

**STANDARD CHEM. & PHARM. CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 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 (the “Group”) as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-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 the 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

The financial statements for the same period of the non-significant subsidiaries and certain equity-accounted investees included in the consolidated financial statements, as well as the related information disclosed in Note 13, have not been reviewed by us. As of June 30, 2025 and 2024, the total assets of these subsidiaries amounted to \$1,060,368 thousand and \$1,102,806 thousand, representing 9.15% and 9.37% of the consolidated total assets of the Group, respectively. Their total liabilities amounted to \$163,443 thousand and \$167,528 thousand, representing 5.57% and 5.41% of the consolidated total liabilities of the Group, respectively, the total comprehensive losses of these subsidiaries for the three-month and six-month periods ended June 30, 2025 and 2024, amounted to (\$40,523) thousand, (\$36,751) thousand, (\$76,825) thousand and (\$57,041) thousand, representing (32.16%), (5.86%), (18.40%) and (5.05%) of the consolidated total comprehensive loss of the Group, respectively. In addition, the Group's share of profit or loss of associates and joint ventures accounted for by the equity method for the three-month and six-month periods ended June 30, 2025 and 2024, amounted to \$8,145 thousand, \$78 thousand, \$5,706 thousand and \$7,075 thousand, representing 6.46%, 0.01%, 1.37% and 0.63% of the consolidated total comprehensive income of the Group, respectively. As of June 30, 2025 and 2024, the carrying amounts of investments accounted for under the equity method were \$397,006 thousand and \$376,605 thousand, representing 3.43% and 3.20% of the consolidated total assets of the Group, respectively.

Qualified Conclusion

Based on our review, except for the possible effects on the consolidated financial statements and disclosures of the insignificant subsidiaries and certain investments accounted for using the equity method, as described in the Basis for Qualified Conclusion paragraph, if their financial statements for the same periods and the related information disclosed in Note 13 had been reviewed by us, 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, the consolidated financial position of the Group as at June 30, 2025 and 2024, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended 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.

Yeh, Fang-Ting

Independent Accountants

Hsu, Huei-Yu

PricewaterhouseCoopers, Taiwan

Republic of China.

August 5, 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
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

			June 30, 2025		December 31, 2024		June 30, 2024		
Assets			Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets									
1100	Cash and cash equivalents	6(1)	\$ 1, 593, 738	14	\$ 1, 520, 128	14	\$ 1, 617, 053	14	
1110	Financial assets at fair value	6(2)							
	through profit or loss - current		133, 713	1	157, 360	2	155, 728	1	
1136	Financial assets at amortised cost -	6(1) and 8							
	current		255, 150	2	134, 500	1	92, 725	1	
1150	Notes receivable, net	6(4), 7 and 12	307, 722	3	283, 688	3	371, 153	3	
1170	Accounts receivable, net	6(4), 7 and 12	1, 163, 330	10	1, 039, 155	9	1, 123, 484	10	
1200	Other receivables	6(5) and 7	7, 288	–	16, 567	–	175, 115	1	
1220	Current income tax assets	6(27)	186	–	720	–	222	–	
130X	Inventory	6(6)(8)	1, 600, 022	14	1, 720, 381	15	1, 669, 927	14	
1410	Prepayments		160, 023	1	126, 905	1	133, 923	1	
1479	Other current assets		2, 446	–	2, 488	–	4, 347	–	
11XX	Total current assets		5, 223, 618	45	5, 001, 892	45	5, 343, 677	45	
Non-current assets									
1510	Financial assets at fair value	6(2)							
	through profit or loss - non-current		11, 683	–	11, 267	–	15, 624	–	
1517	Financial assets at fair value	6(3)							
	through other comprehensive								
	income - non-current		555, 952	5	508, 242	5	865, 873	7	
1550	Investments accounted for under	6(7)							
	equity method		697, 218	6	688, 452	6	677, 593	6	
1600	Property, plant and equipment	6(8) and 8	4, 250, 914	37	4, 128, 811	37	4, 069, 096	35	
1755	Right-of-use assets	6(8)(9) and 7	265, 098	2	260, 641	2	273, 886	2	
1780	Intangible assets	6(10)(11)	212, 668	2	207, 731	2	209, 493	2	
1840	Deferred income tax assets	6(27)	136, 824	1	132, 264	1	140, 368	1	
1915	Prepayments for equipment	6(8)	148, 539	1	159, 487	2	99, 866	1	
1920	Guarantee deposits paid		36, 849	–	28, 783	–	28, 756	–	
1990	Other non-current assets	6(15)	45, 744	1	47, 975	–	45, 408	1	
15XX	Total non-current assets		6, 361, 489	55	6, 173, 653	55	6, 425, 963	55	
1XXX	Total assets		\$ 11, 585, 107	100	\$ 11, 175, 545	100	\$ 11, 769, 640	100	

(Continued)

