of investments accounted for under equity method	(638)	5,734
Earnings distribution of investments accounted for under equity method	– (	24,000)
Capital surplus—Changes in net equity of associates and joint ventures accounted for under equity	289	74,906
Other equity interest—Financial statements translation differences of foreign operations	109	103
At March 31	<u>\$ 688,212</u>	<u>\$ 672,628</u>

B. Details of investments accounted for under equity method are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Geneferm Biotechnology Co., Ltd.	\$ 300,612	\$ 298,703	\$ 302,671
We Can Medicines Co., Ltd.	320,819	324,130	334,194
Taiwan Biosim Co., Ltd.	<u>66,781</u>	<u>65,619</u>	<u>35,763</u>
	<u>\$ 688,212</u>	<u>\$ 688,452</u>	<u>\$ 672,628</u>

C. Associates:

(a) The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		
		<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
We Can Medicines Co., Ltd.	Taiwan	29.89%	29.93%	30.04%
Geneferm Biotechnology Co., Ltd. and its subsidiaries	Taiwan	28.94%	28.94%	28.94%

(b) The summarised financial information of the associates that are material to the Group is as follows:

i. Balance sheets

(i) We Can Medicines Co., Ltd.

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current assets	\$ 1,396,193	\$ 1,464,623	\$ 1,628,325
Non-current assets	1,656,323	1,620,971	1,681,855
Current liabilities	(865,961)	(921,387)	(1,068,951)
Non-current liabilities	<u>(1,080,360)</u>	<u>(1,048,049)</u>	<u>(1,072,238)</u>
Total net assets	<u>\$ 1,106,195</u>	<u>\$ 1,116,158</u>	<u>\$ 1,168,991</u>
Share in associate's net assets	\$ 330,642	\$ 334,066	\$ 351,165
Goodwill	15,279	15,279	8,115
Unrealised gain from transactions with associates	<u>(25,102)</u>	<u>(25,215)</u>	<u>(25,086)</u>
Carrying amount of the associate	<u>\$ 320,819</u>	<u>\$ 324,130</u>	<u>\$ 334,194</u>

(ii) Geneferm Biotechnology Co., Ltd. and its subsidiaries

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current assets	\$ 531,307	\$ 411,971	\$ 435,296
Non-current assets	717,924	734,524	770,487
Current liabilities	(126,701)	(134,260)	(217,170)
Non-current liabilities	(327,500)	(224,051)	(186,650)
Total net assets	<u>\$ 795,030</u>	<u>\$ 788,184</u>	<u>\$ 801,963</u>
Share in associate's net assets	\$ 230,082	\$ 228,057	\$ 232,089
Goodwill	70,651	70,651	70,651
Unrealised gain from transactions with associates	(121)	(5)	(69)
Carrying amount of the associate	<u>\$ 300,612</u>	<u>\$ 298,703</u>	<u>\$ 302,671</u>

ii. Statements of comprehensive income

(i) We Can Medicines Co., Ltd.

For the three-month periods ended March 31,

	<u>2025</u>	<u>2024</u>
Revenue	\$ 797,872	\$ 815,429
Net (loss) income	(\$ 12,426)	\$ 12,079
Total comprehensive (loss) income	(\$ 12,426)	\$ 12,079

(ii) Geneferm Biotechnology Co., Ltd. and its subsidiaries

For the three-month periods ended March 31,

	<u>2025</u>	<u>2024</u>
Revenue	\$ 166,427	\$ 118,386
Net income (loss)	\$ 6,471	(\$ 8,310)
Total comprehensive income (loss)	\$ 6,846	(\$ 7,954)

- (c) As of March 31, 2025, December 31, 2024 and March 31, 2024, the carrying amount of the Group's individually immaterial associates amounted to \$66,781, \$65,619 and \$35,763, respectively. The share in associates' financial performance is as follows:

For the three-month periods ended March 31,

	<u>2025</u>	<u>2024</u>
Net profit	\$ 1,162	\$ 2,987
Total comprehensive income	\$ 1,162	\$ 2,987

- (d) The fair value of the Group's associates with quoted market prices is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Geneferm Biotechnology Co., Ltd.	\$ 586,200	\$ 564,000	\$ 776,400
We Can Medicines Co., Ltd.	527,040	519,646	1,062,423
	<u>\$ 1,113,240</u>	<u>\$ 1,083,646</u>	<u>\$ 1,838,823</u>

(e) The subsidiary of the Company, Syngen Biotech Co., Ltd., is Geneferm's single largest corporate shareholder. However, the Group does not hold more than 50 percent of voting rights during shareholders' meetings and has no agreement with other shareholders to negotiate or jointly make decisions, which indicates that the Group does not have the ability to direct the relevant activities. Therefore, the Group concluded that it has no control or significant influence over Geneferm.

D. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group has no investments accounted for under the equity method pledged to others.

(8) Property, plant and equipment

	Land	Buildings	Machinery	Utility equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2025</u>									
Cost	\$ 898,539	\$ 2,420,764	\$ 2,252,048	\$ 343,547	\$ 25,877	\$ 45,262	\$ 1,273,358	\$ 206,522	\$ 7,465,917
Accumulated depreciation	—	(926,519)	(1,469,951)	(221,129)	(19,961)	(32,963)	(666,583)	—	(3,337,106)
	<u>\$ 898,539</u>	<u>\$ 1,494,245</u>	<u>\$ 782,097</u>	<u>\$ 122,418</u>	<u>\$ 5,916</u>	<u>\$ 12,299</u>	<u>\$ 606,775</u>	<u>\$ 206,522</u>	<u>\$ 4,128,811</u>
<u>For the three-month period ended March 31, 2025</u>									
At January 1	\$ 898,539	\$ 1,494,245	\$ 782,097	\$ 122,418	\$ 5,916	\$ 12,299	\$ 606,775	\$ 206,522	\$ 4,128,811
Additions - cost	—	25,113	14,002	1,083	732	—	9,932	59,871	110,733
Transfers (Note 1)	—	107,820	32,158	479	345	—	27,116	(74,712)	93,206
Depreciation	—	(18,705)	(39,582)	(4,974)	(484)	(1,370)	(27,723)	—	(92,838)
Disposals - cost	—	—	(2,085)	(2,736)	(78)	(1,517)	(706)	—	(7,122)
-accumulated depreciation	—	—	2,085	2,736	78	1,512	706	—	7,117
Net exchange differences	—	1,218	38	—	2	10	10	—	1,278
At March 31	<u>\$ 898,539</u>	<u>\$ 1,609,691</u>	<u>\$ 788,713</u>	<u>\$ 119,006</u>	<u>\$ 6,511</u>	<u>\$ 10,934</u>	<u>\$ 616,110</u>	<u>\$ 191,681</u>	<u>\$ 4,241,185</u>
<u>At March 31, 2025</u>									
Cost	\$ 898,539	\$ 2,555,913	\$ 2,296,750	\$ 342,373	\$ 26,904	\$ 43,788	\$ 1,309,831	\$ 191,681	\$ 7,665,779
Accumulated depreciation	—	(946,222)	(1,508,037)	(223,367)	(20,393)	(32,854)	(693,721)	—	(3,424,594)
	<u>\$ 898,539</u>	<u>\$ 1,609,691</u>	<u>\$ 788,713</u>	<u>\$ 119,006</u>	<u>\$ 6,511</u>	<u>\$ 10,934</u>	<u>\$ 616,110</u>	<u>\$ 191,681</u>	<u>\$ 4,241,185</u>