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

			June 30, 2025		December 31, 2024		June 30, 2024	
Liabilities and Equity		Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(12) and 8	\$ 180,000	2	\$ 110,000	1	\$ 319,449	3
2130	Contract liabilities - current	6(20)	109,135	1	94,986	1	110,559	1
2150	Notes payable	7	262,814	2	360,766	3	359,735	3
2170	Accounts payable	7	371,105	3	242,304	2	247,541	2
2200	Other payables	6(13)(18) and 7	1,236,521	11	573,375	5	1,157,335	10
2230	Current income tax liabilities	6(27)	278,612	2	195,817	2	192,009	2
2280	Lease liabilities - current	6(9) and 7	27,600	–	23,754	–	24,328	–
2310	Receipts in advance		2,644	–	583	–	397	–
2320	Long-term liabilities, current portion	6(14) and 8	59,026	1	59,027	1	59,027	–
2365	Refund liabilities - current	6(20)	–	–	320	–	320	–
21XX	Total current liabilities		2,527,457	22	1,660,932	15	2,470,700	21
Non-current liabilities								
2540	Long-term borrowings	6(14) and 8	34,433	–	163,946	1	193,460	1
2570	Deferred income tax liabilities	6(27)	82,168	1	85,494	1	83,942	1
2580	Lease liabilities - non-current	6(9) and 7	210,205	2	203,701	2	215,415	2
2640	Net defined benefit liability - non-current	6(15)	71,056	–	76,632	1	119,376	1
2645	Guarantee deposits received		8,614	–	8,772	–	12,460	–
25XX	Total non-current liabilities		406,476	3	538,545	5	624,653	5
2XXX	Total liabilities		2,933,933	25	2,199,477	20	3,095,353	26
Equity attributable to owners of parent								
Share capital								
3110	Common stock	6(16)	1,786,961	15	1,786,961	16	1,786,961	15
3200	Capital surplus	6(7)(17)	300,500	3	300,128	2	298,910	3
	Retained earnings	6(3)(18)(19)						
3310	Legal reserve		1,055,980	9	964,252	9	964,252	8
3350	Unappropriated retained earnings		2,543,018	22	2,745,543	25	2,303,150	20
3400	Other equity interest	6(3)(7)(19)	(7,404)	–	108,131	1	466,614	4
31XX	Equity attributable to owners of the parent		5,679,055	49	5,905,015	53	5,819,887	50
36XX	Non-controlling interest	4(3)	2,972,119	26	3,071,053	27	2,854,400	24
3XXX	Total equity		8,651,174	75	8,976,068	80	8,674,287	74
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		\$ 11,585,107	100	\$ 11,175,545	100	\$ 11,769,640	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 SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024

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

	Items	Notes	Three months ended June 30				Six months ended June 30			
			2025		2024		2025		2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20) and 7	\$ 1,827,915	100	\$ 1,760,104	100	\$ 3,467,949	100	\$ 3,373,639	100
5000	Operating costs	6(6)(9)(10) (15)(25)(26) and 7	(1,092,651)	(60)	(971,035)	(55)	(2,032,513)	(59)	(1,869,226)	(55)
5900	Net operating margin		735,264	40	789,069	45	1,435,436	41	1,504,413	45
	Operating expenses	6(9)(10)(15) (25)(26) and 7								
6100	Selling expenses		(211,805)	(12)	(207,454)	(12)	(422,629)	(12)	(410,431)	(12)
6200	General and administrative expenses		(115,912)	(6)	(120,959)	(7)	(229,248)	(6)	(228,230)	(7)
6300	Research and development expenses		(63,680)	(3)	(79,565)	(5)	(125,549)	(4)	(140,343)	(4)
6450	Expected credit gains (losses)	12	1,242	-	(7,960)	-	3,992	-	(11,581)	(1)
6000	Total operating expenses		(390,155)	(21)	(415,938)	(24)	(773,434)	(22)	(790,585)	(24)
6900	Operating profit		345,109	19	373,131	21	662,002	19	713,828	21
	Non-operating income and expenses									
7100	Interest income	6(21)	8,297	1	12,827	1	13,196	-	24,354	1
7010	Other income	6(3)(22) and 7	17,977	1	27,638	1	33,526	1	44,172	1
7020	Other gains and losses	6(2)(9)(23) (29) and 12	(91,603)	(5)	12,963	1	(77,380)	(2)	71,900	2
7050	Finance costs	6(8)(9)(24) (29) and 7	(2,018)	-	(4,283)	-	(3,576)	-	(9,428)	-
7060	Share of profit (loss) of associates and joint ventures accounted for under equity method	6(7)	8,292	-	(1,652)	-	7,654	-	4,082	-
7000	Total non-operating income and expenses		(59,055)	(3)	47,493	3	(26,580)	(1)	135,080	4
7900	Profit before income tax		286,054	16	420,624	24	635,422	18	848,908	25
7950	Income tax expense	6(27)	(33,614)	(2)	(99,880)	(6)	(103,171)	(3)	(181,924)	(5)
8200	Profit for the period		\$ 252,440	14	\$ 320,744	18	\$ 532,251	15	\$ 666,984	20
	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)	(\$ 105,886)	(6)	\$ 303,913	18	(\$ 96,502)	(3)	\$ 452,806	13
	Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations		(19,994)	(1)	2,289	-	(17,829)	-	8,980	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method - will be reclassified to profit or loss	6(7)(19)	(547)	-	48	-	(438)	-	151	-
8300	Total other comprehensive (loss) income for the period		(\$ 126,427)	(7)	\$ 306,250	18	(\$ 114,769)	(3)	\$ 461,937	13
8500	Total comprehensive income for the period		\$ 126,013	7	\$ 626,994	36	\$ 417,482	12	\$ 1,128,921	33
	Profit attributable to:									
8610	Owners of the parent		\$ 196,179	11	\$ 215,767	12	\$ 390,850	11	\$ 468,471	14
8620	Non-controlling interest		56,261	3	104,977	6	141,401	4	198,513	6
			\$ 252,440	14	\$ 320,744	18	\$ 532,251	15	\$ 666,984	20
	Total comprehensive income attributable to:									
8710	Owners of the parent		\$ 69,050	4	\$ 519,904	30	\$ 275,315	8	\$ 928,326	27
8720	Non-controlling interest		56,963	3	107,090	6	142,167	4	200,595	6
			\$ 126,013	7	\$ 626,994	36	\$ 417,482	12	\$ 1,128,921	33
	Earnings per share (in dollars)	6(28)								
9750	Basic		\$ 1.10		\$ 1.21		\$ 2.19		\$ 2.62	
9850	Diluted		\$ 1.10		\$ 1.21		\$ 2.19		\$ 2.62	

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 SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

(Expressed in thousands of US dollars)														
Equity attributable to owners of the parent														
		Capital Surplus				Retained Earnings			Other Equity Interest					
				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	Non-controlling interest	Total equity
Notes	Common stock	Additional paid-in capital												
For the six-month period ended June 30, 2024														
Balance at January 1, 2024		\$ 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
Profit for the period		-	-	-	-	-	-	-	468,471	-	-	468,471	198,513	666,984
Other comprehensive income for the period	6(3)(19)	-	-	-	-	-	-	-	-	9,022	450,833	459,855	2,082	461,937
Total comprehensive income for the period		-	-	-	-	-	-	-	468,471	9,022	450,833	928,326	200,595	1,128,921
Change in net equity of associates and joint ventures accounted for under equity method	6(7)(17)	-	-	-	75,003	-	-	-	-	-	-	75,003	-	75,003
Overdue cash dividends payable	6(17)	-	-	-	-	21	-	-	-	-	-	21	24	45
Disposal of financial assets at fair value through other comprehensive income	6(3)(19)	-	-	-	-	-	-	-	6,418	-	(6,418)	-	-	-
Distribution of 2023 earnings:														
Legal reserve		-	-	-	-	-	86,007	-	(86,007)	-	-	-	-	-
Special reserve		-	-	-	-	-	-	(115,935)	115,935	-	-	-	-	-
Cash dividends	6(18)	-	-	-	-	-	-	-	(482,479)	-	-	(482,479)	-	(482,479)
Change in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(184,540)	(184,540)
Balance at June 30, 2024		\$ 1,786,961	\$ 152,088	\$ 60,898	\$ 85,369	\$ 555	\$ 964,252	\$ -	\$ 2,303,150	\$ 1,570	\$ 465,044	\$ 5,819,887	\$ 2,854,400	\$ 8,674,287
For the six-month period ended June 30, 2025														
Balance at January 1, 2025		\$ 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
Profit for the period		-	-	-	-	-	-	-	390,850	-	-	390,850	141,401	532,251
Other comprehensive income (loss) for the period	6(3)(19)	-	-	-	-	-	-	-	-	(19,033)	(96,502)	(115,535)	766	(114,769)
Total comprehensive income (loss) for the period		-	-	-	-	-	-	-	390,850	(19,033)	(96,502)	275,315	142,167	417,482
Adjustments for non-proportional subscription to subsidiary's new shares	4(3)	-	-	-	-	-	-	-	(1,298)	-	-	(1,298)	1,298	-
Change in net equity of associates and joint ventures accounted for under equity method	6(7)(17)	-	-	-	318	-	-	-	-	-	-	318	-	318
Overdue cash dividends payable	6(17)	-	-	-	-	54	-	-	-	-	-	54	60	114
Distribution of 2024 earnings:														
Legal reserve		-	-	-	-	-	91,728	-	(91,728)	-	-	-	-	-
Cash dividends	6(18)	-	-	-	-	-	-	-	(500,349)	-	-	(500,349)	-	(500,349)
Change in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(241,657)	(241,657)
Effects of changes in the Group's composition		-	-	-	-	-	-	-	-	-	-	-	(802)	(802)
Balance at June 30, 2025		\$ 1,786,961	\$ 152,088	\$ 60,898	\$ 86,854	\$ 660	\$ 1,055,980	\$ -	\$ 2,543,018	(\$ 14,544)	\$ 7,140	\$ 5,679,055	\$ 2,972,119	\$ 8,651,174