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Utility equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	Construction in progress and equipment to be inspected	<u>Total</u>
<u>At January 1, 2024</u>									
Cost	\$ 770, 539	\$ 2, 189, 911	\$ 2, 170, 248	\$ 313, 507	\$ 24, 367	\$ 46, 006	\$ 1, 184, 136	\$ 345, 846	\$ 7, 044, 560
Accumulated depreciation	<u>–</u>	<u>(853, 621)</u>	<u>(1, 327, 828)</u>	<u>(204, 185)</u>	<u>(18, 574)</u>	<u>(35, 019)</u>	<u>(583, 807)</u>	<u>–</u>	<u>(3, 023, 034)</u>
	<u>\$ 770, 539</u>	<u>\$ 1, 336, 290</u>	<u>\$ 842, 420</u>	<u>\$ 109, 322</u>	<u>\$ 5, 793</u>	<u>\$ 10, 987</u>	<u>\$ 600, 329</u>	<u>\$ 345, 846</u>	<u>\$ 4, 021, 526</u>
<u>For the three-month period ended March 31, 2024</u>									
At January 1	\$ 770, 539	\$ 1, 336, 290	\$ 842, 420	\$ 109, 322	\$ 5, 793	\$ 10, 987	\$ 600, 329	\$ 345, 846	\$ 4, 021, 526
Additions - cost	–	17, 314	20, 103	774	–	445	4, 898	57, 231	100, 765
Transfers (Note 2)	–	52, 003	39, 400	3, 730	1, 807	–	36, 819	(90, 830)	42, 929
Depreciation	–	(15, 512)	(36, 841)	(4, 065)	(449)	(821)	(26, 160)	–	(83, 848)
Disposals - cost	–	–	(18, 657)	(285)	–	(137)	(13, 747)	–	(32, 826)
-accumulated depreciation	–	–	4, 073	285	–	137	13, 293	–	17, 788
Net exchange differences	<u>–</u>	<u>3, 434</u>	<u>107</u>	<u>–</u>	<u>3</u>	<u>9</u>	<u>294</u>	<u>–</u>	<u>3, 847</u>
At March 31	<u>\$ 770, 539</u>	<u>\$ 1, 393, 529</u>	<u>\$ 850, 605</u>	<u>\$ 109, 761</u>	<u>\$ 7, 154</u>	<u>\$ 10, 620</u>	<u>\$ 615, 726</u>	<u>\$ 312, 247</u>	<u>\$ 4, 070, 181</u>
<u>At March 31, 2024</u>									
Cost	\$ 770, 539	\$ 2, 265, 159	\$ 2, 213, 577	\$ 317, 726	\$ 26, 246	\$ 46, 411	\$ 1, 212, 695	\$ 312, 247	\$ 7, 164, 600
Accumulated depreciation	<u>–</u>	<u>(871, 630)</u>	<u>(1, 362, 972)</u>	<u>(207, 965)</u>	<u>(19, 092)</u>	<u>(35, 791)</u>	<u>(596, 969)</u>	<u>–</u>	<u>(3, 094, 419)</u>
	<u>\$ 770, 539</u>	<u>\$ 1, 393, 529</u>	<u>\$ 850, 605</u>	<u>\$ 109, 761</u>	<u>\$ 7, 154</u>	<u>\$ 10, 620</u>	<u>\$ 615, 726</u>	<u>\$ 312, 247</u>	<u>\$ 4, 070, 181</u>

(Note 1) Including transfer of \$2,478 from ‘Inventories’, transfer of \$90,383 from ‘Prepayment for equipment’ and transfer of \$345 from ‘Right-of-use assets’.

(Note 2) Including transfer of \$1,101 from ‘Inventories’ and transfer of \$41,828 from ‘Prepayment for equipment’.

A. As of March 31, 2025, December 31, 2024 and March 31, 2024, the carrying amount of land, buildings and other equipment held for operating leases are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Land	\$ 5,264	\$ 5,264	\$ 5,264
Buildings	\$ 10,130	\$ 10,227	\$ 10,521
Other equipment	\$ 1,640	\$ 1,738	\$ 2,405

B. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Amount capitalised	\$ 989	\$ 305
Interest rate range	0.60%~1.68%	0.84%~1.44%

C. Information about the property, plant and equipment that were pledged to others as collateral as of March 31, 2025, December 31, 2024 and March 31, 2024 is provided in Note 8, ‘PLEDGED ASSETS’.

(9) Leasing arrangements — lessee

A. The Group leases various assets including land, buildings and transportation equipments. Rental contracts are typically made for periods of 2 ~ 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

B. The carrying amount of right-of-use assets and the depreciation are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 234,165	\$ 237,379	\$ 248,831
Buildings	12,872	14,575	21,178
Transportation equipment	7,957	8,687	9,839
	<u>\$ 254,994</u>	<u>\$ 260,641</u>	<u>\$ 279,848</u>

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Land	\$ 4,047	\$ 3,996
Buildings	2,339	2,276
Transportation equipment	384	367
	<u>\$ 6,770</u>	<u>\$ 6,639</u>

C. For the three-month periods ended March 31, 2025 and 2024, the additions to right-of-use assets were \$825 and \$5,664, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 947	\$ 1,035
Expense on short-term lease contract	1,633	2,428
Expense on leases of low-value assets	491	46

E. For the three-month periods ended March 31, 2025 and 2024, the Group's total cash outflow for leases was \$9,335 and \$9,587, respectively.

(10) Intangible assets

	<u>Goodwill</u>	<u>Software</u>	<u>Patents</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2025</u>					
Cost	\$ 174,159	\$ 16,665	\$ 66,533	\$ 86,658	\$ 344,015
Accumulated amortisation	(248)	(12,306)	(45,682)	(62,520)	(120,756)
Accumulated impairment	-	-	-	(15,734)	(15,734)
Net exchange differences	-	(13)	219	-	206
	<u>\$ 173,911</u>	<u>\$ 4,346</u>	<u>\$ 21,070</u>	<u>\$ 8,404</u>	<u>\$ 207,731</u>
<u>For the three-month period ended March 31, 2025</u>					
At January 1	\$ 173,911	\$ 4,346	\$ 21,070	\$ 8,404	\$ 207,731
Additions – acquired separately	-	1,094	-	-	1,094
Amortisation	-	(566)	(2,398)	(132)	(3,096)
Disposals – cost	-	(3,286)	-	-	(3,286)
–accumulated amortisation	-	3,286	-	-	3,286
At March 31	<u>\$ 173,911</u>	<u>\$ 4,874</u>	<u>\$ 18,672</u>	<u>\$ 8,272</u>	<u>\$ 205,729</u>
<u>At March 31, 2025</u>					
Cost	\$ 174,159	\$ 14,473	\$ 66,533	\$ 86,658	\$ 341,823
Accumulated amortisation	(248)	(9,586)	(48,080)	(62,652)	(120,566)
Accumulated impairment	-	-	-	(15,734)	(15,734)
Net exchange differences	-	(13)	219	-	206
	<u>\$ 173,911</u>	<u>\$ 4,874</u>	<u>\$ 18,672</u>	<u>\$ 8,272</u>	<u>\$ 205,729</u>

	Goodwill	Software	Patents	Others	Total
<u>At January 1, 2024</u>					
Cost	\$ 174,159	\$ 42,684	\$ 65,903	\$ 84,058	\$ 366,804
Accumulated amortisation	(248)	(37,904)	(36,081)	(62,503)	(136,736)
Accumulated impairment	-	-	-	(15,734)	(15,734)
Net exchange differences	-	(15)	219	-	204
	<u>\$ 173,911</u>	<u>\$ 4,765</u>	<u>\$ 30,041</u>	<u>\$ 5,821</u>	<u>\$ 214,538</u>
<u>For the three-month period ended March 31, 2024</u>					
At January 1	\$ 173,911	\$ 4,765	\$ 30,041	\$ 5,821	\$ 214,538
Additions – acquired separately	-	480	-	-	480
Amortisation	-	(684)	(2,392)	(9)	(3,085)
At March 31	<u>\$ 173,911</u>	<u>\$ 4,561</u>	<u>\$ 27,649</u>	<u>\$ 5,812</u>	<u>\$ 211,933</u>
<u>At March 31, 2024</u>					
Cost	\$ 174,159	\$ 43,164	\$ 65,903	\$ 84,058	\$ 367,284
Accumulated amortisation	(248)	(38,588)	(38,473)	(62,512)	(139,821)
Accumulated impairment	-	-	-	(15,734)	(15,734)
Net exchange differences	-	(15)	219	-	204
	<u>\$ 173,911</u>	<u>\$ 4,561</u>	<u>\$ 27,649</u>	<u>\$ 5,812</u>	<u>\$ 211,933</u>

A. No borrowing costs were capitalised as part of intangible assets for the three-month periods ended March 31, 2025 and 2024.

B. Details of amortisation on intangible assets are as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Operating costs	\$ 1,540	\$ 1,542
Selling expenses	3	10
General and administrative expenses	848	991
Research and development expenses	705	542
	<u>\$ 3,096</u>	<u>\$ 3,085</u>

C. The Group applied value in use method when calculating recoverable amount of goodwill and determined the recoverable amount to be greater than the carrying amount; thus, no impairment was identified. Goodwill distributed to cash generating unit according to operating segment is shown below:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Multipower Enterprise Corp.	<u>\$ 70,265</u>	<u>\$ 70,265</u>	<u>\$ 70,265</u>
Syn-Tech Chem. & Pharm. Co., Ltd.	<u>\$ 91,972</u>	<u>\$ 91,972</u>	<u>\$ 91,972</u>
Ho Yao Biopharm Co., Ltd.	<u>\$ 11,674</u>	<u>\$ 11,674</u>	<u>\$ 11,674</u>

D. Impairment information about the intangible assets is provided in Note 6(11), “Impairment of non-financial assets”.

E. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group has no intangible assets pledged to others.