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 SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Six months ended June 30,	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 635,422	\$ 848,908
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(23)	(44)	(4,181)
Expected credit gain	12	(3,992)	11,581
Reversal of allowance for inventory market price decline	6(6)	(6,137)	(5,567)
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(7,654)	(4,082)
Loss on remeasurement of investments	6(23)(29)	6	-
Depreciation	6(8)(9)(25)	202,220	186,475
Net loss on disposal of property, plant and equipment	6(23)	216	748
Property, plant and equipment transferred to expense	6(8)	2	-
Gain from lease modification	6(9)(23)	(35)	-
Amortisation	6(25)	10,340	9,442
Interest income	6(21)	(13,196)	(24,354)
Dividend income	6(22)	(798)	(113)
Interest expense	6(24)	3,576	9,428
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		22,064	26,292
Notes receivable	(	23,985)	(84,723)
Accounts receivable	(	120,232)	(158,743)
Other receivables		11,021	6,579
Inventories		118,874	(53,255)
Prepayments	(	33,118)	(30,834)
Other current assets		42	1,216
Other non-current assets	(	270)	(1,710)
Changes in operating liabilities			
Contract liabilities - current		14,149	27,349
Notes payable	(	87,839)	5,107
Accounts payable		128,801	(21,607)
Other payables	(	96,473)	(47,710)
Receipts in advance		2,061	(309)
Refund liabilities - current	(	320)	320
Net defined benefit liabilities - non-current	(	5,576)	(19,871)
Cash inflow generated from operations		749,125	676,386
Dividends received		798	113
Interest received		12,665	27,404
Interest paid	(	3,679)	(9,571)
Income tax paid	(	27,728)	(224,540)
Net cash flows from operating activities		<u>731,181</u>	<u>469,792</u>

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 SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Six months ended June 30,	
		2025	2024
Notes			
(Continued)			
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost -current		(\$ 120,650)	(\$ 32,225)
Acquisition of financial assets at fair value through other comprehensive income - non-current		(144,212)	(78,473)
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)	-	(21,969)
Cash paid for acquisition of property, plant and equipment	6(29)	(151,147)	(167,113)
Interest paid for acquisition of property, plant and equipment	6(8)(24)(29)	(1,745)	(747)
Proceeds from disposal of property, plant and equipment		-	15,534
Acquisition of intangible assets	6(10)	(11,319)	(1,135)
Increase in prepayments for equipment		(140,185)	(108,285)
(Increase) decrease in guarantee deposits paid		(8,066)	16,062
Increase in other non-current assets		(1,444)	(3,847)
Net cash outflows from changes in the Group's composition	6(29)	(1,107)	-
Net cash flows used in investing activities		(579,875)	(369,694)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(30)	520,000	671,668
Decrease in short-term borrowings	6(30)	(450,000)	(1,152,219)
Payments of lease liabilities	6(30)	(12,942)	(12,235)
Decrease in long-term borrowings	6(30)	(129,514)	(29,513)
(Decrease) increase in guarantee deposits received	6(30)	(158)	161
Overdue cash dividends payable	6(17)	114	45
Net cash flows used in financing activities		(72,500)	(522,093)
Effects of foreign exchange		(5,196)	2,305
Net increase (decrease) in cash and cash equivalents		73,610	(419,690)
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)	\$ 1,593,738	\$ 1,617,053

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 SIX-MONTH PERIODS ENDED JUNE 30, 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 August 5, 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 2026 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
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	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 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 18, 'Presentation and Disclosure in Financial Statements'	January 1, 2027
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	January 1, 2027

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 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 the 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 (%) June 30, 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
			June 30, 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	90.71	84.99	(Note 3)
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 4)
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 (%) June 30, 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 5)

Name of investors	Name of subsidiaries	Main business activities	Ownership (%) June 30, 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	Main business	Ownership (%)	Description
	of subsidiaries	activities	June 30, 2024	
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 4)
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 6)
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	Main business	Ownership (%)	Description
	of subsidiaries	activities	June 30, 2024	
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 6)
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: In May 2025, Ho Yao Biopharm Co., Ltd. conducted a cash capital increase, in which the Company subscribed to all shares amounting to \$26,700. After the capital increase, the Company’s ownership interest in the subsidiary was 90.71%. As the Company did not subscribe to the subsidiary’s new shares in proportion to its original ownership interest, a decrease of \$1,298 in retained earnings was recorded.

Note 4: Newly established during the first quarter of 2024.