(11) Impairment of non-financial assets

A. Goodwill is tested annually for impairment. Goodwill is allocated to the Group's cash-generating unit identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by the cash-generating unit. Cash flow of financial budgets is prepared based on forecasts of growth of future annual revenue, profit and capital expenditure. Management determined budgeted gross margin based on past performance and its expectation of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

B. The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired for the three-month periods ended March 31, 2025 and 2024.

C. As of March 31, 2025, December 31, 2024 and March 31, 2024, the carrying amount of accumulated impairment of non-financial assets was \$15,734.

(12) Short-term borrowings

<u>Type of borrowings</u>	<u>March 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured bank borrowings	<u>\$ 300,000</u>	1.77%~1.81%	None

<u>Type of borrowings</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured bank borrowings	<u>\$ 110,000</u>	1.80%	None

<u>Type of borrowings</u>	<u>March 31, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured bank borrowings	<u>\$ 664,476</u>	1.58%~3.18%	None

For more information about the interest expenses recognised in profit or loss by the Group for the three-month periods ended March 31, 2025 and 2024, refer to Note 6(24), 'Finance costs'.

(13) Other payables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Dividends payable	\$ 741,746	\$ -	\$ 666,430
Accrued salaries and bonuses	156,031	281,687	166,668
Accrued employees' compensation and directors' remuneration	49,055	50,741	34,823
Equipment payable	18,044	6,648	25,418
Others	<u>208,705</u>	<u>234,299</u>	<u>251,145</u>
	<u>\$ 1,173,581</u>	<u>\$ 573,375</u>	<u>\$ 1,144,484</u>

(14) Long-term borrowings

Type of borrowings	Maturity date	March 31, 2025	Interest rate	Collateral	Note
Bank secured borrowings	2027. 1. 15	\$ 108, 216	1. 92%	Buildings and other equipment	(Note 1)
Less: Current portion of long-term borrowings		(59, 027)			
		<u>\$ 49, 189</u>			

Type of borrowings	Maturity date	December 31, 2024	Interest rate	Collateral	Note
Bank secured borrowings	2027. 1. 15	\$ 122, 973	2. 02%	Constuction in progress	(Note 1)
Bank secured borrowings	2043. 10. 26	100, 000	1. 94%	Buildings	(Note 2)
		\$ 222, 973			
Less: Current portion of long-term borrowings		(59, 027)			
		<u>\$ 163, 946</u>			

Type of borrowings	Maturity date	March 31, 2024	Interest rate	Collateral	Note
Bank secured borrowings	2027. 1. 15	\$ 167, 243	1. 90%	Constuction in progress	(Note 1)
Bank secured borrowings	2043. 10. 26	100, 000	1. 82%	Buildings	(Note 2)
		\$ 267, 243			
Less: Current portion of long-term borrowings		(59, 027)			
		<u>\$ 208, 216</u>			

(Note 1) The principal has a grace period of 18~35 months. After the grace period expires, the principal and interest are payable in 25 installments.

(Note 2) The principal has a grace period of 36 months. After the grace period expires, the principal and interest are payable in 204 installments.

For more information about interest expenses recognised in profit or loss by the Group for the three-month periods ended March 31, 2025 and 2024, refer to Note 6(24), 'Finance costs'.

(15) Pensions

A. The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labour Standards Law, covering all regular employees' service years prior to the enforcement of the Labour Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2%~5% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the

aforementioned labour pension reserve account by December 31, every year. If the account balances are insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March. In accordance with defined benefit pension plan, the Company and its domestic subsidiaries disclose the related information as follows:

- (a) For the aforementioned pension plan, the Group recognised pension costs of \$704 and \$873 for the three-month periods ended March 31, 2025 and 2024, respectively.
 - (b) Expected contributions to the defined benefit pension plans of the Group for the next year is \$7,764.
- B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labour Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labour Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The Group’s subsidiaries in Mainland China are subject to the government sponsored defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on a certain percentage of employees’ monthly salaries and wages. For the three-month periods ended March 31, 2025 and 2024, the contribution rates are both from 16%. Other than the monthly contributions, the Group has no further obligations. The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2025 and 2024 were \$14,966 and \$14,069, respectively.

(16) Share capital – common stock

- A. Movements in the number of the Company’s ordinary shares outstanding are as follows (in thousands of shares):

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Beginning and ending balance	<u>178, 696</u>	<u>178, 696</u>

- B. As of March 31, 2025, the Company’s authorised capital was \$2,000,000, and the paid-in capital was \$1,786,961, consisting of 178,696 thousand shares of ordinary share, with a par value of \$10 (in dollars) per share. Shares can be issued several times. All proceeds from shares issued have been collected.

(17) Capital surplus

- A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that

the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

- B. As the Company's associate, We Can Medicines Co., Ltd., issued and converted employee stock options resulting in changes in net equity, the Company recognised the change in net equity proportionately to its ownership amounting to \$289 and \$515 for the three-month periods ended March 31, 2025 and 2024, respectively.
- C. Due to the initial public offering on the Taipei Exchange in the first quarter of 2024, the Company's associate, We Can Medicines Co., Ltd., issued new shares through cash capital increase, and the Group did not subscribe the shares proportionately to its ownership, resulting in an increase in capital surplus by \$74,391.
- D. For the three-month periods ended March 31, 2025 and 2024, pursuant to the Business Letter No. 10602420200 issued by the Ministry of Economic Affairs, the subsidiary of the Company, Syngen Biotech Co., Ltd., and the Company reclassified dividends payable of \$— and \$45, respectively, which was expired and not collected by the shareholders, to capital surplus.

(18) Retained earnings

- A. Within the limit, except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- B. Under the Company's Articles of Incorporation, as the Company operates in a volatile business environment and is in the stable growth stage, the Board of Directors takes into consideration the Company's future capital needs, long-term financial planning and shareholders' needs for cash inflow. The Company's earnings, if any, are distributed in the following order:
 - (a) Pay all taxes.
 - (b) Cover accumulated deficit.
 - (c) Appropriate 10% as legal reserve, until such legal reserve amounts to the total paid-in capital.
 - (d) Appropriate or reverse special reserve in accordance with regulations.
 - (e) At least 10% of the remainder and previous unappropriated retained earnings as stockholders' bonus and cash dividends shall account for at least 20% of total dividends distributed. If the cash dividend is below \$0.5 (in dollars) per share, the Company can distribute stock dividends instead of cash dividends upon resolution of the shareholders.

When the shareholders bonus is distributed in stock dividend, it shall be allocated according to the resolutions of the shareholders during their meeting. The Company authorised the Board of Directors to process resolution resolved by a majority vote at the meeting attended by two-thirds of the total number of directors: all or part of distributed dividends and bonus, and capital

reserve/legal surplus reserve shall be distributed by cash. The result shall be reported to the shareholders' meeting.

- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. On February 27, 2024, the Board of Directors resolved to distribute cash dividends of \$482,479 (\$2.7 (in dollars) per share) from 2023 earnings. On February 25, 2025, the Board of Directors resolved to distribute cash dividends of \$500,349 (\$2.8 (in dollars) per share) from 2024 earnings; however, the distribution had not yet been made as of the reporting date (listed as "Other payables"). Information about the distribution of dividends by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(19) Other equity

	<u>For the three-month period ended March 31, 2025</u>		
	<u>Currency translation</u>	<u>Unrealised gain on valuation of financial assets</u>	<u>Total</u>
At January 1	\$ 4,489	\$ 103,642	\$ 181,131
Currency translation differences			
- Group	2,101	-	2,101
- Associates	109	-	109
Valuation adjustment			
- Group	-	9,384	9,384
At March 31	<u>\$ 6,699</u>	<u>\$ 113,026</u>	<u>\$ 119,725</u>
	<u>For the three-month period ended March 31, 2024</u>		
	<u>Currency translation</u>	<u>Unrealised gain on valuation of financial assets</u>	<u>Total</u>
At January 1	(\$ 7,452)	\$ 20,629	\$ 13,177
Currency translation differences			
- Group	6,722	-	6,722
- Associates	103	-	103
Valuation adjustment			
- Group	-	148,893	148,893
Valuation adjustment transferred to retained earnings			
- Group	-	(6,418)	(6,418)
At March 31	<u>(\$ 627)</u>	<u>\$ 163,104</u>	<u>\$ 162,477</u>

(20) Operating revenue

A. The Group derives revenue from the transfer of goods at a point in time and of services over time in the following major product categories and geographical regions:

	<u>For the three-month period ended March 31, 2025</u>		
	<u>Domestic</u>	<u>International</u>	<u>Total</u>
Revenue from sales of medicine	\$ 702, 642	\$ 63, 944	\$ 766, 586
Revenue from sales of dietary supplement	477, 566	10, 637	488, 203
Revenue from sales of Active Pharmaceutical Ingredients	57, 709	264, 508	322, 217
Revenue from rendering of services	250	–	250
Others	<u>61, 562</u>	<u>1, 216</u>	<u>62, 778</u>
	<u>\$ 1, 299, 729</u>	<u>\$ 340, 305</u>	<u>\$ 1, 640, 034</u>
	<u>For the three-month period ended March 31, 2024</u>		
	<u>Domestic</u>	<u>International</u>	<u>Total</u>
Revenue from sales of medicine	\$ 679, 301	\$ 102, 540	\$ 781, 841
Revenue from sales of dietary supplement	457, 024	23, 359	480, 383
Revenue from sales of Active Pharmaceutical Ingredients	87, 288	201, 399	288, 687
Revenue from rendering of services	593	–	563
Others	<u>58, 057</u>	<u>4, 004</u>	<u>62, 061</u>
	<u>\$ 1, 282, 233</u>	<u>\$ 331, 302</u>	<u>\$ 1, 613, 535</u>

B. The Group has recognised the following revenue-related contract liabilities:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	<u>January 1, 2024</u>
Contract liabilities –current				
Sales of medicine	\$ 43, 639	\$ 43, 587	\$ 34, 628	\$ 34, 899
Sales of dietary supplement	57, 113	45, 531	49, 430	44, 943
Sales of Active Pharmaceutical Ingredients	3, 360	4, 754	184	31
Others	<u>829</u>	<u>1, 114</u>	<u>4, 578</u>	<u>3, 337</u>
	<u>\$ 104, 941</u>	<u>\$ 94, 986</u>	<u>\$ 88, 820</u>	<u>\$ 83, 210</u>
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	<u>January 1, 2024</u>
Refund liabilities - current	<u>\$ 320</u>	<u>\$ 320</u>	<u>\$ 320</u>	<u>\$ –</u>

Revenue recognised that was included in the contract liability balance at the beginning of the three-month periods ended March 31, 2025 and 2024 were \$51,600 and \$35,674, respectively.

(21) Interest income

For the three-month periods ended March 31,

	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ <u>4,899</u>	\$ <u>11,527</u>

(22) Other income

For the three-month periods ended March 31,

	<u>2025</u>	<u>2024</u>
Rental income	\$ 1,697	\$ 653
Research income	7,188	–
Royalty income	2,949	2,727
Technology transfer income	–	8,734
Government grants income	171	564
Compensation income	368	–
Other income	3,176	3,856
	\$ <u>15,549</u>	\$ <u>16,534</u>

(23) Other gains and losses

For the three-month periods ended March 31,

	<u>2025</u>	<u>2024</u>
Net gain on financial assets at fair value through profit or loss	(\$ 1,810)	\$ 1,097
Net loss on disposal of property, plant and equipment	(5)	(275)
Net currency exchange gain	18,389	60,483
Other losses	(2,351)	(2,368)
	\$ <u>14,223</u>	\$ <u>58,937</u>

(24) Finance costs

For the three-month periods ended March 31,

	<u>2025</u>	<u>2024</u>
Interest expense		
Bank borrowings	\$ 1,600	\$ 4,415
Lease liabilities	947	1,035
	2,547	5,450
Less: Capitalisation of qualifying assets	(989)	(305)
	\$ <u>1,558</u>	\$ <u>5,145</u>

(25) Expenses by nature

For the three-month period ended March 31,2025			
	Recognised in	Recognised in	
	<u>operating costs</u>	<u>operating expenses</u>	<u>Total</u>
Employee benefit expenses	\$ 211, 601	\$ 210, 796	\$ 422, 397
Depreciation	74, 894	24, 714	99, 608
Amortisation	2, 881	2, 214	5, 095
	<u>\$ 289, 376</u>	<u>\$ 237, 724</u>	<u>\$ 527, 100</u>
For the three-month period ended March 31,2024			
	Recognised in	Recognised in	
	<u>operating costs</u>	<u>operating expenses</u>	<u>Total</u>
Employee benefit expenses	\$ 202, 583	\$ 203, 914	\$ 406, 497
Depreciation	69, 120	21, 367	90, 487
Amortisation	2, 078	2, 614	4, 692
	<u>\$ 273, 781</u>	<u>\$ 227, 895</u>	<u>\$ 501, 676</u>

(26) Employee benefit expenses

For the three-month period ended March 31,2025			
	Recognised in	Recognised in	
	<u>operating costs</u>	<u>operating expenses</u>	<u>Total</u>
Wages and salaries	\$ 173, 953	\$ 176, 690	\$ 350, 643
Labour and health insurance expenses	19, 920	16, 299	36, 219
Pension costs	7, 871	7, 799	15, 670
Other personnel expenses	9, 857	10, 008	19, 865
	<u>\$ 211, 601</u>	<u>\$ 210, 796</u>	<u>\$ 422, 397</u>
For the three-month period ended March 31,2024			
	Recognised in	Recognised in	
	<u>operating costs</u>	<u>operating expenses</u>	<u>Total</u>
Wages and salaries	\$ 167, 079	\$ 173, 468	\$ 340, 547
Labour and health insurance expenses	18, 466	15, 077	33, 543
Pension costs	7, 664	7, 278	14, 942
Other personnel expenses	9, 374	8, 091	17, 465
	<u>\$ 202, 583</u>	<u>\$ 203, 914</u>	<u>\$ 406, 497</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year (pre-tax profit before deducting employees' compensation and directors' remuneration), after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 1% ~ 10% for employees'

compensation and shall not be higher than 3% for directors' remuneration. Employees' compensation will be distributed in the form of shares or cash. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, are entitled to receive aforementioned stock or cash. The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting.

- B. For the three-month periods ended March 31, 2025 and 2024, employees' compensation was accrued at \$2,404 and \$2,425, respectively; while directors' remuneration was accrued at \$1,125 and \$850, respectively. The aforementioned amounts were recognised in salary expenses. The expenses recognised for the period were accrued based on the earnings of current period and the percentage specified in the Articles of Incorporation of the Company. Total of the employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors was \$15,277, and the employees' compensation was distributed in the form of cash. The difference between the aforementioned amount and the amount of \$15,270 recognised in the 2024 financial statements by \$7, mainly caused by estimation differences, had been adjusted in the profit or loss for 2025. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense:

Components of income tax expense:

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Current tax:		
Current tax on profits for the period	\$ 70,265	\$ 73,958
Income tax overestimates for prior years	(2,272)	(3,618)
	<u>67,993</u>	<u>70,340</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>1,564</u>	<u>11,704</u>
Total income tax expense	<u>\$ 69,557</u>	<u>\$ 82,044</u>

- B. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority, and there were no disputes existing between the Company and the Authority as of May 9, 2025.