Note 5: 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 6: 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 June 30, 2025, December 31, 2024 and June 30, 2024, the non-controlling interests of the Group amounted to \$2,972,119, \$3,071,053, and \$2,854,400, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiaries	Principal place of business	Non-controlling interest				Description
		June 30, 2025		December 31, 2024		
		Amount	Ownership (%)	Amount	Ownership (%)	
Syngen Biotech Co., Ltd.	Taiwan	<u>\$ 1,198,592</u>	53.32%	<u>\$ 1,191,888</u>	53.32%	—
Syn-Tech Chem. & Pharm. Co., Ltd.	Taiwan	<u>\$ 1,716,719</u>	71.57%	<u>\$ 1,819,839</u>	71.57%	—

Name of subsidiaries	Principal place of business	Non-controlling interest		
		June 30, 2024		
		Amount	Ownership (%)	Description
Syngen Biotech Co., Ltd.	Taiwan	<u>\$ 1,124,499</u>	53.32%	—
Syn-Tech Chem. & Pharm. Co., Ltd.	Taiwan	<u>\$ 1,667,656</u>	71.57%	—

(2) Summarised financial information of the subsidiaries:

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

(a) Balance sheets

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 1,202,250	\$ 1,155,042	\$ 1,182,676
Non-current assets	1,925,565	1,929,552	1,981,703
Current liabilities	(687,884)	(520,155)	(689,473)
Non-current liabilities	(191,321)	(328,363)	(365,257)
Total net assets	<u>\$ 2,248,610</u>	<u>\$ 2,236,076</u>	<u>\$ 2,109,649</u>

(b) Statements of comprehensive income

	For the three-month periods ended June 30,	
	2025	2024
Revenue	\$ 607,576	\$ 515,692
Profit before income tax	\$ 107,187	\$ 63,378
Income tax expense	(19,641)	(13,672)
Net income	\$ 87,546	\$ 49,706
Total comprehensive income	\$ 86,525	\$ 53,547
Comprehensive income attributable to non-controlling interest	\$ 46,237	\$ 28,351

	For the six-month periods ended June 30,	
	2025	2024
Revenue	\$ 1,093,486	\$ 983,253
Profit before income tax	\$ 183,174	\$ 134,508
Income tax expense	(34,487)	(25,051)
Net income	\$ 148,687	\$ 109,457
Total comprehensive income	\$ 147,924	\$ 113,488
Comprehensive income attributable to non-controlling interest	\$ 78,521	\$ 61,113

(c) Statements of cash flows

	For the six-month periods ended June 30,	
	2025	2024
Net cash flows provided by operating activities	\$ 63,733	\$ 34,303
Net cash flows used in investing activities	(45,620)	(64,347)
Net cash flows used in financing activities	(136,894)	(66,437)
Effect of exchange rates changes	(325)	180
Net decrease in cash and cash equivalents	(119,106)	(96,301)
Cash and cash equivalents at beginning of period	341,933	366,891
Cash and cash equivalents at end of period	\$ 222,827	\$ 270,590

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

(a) Balance sheets

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 1, 478, 709	\$ 1, 333, 320	\$ 1, 343, 601
Non-current assets	1, 472, 918	1, 518, 608	1, 441, 583
Current liabilities	(465, 385)	(219, 472)	(362, 288)
Non-current liabilities	(70, 048)	(72, 179)	(75, 489)
Total net assets	<u>\$ 2, 416, 194</u>	<u>\$ 2, 560, 277</u>	<u>\$ 2, 347, 407</u>

(b) Statements of comprehensive income

	For the three-month periods ended June 30,	
	2025	2024
Revenue	<u>\$ 324, 840</u>	<u>\$ 343, 028</u>
Profit before income tax	\$ 26, 817	\$ 126, 266
Income tax expense	(10, 194)	(27, 613)
Net income	<u>\$ 16, 623</u>	<u>\$ 98, 653</u>
Total comprehensive income	<u>\$ 16, 623</u>	<u>\$ 98, 653</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 13, 611</u>	<u>\$ 72, 241</u>

	For the six-month periods ended June 30,	
	2025	2024
Revenue	<u>\$ 640, 590</u>	<u>\$ 612, 810</u>
Profit before income tax	\$ 121, 418	\$ 235, 506
Income tax expense	(29, 165)	(49, 459)
Net income	<u>\$ 92, 253</u>	<u>\$ 186, 047</u>
Total comprehensive income	<u>\$ 92, 253</u>	<u>\$ 186, 127</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 69, 761</u>	<u>\$ 137, 228</u>

(c) Statements of cash flows

	For the six-month periods ended June 30,	
	2025	2024
Net cash flows provided by operating activities	\$ 230,555	\$ 143,836
Net cash flows used in investing activities	(29,645)	(59,302)
Net cash flows used in financing activities	(1,549)	(261,134)
Net increase (decrease) in cash and cash equivalents	199,361	(176,600)
Cash and cash equivalents at beginning of period	656,797	666,922
Cash and cash equivalents at end of period	<u>\$ 856,158</u>	<u>\$ 490,322</u>

(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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Cash:			
Revolving funds and petty cash	\$ 11, 395	\$ 28, 230	\$ 9, 875
Checking deposits and demand deposits	<u>839, 383</u>	<u>894, 992</u>	<u>1, 103, 291</u>
	<u>850, 778</u>	<u>923, 222</u>	<u>1, 113, 166</u>
Cash equivalents:			
Time deposits	607, 032	566, 906	260, 021
Repurchase bonds	<u>135, 928</u>	<u>30, 000</u>	<u>243, 866</u>
	<u>742, 960</u>	<u>596, 906</u>	<u>503, 887</u>
	<u>\$ 1, 593, 738</u>	<u>\$ 1, 520, 128</u>	<u>\$ 1, 617, 053</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 June 30, 2025, December 31, 2024 and June 30, 2024, the carrying amount of more than 3-month time deposits (listed as “Financial assets at amortised cost - current”) was \$255,150, \$134,500 and \$92,725, respectively.
- C. As of June 30, 2025, December 31, 2024 and June 30, 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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 82, 912	\$ 96, 029	\$ 134, 807
Listed stocks	58, 957	61, 471	14, 692
Emerging stocks	<u>–</u>	<u>12, 820</u>	<u>12, 000</u>
	141, 869	170, 320	161, 499
Valuation adjustment	(8, 156)	(12, 960)	(5, 771)
	<u>\$ 133, 713</u>	<u>\$ 157, 360</u>	<u>\$ 155, 728</u>

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 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>17,800</u>
	17,957	17,957	19,559
Valuation adjustment	(<u>6,274</u>)	(<u>6,690</u>)	(<u>3,935</u>)
	<u>\$ 11,683</u>	<u>\$ 11,267</u>	<u>\$ 15,624</u>

- A. The Group recognised net gain (listed as “Other gains and losses”) of \$1,854, \$3,084, \$44 and \$4,181 for the three-month and six-month periods ended June 30, 2025 and 2024, respectively.
- B. As of June 30, 2025, December 31, 2024 and June 30, 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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Equity instruments			
Listed stocks	\$ 285,654	\$ 186,442	\$ 181,860
Unlisted stocks	<u>261,997</u>	<u>216,997</u>	<u>216,997</u>
	547,651	403,439	398,857
Valuation adjustment	<u>8,301</u>	<u>104,803</u>	<u>467,016</u>
	<u>\$ 555,952</u>	<u>\$ 508,242</u>	<u>\$ 865,873</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 six-month periods ended June 30, 2025 and 2024, respectively. This resulted in cumulative gain on disposal amounting to \$— and \$6,418, which was reclassified to retained earnings for the six-month periods ended June 30, 2025 and 2024, respectively.
- C. The Group recognised (\$105,886), \$303,913, (\$96,502) and \$452,806 in other comprehensive income in relation to fair value change for the three-month and six-month periods ended June 30, 2025 and 2024, respectively.
- D. The Group recognised dividend income of \$—, \$113, \$— and \$113 in profit or loss (listed as “Other income”) from financial assets at fair value through other comprehensive income for the three-month and six-month periods ended June 30, 2025 and 2024, respectively.

- E. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group has no financial assets at fair value through other comprehensive income pledged to others.
- F. 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.

(4) Notes and accounts receivable

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes receivable	\$ 308,101	\$ 284,116	\$ 371,504
Less: Allowance for uncollectible accounts	(379)	(428)	(351)
	<u>\$ 307,722</u>	<u>\$ 283,688</u>	<u>\$ 371,153</u>
Accounts receivable	\$ 1,184,216	\$ 1,065,543	\$ 1,150,319
Less: Allowance for uncollectible accounts	(20,886)	(26,388)	(26,835)
	<u>\$ 1,163,330</u>	<u>\$ 1,039,155</u>	<u>\$ 1,123,484</u>

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes receivable:			
Within the credit period	\$ 307,792	\$ 283,785	\$ 370,540
Overdue up to 90 days	303	327	910
Overdue 91 to 180 days	<u>6</u>	<u>4</u>	<u>54</u>
	<u>\$ 308,101</u>	<u>\$ 284,116</u>	<u>\$ 371,504</u>
Accounts receivable:			
Within the credit period	\$ 1,075,043	\$ 935,243	\$ 1,020,978
Overdue up to 90 days	20,138	66,981	108,082
Overdue 91 to 180 days	47,606	63,230	20,853
Overdue 181 to 270 days	41,405	–	232
Overdue over 271 days	<u>24</u>	<u>89</u>	<u>174</u>
	<u>\$ 1,184,216</u>	<u>\$ 1,065,543</u>	<u>\$ 1,150,319</u>

The above ageing analysis was based on days overdue.