(28) Earnings per share

<u>For the three-month period ended March 31,2025</u>			
		Weighted average number of ordinary shares outstanding	Earnings per share (in dollars)
	<u>Amount after tax</u>	<u>(shares in thousands)</u>	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 194, 671</u>	<u>178, 696</u>	<u>\$ 1. 09</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 194, 671	178, 696	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>—</u>	<u>154</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 194, 671</u>	<u>178, 850</u>	<u>\$ 1. 09</u>
<u>For the three-month period ended March 31,2024</u>			
		Weighted average number of ordinary shares outstanding	Earnings per share (in dollars)
	<u>Amount after tax</u>	<u>(shares in thousands)</u>	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 252, 704</u>	<u>178, 696</u>	<u>\$ 1. 41</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 252, 704	178, 696	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>—</u>	<u>203</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 252, 704</u>	<u>178, 899</u>	<u>\$ 1. 41</u>

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
(a) Acquisition of property, plant and equipment	\$ 110,733	\$ 100,765
Add: Beginning balance of notes payable	18,509	37,206
Beginning balance of payable on equipment (listed as "Other payables")	6,648	8,135
Less: Ending balance of notes payable	(19,299)	(10,997)
Ending balance of payable on equipment (listed as "Other payables")	(18,044)	(25,418)
Capitalised interest	(989)	(305)
Cash paid for acquisition of property, plant and equipment	<u>\$ 97,558</u>	<u>\$ 109,386</u>

B. Operating and investing activities with no cash flow effects:

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
(1) Write-off of accounts receivable	<u>\$ 1,504</u>	<u>\$ -</u>
(2) Inventories transferred to property, plant and equipment	<u>\$ 2,478</u>	<u>\$ 1,101</u>
(3) Prepayments for equipment transferred to property, plant and equipment	<u>\$ 90,383</u>	<u>\$ 41,828</u>
(4) Right-of-use assets reclassified to property, plant and equipment	<u>\$ 345</u>	<u>\$ -</u>
(5) Undistributed earnings from equity-method investments.	<u>\$ -</u>	<u>\$ 24,000</u>
(6) Cash dividends declared but not yet distributed (listed as "Other payables")	<u>\$ 741,746</u>	<u>\$ 666,430</u>

(30) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Lease liabilities</u>	<u>Long-term borrowings (including current portion)</u>	<u>Guarantee deposits received</u>	<u>Total</u>
At January 1, 2025	\$ 110,000	\$ 227,455	\$ 222,973	\$ 8,772	\$ 569,200
Changes in cash flow from financing activities	190,000	(6,264)	(114,757)	362	69,341
Changes in other non-cash items	<u>-</u>	<u>844</u>	<u>-</u>	<u>-</u>	<u>844</u>
At March 31, 2025	<u>\$ 300,000</u>	<u>\$ 222,035</u>	<u>\$ 108,216</u>	<u>\$ 9,134</u>	<u>\$ 639,385</u>

	Short-term borrowings	Lease liabilities	Long-term borrowings (including current portion)	Guarantee deposits received	Total
At January 1, 2024	\$ 800,000	\$ 245,886	\$ 282,000	\$ 12,299	\$ 1,340,185
Changes in cash flow from financing activities	(135,524)	(6,078)	(14,757)	467	(155,892)
Changes in other non-cash items	—	5,728	—	—	5,728
At March 31, 2024	<u>\$ 664,476</u>	<u>\$ 245,536</u>	<u>\$ 267,243</u>	<u>\$ 12,766</u>	<u>\$ 1,190,021</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
We Can Medicines Co., Ltd. (We Can)	Associate
Taiwan Biosim Co., Ltd. (Biosim)	Associate
Geneferm Biotechnology Co., Ltd. (Geneferm)	Associate
Sun You Biotech Pharm Co., Ltd. (Sun You)	Other related party (The manager of the Company is Sun You's director)
Fan Dao Nan Foundation (Fan Dao Nan)	Other related party (The corporate director of the Company)

(2) Significant related party transactions

A. Sales of goods

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Associates	\$ 18,836	\$ 25,254
Other related parties	5,698	7,021
	<u>\$ 24,534</u>	<u>\$ 32,275</u>

Prices of goods sold to related parties are determined each time when delivering goods. Terms of transactions are similar with those to third parties, which is cash payment in 2 months after billing, or to obtain cheques with a maturity of 4~6 months upon billing.

B. Purchases of goods

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Associates	\$ 8,608	\$ 13,608
Other related parties	606	1,677
	<u>\$ 9,214</u>	<u>\$ 15,285</u>

Goods are purchased based on the price lists in force and terms that would be available to regular suppliers. Payment terms are 1~4 months after monthly billing.

C. Other expenses

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Advertisement expenses:		
Associates	\$ <u>2</u>	\$ <u>206</u>
Miscellaneous expenses:		
Associates	\$ 5,002	\$ 4,970
Other related parties	<u>–</u>	<u>6</u>
	\$ <u>5,002</u>	\$ <u>4,976</u>

D. Other income

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Associates	\$ 1,008	\$ 84
Other related parties	<u>1,482</u>	<u>1,327</u>
	\$ <u>2,490</u>	\$ <u>1,411</u>

E. Ending balance of goods sold

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Receivables from related parties:			
Associates	\$ 16,774	\$ 29,893	\$ 22,826
Other related parties	<u>9,922</u>	<u>7,606</u>	<u>11,501</u>
	\$ <u>26,696</u>	\$ <u>37,499</u>	\$ <u>34,327</u>

The receivables from related parties arise mainly from sales transactions. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

F. Other receivables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Associates	\$ 190	\$ 285	\$ 2,798
Other related parties	<u>–</u>	<u>2</u>	<u>24,001</u>
	\$ <u>190</u>	\$ <u>287</u>	\$ <u>26,799</u>

G. Ending balance of goods purchased

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Payables to related parties:			
Associates	\$ 11,926	\$ 30,349	\$ 15,367
Other related parties	<u>606</u>	<u>2,940</u>	<u>2,426</u>
	<u>\$ 12,532</u>	<u>\$ 33,289</u>	<u>\$ 17,793</u>

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

H. Other payables

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Associates	<u>\$ 1,513</u>	<u>\$ 9,806</u>	<u>\$ 13,983</u>

I. Lease transactions — lessee

- (a) The Group leases land and buildings from Fan Dao Nan and We Can. Rental contracts are made for the periods from October 1, 2016 to September 30, 2027 and April 1, 2021 to March 31, 2026, respectively. Rents are paid quarterly and monthly.
- (b) As of March 31, 2025, December 31, 2024 and March 31, 2024, the carrying amount of right-of-use assets were \$2,656, \$3,095 and \$4,412, respectively.
- (c) As of March 31, 2025, December 31, 2024 and March 31, 2024, the carrying amount of lease liability were \$2,746, \$3,194 and \$4,529, respectively. The Group recognised interest expense amounting to \$9 and \$16 (listed as ‘Finance costs’) for the three-month periods ended March 31, 2025 and 2024, respectively.

(3) Key management compensation

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Salaries and other short-term employee benefits	\$ 19,413	\$ 13,120
Post-employment benefits	<u>19</u>	<u>—</u>
	<u>\$ 19,432</u>	<u>\$ 13,120</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value			Purposes
	March 31, 2025	December 31, 2024	March 31, 2024	
Time deposits (Note 1)	\$ 8,000	\$ 8,000	\$ –	Performance guarantees
Land (Note 2)	297,406	297,406	296,940	Short-term and long-term borrowings
Buildings-net (Note 2)	409,615	327,836	333,778	Short-term and long-term borrowings
Machinery-net (Note 2)	24,482	8,993	10,800	Long-term borrowings
Utility equipment-net (Note 2)	21,282	–	–	Long-term borrowings
Other equipment-net (Note 2)	110	110	110	Long-term borrowings
Construction in progress (Note 2)	–	71,179	110,519	Long-term borrowings
	<u>\$ 760,895</u>	<u>\$ 713,524</u>	<u>\$ 752,147</u>	

(Note 1) Listed as 'Financial assets at amortised cost - current'.

(Note 2) Listed as 'Property, plant and equipment'.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

As of March 31, 2025, December 31, 2024 and March 31, 2024, the balances for contracts that the Group entered into for the purchase of property, plant and equipment, but not yet due were \$248,364, \$338,609 and \$373,727, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENT AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order 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.

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 146,918</u>	<u>\$ 168,627</u>	<u>\$ 187,534</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	<u>\$ 517,626</u>	<u>\$ 508,242</u>	<u>\$ 539,813</u>
Financial assets at amortised cost			
Cash and cash equivalents	\$ 1,634,479	\$ 1,520,128	\$ 1,890,587
Financial assets at amortised cost	191,105	134,500	76,500
Notes receivable	178,875	283,668	314,700
Accounts receivable	1,117,356	1,039,155	1,055,728
Other receivables	11,159	16,567	171,164
Guarantee deposits paid	<u>29,681</u>	<u>28,783</u>	<u>37,165</u>
	<u>\$ 3,162,655</u>	<u>\$ 3,022,801</u>	<u>\$ 3,545,844</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 300,000	\$ 110,000	\$ 664,476
Notes payable	226,819	360,766	310,093
Accounts payable	313,503	242,304	265,863
Other payables	1,173,581	573,375	1,144,484
Long-term borrowings (including current portion)	108,216	222,973	267,243
Guarantee deposits received	<u>9,134</u>	<u>8,772</u>	<u>12,766</u>
	<u>\$ 2,131,573</u>	<u>\$ 1,518,510</u>	<u>\$ 2,665,245</u>
Lease liabilities	<u>\$ 222,035</u>	<u>\$ 227,455</u>	<u>\$ 245,536</u>

B. Risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments may be used to hedge certain risk.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges

financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Group used in various functional currencies, primarily with respect to the USD, EUR, JPY and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The Group has certain sales and purchases denominated in USD and other foreign currencies. Changes in market exchange rates would affect the fair value. However, the payment and collection periods of asset and liability positions in foreign currencies are close, market risk can be offset. The Group does not expect significant interest rate risk.
- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. However, the net investments of foreign operations are strategic investments, thus the Group does not hedge the investments.
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, PHP, VND and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2025			
Foreign currency amount			
	(In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 22,257	33.21	\$ 739,155
EUR: NTD	1,007	35.97	36,222
JPY: NTD	463,684	0.2227	103,262
RMB: NTD	4,989	4.573	22,815
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	626	32.21	20,789

December 31, 2024			
Foreign currency amount			
	(In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 20,330	32.79	\$ 666,621
EUR: NTD	938	34.14	32,023
JPY: NTD	321,818	0.2099	67,550
RMB: NTD	5,005	4.478	22,412
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	382	32.79	12,526

March 31, 2024			
Foreign currency amount			
	(In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 37,837	32.00	\$ 1,210,784
EUR: NTD	118	34.46	4,066
JPY: NTD	307,904	0.2120	65,276
RMB: NTD	16,410	4.408	72,335
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	333	32.00	10,656

With regard to sensitivity analysis of foreign currency exchange rate risk, if the exchange rates of NTD to all foreign currencies had appreciated/depreciated by 1%, with all other factors remaining constant, the Group's net income for the three-month periods ended March 31, 2025 and 2024 would have increased/decreased by \$7,045 and \$10,734, respectively.

- v. Total net exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2025 and 2024 amounted to \$18,389 and \$60,483, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2025 and 2024 would have increased/decreased by \$1,646 and \$1,986, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$4,034 and \$3,767, respectively, as a result of other comprehensive income on equity investment classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the three-month periods ended March 31, 2025 and 2024, the Group's borrowings at variable rate were denominated in the NTD and EUR.
- ii. With regard to sensitivity analysis of interest rate risk, if interest rates on borrowings at that date had been 1% higher/lower with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2025 and 2024 would have been \$12 and \$41 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages its credit risk taking into consideration the entire company's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. In line with credit risk management procedure, payment reminders are sent as the contract payments are past due, whereby the default occurs when the contract payments are past due over certain period of time, and recourse procedures are initiated. However, the Group will continue executing the recourse procedures to secure their rights.
- iv. The Group classifies customer's notes and accounts receivable in accordance with credit rating of customer. The Group applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis. The Group used the forecastability of conditions to adjust historical and timely information to assess the default possibility of notes and accounts receivable, whereby rate ranging from 0.01% to 100% are applied to the provision matrix. Movements in relation to the Group applying the modified approach to provide loss allowance for notes and accounts receivable are as follows:

	For the three-month period ended March 31, 2025		
	Notes receivable	Accounts receivable	Total
Beginning balance	\$ 428	\$ 26,388	\$ 26,816
Provision for (reversal of)impairment	26 (	2,776) (	2,750)
Write-offs	– (	1,504) (	1,504)
Ending balance	<u>\$ 454</u>	<u>\$ 22,108</u>	<u>\$ 22,562</u>

	For the three-month period ended March 31, 2024		
	Notes receivable	Accounts receivable	Total
Beginning balance	\$ 237	\$ 15,368	\$ 15,605
Provision for impairment	169	3,452	3,621
Ending balance	<u>\$ 406</u>	<u>\$ 18,820</u>	<u>\$ 19,226</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities.
- ii. Surplus cash held by the Group over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

iii. The Group has the following undrawn borrowing facilities:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Floating rate:			
Expiring within one year	\$ 2,761,150	\$ 3,153,210	\$ 3,581,524
Expiring beyond one year	<u>80,000</u>	<u>127,000</u>	<u>47,000</u>
	<u>\$ 2,841,150</u>	<u>\$ 3,280,210</u>	<u>\$ 3,628,524</u>

iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date:

March 31, 2025	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 301,177	\$ –	\$ –	\$ –
Notes payable	226,819	–	–	–
Accounts payable	313,503	–	–	–
Other payables	1,173,581	–	–	–
Lease liabilities	27,411	21,649	52,725	145,315
Long-term borrowings	60,284	49,625	–	–
Guarante deposits received	8,533	601	–	–
December 31, 2025	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 111,227	\$ –	\$ –	\$ –
Notes payable	360,766	–	–	–
Accounts payable	242,304	–	–	–
Other payables	573,375	–	–	–
Lease liabilities	27,393	23,186	53,298	149,567
Long-term borrowings	62,853	62,821	26,169	97,945
Guarantee deposits received	8,535	237	–	–
March 31, 2024	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 666,051	\$ –	\$ –	\$ –
Notes payable	310,093	–	–	–
Accounts payable	265,863	–	–	–
Other payables	1,144,484	–	–	–
Lease liabilities	28,616	27,690	57,691	162,325
Long-term borrowings	63,505	62,563	68,039	103,255
Guarantee deposits received	–	4,236	8,530	–

- v. For non-derivative financial liabilities, the Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in beneficiary certificates and listed stocks is included.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly.

Level 3: Unobservable inputs for the asset or liability. The Group's investment in partial equity instruments without active market is included.

- B. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including current portion) and guarantee deposits received) are approximate to their fair values.

- C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets is as follows:

(a) The related information on the nature of the assets is as follows:

<u>March 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities and beneficiary certificates	\$ 134,554	\$ -	\$ 12,364	\$ 146,918
Financial assets at fair value through other comprehensive income				
Equity securities	399,411	-	118,215	517,626
	<u>\$ 533,965</u>	<u>\$ -</u>	<u>\$ 130,579</u>	<u>\$ 664,544</u>

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities and beneficiary certificates	\$ 156,277	\$ –	\$ 12,350	\$ 168,627
Financial assets at fair value through other comprehensive income				
Equity securities	<u>390,027</u>	<u>–</u>	<u>118,215</u>	<u>508,242</u>
	<u>\$ 546,304</u>	<u>\$ –</u>	<u>\$ 130,565</u>	<u>\$ 676,869</u>
<u>March 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities and beneficiary certificates	\$ 171,665	\$ –	\$ 15,869	\$ 187,534
Financial assets at fair value through other comprehensive income				
Equity securities	<u>436,685</u>	<u>–</u>	<u>103,128</u>	<u>539,813</u>
	<u>\$ 608,350</u>	<u>\$ –</u>	<u>\$ 118,997</u>	<u>\$ 727,347</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments that the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed stocks</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
- iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes

adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. For the three-months periods ended March 31, 2025 and 2024, there was no transfer between level 1 and level 2.

E. The following table presents the changes in Level 3 instruments for the three-month periods ended March 31, 2025 and 2024:

	For the three-month periods ended March 31,	
	2025	2024
At January 1	\$ 130,565	\$ 120,696
Disposal	(9,882)	–
Recognised in profit or loss	9,896	(736)
Recognised in other comprehensive income (loss)	–	(963)
At March 31	<u>\$ 130,579</u>	<u>\$ 118,997</u>

F. For the three-month periods ended March 31, 2025 and 2024, there was no transfer from or to Level 3.

G. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at March 31, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted stocks	\$ 92, 887	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	22, 180	Discounted cash flow	Weighted-average cost of capital	15%	The higher the weighted-average cost of capital, the lower the fair value
Unlisted stocks	15, 512	Net asset value	Not applicable	—	Not applicable

	<u>Fair value at December 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted stocks	\$ 92, 873	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	22, 180	Discounted cash flow	Weighted-average cost of capital	15%	The higher the weighted-average cost of capital, the lower the fair value
Unlisted stocks	15, 512	Net asset value	Not applicable	—	Not applicable

	<u>Fair value at March 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted stocks	\$ 102, 659	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	16, 338	Net asset value	Not applicable	—	Not applicable

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value ; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

			March 31, 2025			
			Recognised in profit or loss		Recognised in other comprehensive comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	± 3%	\$ 56	(\$ 56)	\$ 3, 925	(\$ 3, 925)
Equity instrument	Weighted-average cost of capital	± 0. 5%	\$ -	\$ -	\$ 1, 060	(\$ 960)
			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	± 3%	\$ 55	(\$ 55)	\$ 3, 925	(\$ 3, 925)
Equity instrument	Weighted-average cost of capital	± 0. 5%	\$ -	\$ -	\$ 1, 060	(\$ 960)
			March 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	± 3%	\$ 166	(\$ 166)	\$ 4, 233	(\$ 4, 233)

13. SUPPLEMENTARY DISCLOSURES

(According to the current regulatory requirements, the Group is only required to disclose the information for the three-month period ended March 31, 2025.)