- B. As of June 30, 2025, December 31, 2024 and June 30, 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 June 30, 2025, December 31, 2024 and June 30, 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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Claims receivable (Note)	\$ –	\$ –	\$ 136, 156
Dividends receivable	–	–	27, 641
Others	<u>7, 288</u>	<u>16, 567</u>	<u>11, 318</u>
	<u>\$ 7, 288</u>	<u>\$ 16, 567</u>	<u>\$ 175, 115</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>June 30, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Merchandise	\$ 137, 356	(\$ 3, 954)	\$ 133, 402
Raw materials	475, 831	(17, 433)	458, 398
Supplies	114, 660	(16, 816)	97, 844
Work in process	277, 493	(2, 867)	274, 626
Finished goods	<u>668, 886</u>	<u>(33, 134)</u>	<u>635, 752</u>
	<u>\$ 1, 674, 226</u>	<u>(\$ 74, 204)</u>	<u>\$ 1, 600, 022</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
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>

	June 30, 2024		
	Cost	Allowance for valuation loss	Book value
Merchandise	\$ 124,191	(\$ 5,124)	\$ 119,067
Raw materials	462,059	(24,917)	437,142
Supplies	111,595	(8,864)	102,731
Work in process	273,472	(7,199)	266,273
Finished goods	<u>780,285</u>	<u>(35,571)</u>	<u>744,714</u>
	<u>\$ 1,751,602</u>	<u>(\$ 81,675)</u>	<u>\$ 1,669,927</u>

The cost of inventories recognised as expenses for the period:

	For the three-month periods ended June 30,	
	2025	2024
Cost of goods sold	\$ 1,081,912	\$ 953,485
Loss on scrapped inventories	21,921	14,620
(Reversal of allowance) provision for inventory market price decline (Note)	(11,996)	2,340
Underapplied fixed manufacturing overhead	657	437
Gain on physical inventory	<u>—</u>	<u>(174)</u>
	<u>\$ 1,092,494</u>	<u>\$ 970,708</u>

	For the six-month periods ended June 30,	
	2025	2024
Cost of goods sold	\$ 2,003,054	\$ 1,851,406
Loss on scrapped inventories	34,506	22,294
Reversal of allowance for inventory market price decline (Note)	(6,137)	(5,567)
Underapplied fixed manufacturing overhead	1,073	851
Gain on physical inventory	<u>(238)</u>	<u>(361)</u>
	<u>\$ 2,032,258</u>	<u>\$ 1,868,623</u>

(Note) For the three-month period ended June 30, 2025, and for the six-month periods ended June 30, 2025 and 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:

	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
At January 1	\$ 688, 452	\$ 604, 029
Acquisition of investments accounted for under equity method	–	21, 969
Effect of changes in the Group’s composition (Note)	1, 232	–
Share of profit or loss of investments accounted for under equity method	7, 654	4, 082
Earnings distribution of investments accounted for under equity method	–	(27, 641)
Capital surplus—Changes in net equity of associates and joint ventures accounted for under equity	318	75, 003
Other equity interest—Financial statements translation differences of foreign operations	(438)	151
At June 30	<u>\$ 697, 218</u>	<u>\$ 677, 593</u>

(Note) In May 2025, the Company established a subsidiary, Standard Pharma Holding Co., Ltd., and held 60% of its ownership interest. On June 30, 2025, the subsidiary conducted a cash capital increase, and the Company’s ownership interest decreased to 48.86% as it did not subscribe to the new shares in proportion to its ownership interest. Although the Company remained the single largest shareholder, from the date of the capital increase, it did not hold more than half of the voting rights at shareholders’ meetings, nor did it have any contractual arrangements with other shareholders to consult or jointly make decisions. This indicates that the Group does not have the practical ability to direct the relevant activities, and therefore it was determined that the Group no longer has control over the subsidiary but retains significant influence. For more information regarding the loss of control, please refer to Note 6(29), ‘Supplemental cash flow information’.

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Geneferm Biotechnology Co., Ltd.	\$ 300, 212	\$ 298, 703	\$ 300, 988
We Can Medicines Co., Ltd.	318, 806	324, 130	339, 011
Taiwan Biosim Co., Ltd.	78, 200	65, 619	37, 594
	<u>\$ 697, 218</u>	<u>\$ 688, 452</u>	<u>\$ 677, 593</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		
		June 30, 2025	December 31, 2024	June 30, 2024
We Can Medicines Co., Ltd.	Taiwan	29.88%	29.93%	30.34%
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.

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 1,433,058	\$ 1,464,623	\$ 1,516,106
Non-current assets	1,617,178	1,620,971	1,670,259
Current liabilities	(905,524)	(921,387)	(957,315)
Non-current liabilities	(1,044,559)	(1,048,049)	(1,076,322)
Total net assets	<u>\$ 1,100,153</u>	<u>\$ 1,116,158</u>	<u>\$ 1,152,728</u>
Share in associate's net assets	\$ 328,726	\$ 334,066	\$ 349,738
Goodwill	15,279	15,279	14,743
Unrealised gain from transactions with associates	(25,199)	(25,215)	(25,470)
Carrying amount of the associate	<u>\$ 318,806</u>	<u>\$ 324,130</u>	<u>\$ 339,011</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 541,911	\$ 411,971	\$ 485,015
Non-current assets	705,227	734,524	753,652
Current liabilities	(134,581)	(134,260)	(206,146)
Non-current liabilities	(318,523)	(224,051)	(236,427)
Total net assets	<u>\$ 794,034</u>	<u>\$ 788,184</u>	<u>\$ 796,094</u>
Share in associate's net assets	\$ 229,794	\$ 228,057	\$ 230,390
Goodwill	70,651	70,651	70,651
Unrealised gain from transactions with associates	(233)	(5)	(53)
Carrying amount of the associate	<u>\$ 300,212</u>	<u>\$ 298,703</u>	<u>\$ 300,988</u>

ii. Statements of comprehensive income

(i) We Can Medicines Co., Ltd.