(1) Significant transactions information

A. Loans to others: Refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures): Refer to table 2.

D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.

E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting periods: Refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. There is change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this year in accordance with global marketing expansion of the Group.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the three-month period ended March 31, 2025					
	Active Pharmaceutical					
	Medicine	Dietary supplement	Ingredients	Others	Total	
Segment revenue	\$ 790,965	\$ 506,985	\$ 341,227	\$ 71,932	\$ 1,711,109	
Revenue from internal customers	(24,379)	(18,782)	(19,010)	(8,904)	(71,075)	
Revenue from external customers	766,586	488,203	322,217	63,028	1,640,034	
Segment profit before income tax	221,792	69,492	98,744	(7,083)	382,945	
Segment assets	4,329,262	3,182,529	3,158,116	743,548	11,413,455	
Segment liabilities	1,500,097	823,286	458,847	105,145	2,887,375	

For the three-month period ended March 31, 2024					
Active Pharmaceutical					
	Medicine	Dietary supplement	Ingredients	Others	Total
Segment revenue	\$ 804,248	\$ 509,905	\$ 302,077	\$ 73,691	\$ 1,689,921
Revenue from internal customers	(22,407)	(29,522)	(13,390)	(11,067)	(76,386)
Revenue from external customers	781,841	480,383	288,687	62,624	1,613,535
Segment profit before income tax	293,375	62,707	114,441	9,042	479,565
Segment assets	4,304,961	3,256,848	3,180,442	829,370	11,571,621
Segment liabilities	1,733,795	1,112,222	609,040	68,779	3,523,836

(4) Reconciliation for segment income (loss), assets and liabilities

- A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the consolidated statement of comprehensive income. A reconciliation of reportable segment income before income tax to the profit before income tax is provided as follows:

For the three-month periods ended March 31,		
	2025	2024
Reportable segment income before income tax	\$ 390,028	\$ 470,523
Other segments profit before income tax	(7,083)	9,042
Inter-segment transactions	(33,577)	(51,281)
Profit before income tax	<u>\$ 349,368</u>	<u>\$ 428,284</u>

- B. The amounts provided to the chief operating decision maker with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. No reconciliation is needed.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES

Loans to others

For the three-month period ended March 31, 2025

Table 1

Expressed in thousands of NTD

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance	Ending balance (Note 2)	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
1	Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	Jiangsu Standard Standard-Dia Biopharma Co., Ltd.	Other receivables	Yes	\$ 9,375	\$ 9,375	\$ 9,375	1.20%	2	\$ -	Operating capital	\$ 9,375	—	—	\$ 6,702	\$ 8,042	(Notes 3) (Notes 4)

Note 1: The code represents the nature of financing activities as follows:

- (1) Trading partner.
- (2) Short-term financing

Note 2: The ending balance is the credit limit approved by the Board of Directors.

Note 3: Calculation of limit on loans granted to a single party and ceiling on total loans granted:

- (1) Limit on loans granted to a single party:
 - (a) For the companies having business relationship with the Company, limit on loans granted to a single party is the higher value of purchasing and selling during current or latest year on the year of financing.
 - (b) For short-term financing, limit on loans granted to a single party is 5% of the Company' s net assets based on the latest audited consolidated financial statements.
 - (c) Limit on loans granted by Jiangsu Standard Biotech Pharmaceutical to a single party is 25% of the creditor' s net assets based on the latest audited or reviewed consolidated financial statements.
- (2) Ceiling on total loans granted to a single party:
 - Ceiling on total loans granted by Jiangsu Standard Biotech Pharmaceutical to single party is 30% of the creditor' s net assets.
- (3) For short-term financing, ceiling on total loans granted to all direct or indirect wholly-owned domestic and foreign subsidiaries of the Company is not limited to 40% of the creditors' net assets.

Note 4: As certain ending balance of loans from Jiangsu Standard Biotech Pharmaceutical Co., Ltd. to Jiangsu Standard-Dia Biopharma Co., Ltd. (“ Jiangsu Standard-Dia”) has exceeded the original maturity date and it is expected that Jiangsu Standard-Dia will be unable to repay the remaining amounts. Jiangsu Standard Biotech Pharmaceutical Co., Ltd. has applied to the court to initiate bankruptcy liquidation proceedings against Jiangsu Standard-Dia and fully recognised allowance for doubtful accounts and established an improvement plan for regular follow-up. Before the completion of the improvement plan, the implementation status will be disclosed quarterly and reported to the Board of Directors on a quarterly basis for supervision, and the implementation status will be reported at the next shareholders' meeting.

Note 5: Foreign currencies are translated into New Taiwan Dollars. Exchange rates of foreign currencies indicated as of report date were as follows: RMB:NTD 1:4.5730.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

For the three-month period ended March 31, 2025

Table 2

Expressed in thousands of NTD

			As of March 31, 2025					
<u>Securities held by</u>	<u>Marketable securities (Note 1)</u>	<u>Relationship with the securities issuer</u>	<u>General ledger account (Note 2)</u>	<u>Number of shares</u>	<u>Book value</u>	<u>Ownership (%)</u>	<u>Fair value</u>	<u>Note</u>
Standard Chem. & Pharm. Co., Ltd.	Stocks:							
	HER-SING CO., LTD.	The Company is HER-SING Co., Ltd.' s corporate director	2	3,055,000	\$ 44,359	17.71%	\$ 44,359	-
	Sun You Biotech Pharm Co., Ltd.	The manager of the Company is Sun You Biotech Pharm Co., Ltd.' s director	2	3,378,006	42,597	18.13%	42,597	-
	Rossmax International Ltd.	—	2	3,548,000	55,526	4.15%	55,526	-
	EASYWELL BIOMEDICALS, INC.	—	2	5,094,600	343,886	4.18%	343,886	-
Advpharma Inc.	Beneficiary certificates:							
	Taishin 1699 Money Market Fund	—	1	977,966	13,890	-	13,890	-
	UPAMC James Bond Money Market Fund	—	1	1,185,178	20,694	-	20,694	-
	Capital Money Market Fund	—	1	1,227,024	20,718	-	20,718	-
	Stocks:							
	GlobalWafers Co., Ltd.	—	1	36,000	11,484	0.01%	11,484	-
Syngen Biotech Co., Ltd.	Stocks:							
	Leeuwenhoek Laboratories Co. Ltd.	—	2	2,000,000	22,180	5.98%	22,180	-

Note 1: Marketable securities in the table refer to stocks, beneficiary certificates and other related derivative securities as defined within the scope of International Financial Reporting Standard 9 'Financial Instruments' .

Only transactions amounting to more than \$10,000 are disclosed.

Note 2: The general ledger account is classified into the following four categories:

1. Financial assets at fair value through profit or loss - current
2. Financial assets at fair value through other comprehensive income - non-current

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

For the three-month period ended March 31, 2025

Table 3

Expressed in thousands of NTD

				Transaction			
<u>Number</u> (Note 2)	<u>Company name</u>	<u>Counterparty</u>	<u>Relationship</u> (Note 3)	<u>General ledger account</u>	<u>Amount</u>	<u>Transaction terms</u>	<u>Percentage of consolidated total operating revenues or total assets (Note 4)</u>
0	Standard Chem. & Pharm. Co., Ltd.	Syngen Biotech Co., Ltd.	1	Purchases	\$ 13,433	1 ~ 4 month(s) after monthly billings.	1%
			1	Accounts payable	(18,539)	—	—
		Souriree Biotech & Pharm. Co., Ltd.	1	Purchases	19,419	1 ~ 4 month(s) after monthly billings.	1%
		Syn-Tech Chem. & Pharm. Co., Ltd.	1	Purchases	14,857	1 ~ 4 month(s) after monthly billings.	1%
			1	Accounts payable	(15,070)	—	—
		Standard Chem. & Pharm. Philippines, Inc.	1	Prepayments	16,137	—	—
2	Syn-Tech Chem. & Pharm. Co., Ltd.	Standard Chem. & Pharm. Co., Ltd.	2	Lease liabilities	14,139	—	—

Note 1: As the amounts and counterparties of significant inter-company transactions are the same from the opposite transaction sides, no disclosure is required. Only transactions amounting to more than \$10,000 are disclosed.

Note 2: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0' .
- (2) The subsidiaries are numbered in order starting from '1' .

Note 3: Relationship between transaction company and counterparty is classified into the following three categories:

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

Note 4: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on ending balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the year to consolidated total operating revenues for statement of comprehensive income accounts.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES

Information on investees

For the three-month period ended March 31, 2025

Table 4

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three-month period ended March 31, 2025	Investment income (loss) recognised for the three-month period ended March 31, 2025	Note
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Standard Chem. & Pharm. Co., Ltd.	Standard Pharmaceutical Co., Ltd.	Samoa	Research and development, trading, investment and other business of medical products	\$ 396,953	\$ 396,953	13,000,000	100.00	\$ 168,961	(\$ 1,632)	(\$ 1,412)	Subsidiary
	Chia Scheng International Co., Ltd.	Taiwan	Sale of various medical supplements	161,356	161,356	14,553,000	100.00	15,767	820	838	Subsidiary
	Standard Chem. & Pharm. Philippines, Inc.	Philippines	Import and export of Various medical products, medicine, supplements	12,340	12,340	392,014	100.00	(3,222)	(1,640)	(1,640)	Subsidiary
	Inforight Technology Co., Ltd.	Taiwan	Wholesale of multi-function printers and information software	5,000	5,000	500,000	100.00	5,956	302	302	Subsidiary
	Souriree Biotech & Pharm. Co., Ltd.	Taiwan	Manufacturing of western medicine and retail and wholesale of various medicines	41,871	41,871	5,673,903	93.58	49,768	240	714	Subsidiary
	Multipower Enterprise Corp.	Taiwan	Import and export of western medicine, nourishment and function food, processing, manufacturing and sale of food	293,063	293,063	19,840,600	90.72	315,313	(7,472)	(6,463)	Subsidiary
	Advpharma Inc.	Taiwan	Research and development, manufacturing and sale of various medicine	525,933	525,933	53,226,806	88.71	266,452	(4,834)	(4,272)	Subsidiary
	Syngen Biotech Co., Ltd.	Taiwan	Research and development, manufacturing and sale of APIs, biopesticide, fertiliser and biochemical nutrition, sale of preventive medicine	330,203	330,203	12,651,146	46.68	989,722	61,141	28,995	Subsidiary (Note 1)
	Syn-Tech Chem. & Pharm. Co., Ltd.	Taiwan	Manufacturing and sale of APIs, reagent, surfactant, Chinese, western, and veterinary medicinal products	720,491	720,491	12,675,959	28.43	798,001	75,630	19,480	Subsidiary (Note 2)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three-month period ended March 31, 2025	Investment income (loss) recognised for the three-month period ended March 31, 2025	Note
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Standard Chem. & Pharm. Co., Ltd	Ho Yao Biopharm Co., LTD.	Taiwan	Research and development of new medicine	\$ 46,800	\$ 46,800	3,680,000	84.99	\$ 30,663	(\$ 3,066)	(\$ 2,605)	Subsidiary
	Standard Chem. & Pharm. Vietnam Co., Ltd.	Vietnam	Import and export of various medicine	6,414	6,414	-	100.00	4,616	(618)	(618)	Subsidiary (Note 3)
	We Can Medicines Co., Ltd.	Taiwan	Wholesale of various medicine	299,915	299,915	13,444,909	29.89	320,819	(12,426)	(3,601)	Associate
	Taiwan Biosim Co., Ltd.	Taiwan	Research and development of various medicine	74,850	74,850	7,485,000	49.90	66,781	4,321	1,162	Associate
Syngen Biotech Co., Ltd	Syngen Biotech International Sdn. Bhd.	Malaysia	Research and development, manufacturing and sale of APIs and biochemical nutrition, sale of preventive medicine	14,064	14,064	2,000,000	100.00	6,703	(50)	-	Subsidiary (Note 4)
	Jhan Shuo Biopharma Co., Ltd.	Taiwan	Manufacturing, wholesale and sale of western medicine	100	100	10,000	100.00	101	-	-	Subsidiary (Note 4)
	GENEFERM BIOTECHNOLOGY CO., LTD.	Taiwan	Research and development, design, quantification, manufacturing and sale of microbial and edible mushroom medicine fermentation, herbal and vegetal functional products, fruit and vegetable fermentation concentrates and protein products, management of the aforementioned trade business, technological consultancy, etc.	273,840	273,840	12,000,000	28.94	300,612	6,470	-	Associate (Note 4)
Syn-Tech Chem. & Advpharma Inc. Pharm. Co., Ltd.		Taiwan	Research and development, manufacturing and sale of various medicine	9,626	9,626	1,495,414	2.49	7,673	(4,834)	-	(Note 4)

Note 1: In September 2016, the subsidiary, Syngen Biotech Co., Ltd. (“Syngen”), filed for the initial public offering on Taipei Exchange. As part of the public trading process, the Company allowed its underwriter to exercise the overallotment option, which decreased the Company’ s ownership percentage in Syngen to below 50%. However, the Company did not lose control over Syngen.

Note 2: The company participated in the cash capital increase of Syn-Tech Chem. & Pharm. Co., Ltd., which results in becoming Syn-Tech’ s single largest corporate shareholder and having substantial control over it.

Note 3: The subsidiary was newly established during the first quarter of 2024.

Note 4: Not required to disclose income (loss) recognised.

Note 5: Foreign currencies were translated into New Taiwan Dollars using the following exchange rates.

Initial investment amount, ending balances and carrying value were translated using the exchange rate as at March 31, 2025 (USD: NTD 1:33.21 ; PHP : NTD 1 : 0.5801 ; VND : NTD 1 : 0.00128 ; MYR : NTD 1 : 7.4932) ;

Profit and loss were translated using the weighted-average exchange rate for the three-month period ended March 31, 2025 (USD : NTD 1 : 32.90 ; PHP : NTD 1 : 0.5680 ; VND : NTD 1 : 0.00130 ; MYR : NTD 1 : 7.3933).

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

For the three-month period ended March 31, 2025

Table 5

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income (loss) of investee for the three-month period ended March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised for the three-month period ended March 31, 2025	Book value of investments in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Note
					Remitted to Mainland China	Remitted Back to Taiwan							
Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	Research and development, technical consulting and technical services of medicine	\$ 398,520	(Note 1)	\$ 298,559	\$ -	\$ -	\$ 298,559	(\$ 1,823)	100.00	(\$ 1,823)	\$ 124,834	\$ -	(Note 4) (Note 5)
Jiangsu Standard-Dia Biopharma Co., Ltd.	Research and development, manufacturing and sale of various medicine	193,873	(Note 2)	-	-	-	-	14,636	55.00	8,048	(9,296)	-	(Note 4)
Shanghai Standard Pharmaceuticals Co., Ltd.	Sale of various medicine and dietary supplement	13,284	(Note 3)	6,642	6,642	-	13,284	(590)	100.00	(590)	7,210	-	(Note 4)
<u>Company name</u>	<u>Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025</u>	<u>Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)</u>	<u>Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 5)</u>										
Standard Chem. & Pharm. Co.,Ltd.	\$ 311,843	\$ 411,804	\$ 5,115,648										

Note 1: Indirect investment in Mainland China through an existing company (Standard Pharmaceutical Co., Ltd.) located in the third area.

Note 2: Indirect investment in Mainland China through an existing company (Jiangsu Standard Biotech Pharmaceutical Co., Ltd.) located in Mainland China.

Note 3: Direct investment in Mainland China from Taiwan.

Note 4: Recognition is based on investees' financial statements audited and attested by independent accountants.

Note 5: The Company obtained approval from the Investment Commission, Ministry of Economic Affairs, in the first quarter of 2025 to convert claims totaling USD 3,000,000—held jointly with Standard Pharmaceutical Co., Ltd.—into equity in Jiangsu Standard Biotech Pharmaceutical Co., Ltd. for reinvestment.

Note 6: Ceiling is the higher of net assets or 60% of consolidated equity.

Note 7: Foreign currencies were translated into New Taiwan Dollars using the following exchange rates: Ending investment balances were translated using the exchange rate as at March 31, 2025 (USD:NTD 1:33.21 ; RMB:NTD 1:4.5730) ; Investment gains or losses were translated using the weighted-average exchange rate for the three-month period ended March 31, 2025 (USD:NTD 1:32.90 ; RMB:NTD 1:4.5136).