For the three-month periods ended June 30,

	<u>2025</u>	<u>2024</u>
Revenue	\$ <u>816,840</u>	\$ <u>826,546</u>
Net loss	(\$ <u>6,659</u>)	(\$ <u>4,567</u>)
Total comprehensive loss	(\$ <u>6,659</u>)	(\$ <u>4,567</u>)

For the six-month periods ended June 30,

	<u>2025</u>	<u>2024</u>
Revenue	\$ <u>1,614,712</u>	\$ <u>1,641,975</u>
Net (loss) income	(\$ <u>19,085</u>)	\$ <u>7,512</u>
Total comprehensive (loss) income	(\$ <u>19,085</u>)	\$ <u>7,512</u>

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

For the three-month periods ended June 30,

	<u>2025</u>	<u>2024</u>
Revenue	\$ <u>167,860</u>	\$ <u>115,905</u>
Net income (loss)	\$ <u>898</u>	(\$ <u>6,030</u>)
Total comprehensive loss	(\$ <u>997</u>)	(\$ <u>5,869</u>)

For the six-month periods ended June 30,

	<u>2025</u>	<u>2024</u>
Revenue	\$ <u>334,287</u>	\$ <u>234,291</u>
Net income (loss)	\$ <u>7,369</u>	(\$ <u>14,340</u>)
Total comprehensive income (loss)	\$ <u>5,849</u>	(\$ <u>13,823</u>)

(c) As of June 30, 2025, December 31, 2024 and June 30, 2024, the carrying amount of the Group's individually immaterial associates amounted to \$78,200, \$65,619 and \$37,594, respectively.

The share in associates' financial performance is as follows:

For the three-month periods ended June 30,

	<u>2025</u>	<u>2024</u>
Net profit	\$ <u>10,186</u>	\$ <u>1,831</u>
Total comprehensive income	\$ <u>10,186</u>	\$ <u>1,831</u>

For the six-month periods ended June 30,

	<u>2025</u>	<u>2024</u>
Net profit	\$ <u>11,348</u>	\$ <u>4,818</u>
Total comprehensive income	\$ <u>11,348</u>	\$ <u>4,818</u>

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Geneferm Biotechnology Co., Ltd.	\$ 528, 000	\$ 564, 000	\$ 757, 200
We Can Medicines Co., Ltd.	<u>457, 127</u>	<u>519, 646</u>	<u>933, 518</u>
	<u>\$ 985, 127</u>	<u>\$ 1, 083, 646</u>	<u>\$ 1, 690, 718</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 June 30, 2025, December 31, 2024 and June 30, 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 six-month period ended June 30, 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	—	38,291	17,847	1,646	732	2,360	14,576	84,980	160,432
Transfers (Note 1)	—	167,095	34,628	479	345	—	34,498	(77,947)	159,098
Depreciation	—	(37,826)	(80,657)	(9,866)	(993)	(2,639)	(56,183)	—	(188,164)
Disposals - cost	—	(1,450)	(3,722)	(2,736)	(78)	(1,696)	(4,439)	—	(14,121)
- accumulated depreciation	—	1,450	3,722	2,736	78	1,691	4,228	—	13,905
Net exchange differences	—	(8,666)	(274)	—	(9)	(39)	(59)	—	(9,047)
At June 30	<u>\$ 898,539</u>	<u>\$ 1,653,139</u>	<u>\$ 753,641</u>	<u>\$ 114,677</u>	<u>\$ 5,991</u>	<u>\$ 11,976</u>	<u>\$ 599,396</u>	<u>\$ 213,555</u>	<u>\$ 4,250,914</u>
<u>At June 30, 2025</u>									
Cost	\$ 898,539	\$ 2,608,744	\$ 2,296,283	\$ 342,936	\$ 26,606	\$ 45,735	\$ 1,317,093	\$ 213,555	\$ 7,749,491
Accumulated depreciation	—	(955,605)	(1,542,642)	(228,259)	(20,615)	(33,759)	(717,697)	—	(3,498,577)
	<u>\$ 898,539</u>	<u>\$ 1,653,139</u>	<u>\$ 753,641</u>	<u>\$ 114,677</u>	<u>\$ 5,991</u>	<u>\$ 11,976</u>	<u>\$ 599,396</u>	<u>\$ 213,555</u>	<u>\$ 4,250,914</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	—	(853,621)	(1,327,828)	(204,185)	(18,574)	(35,019)	(583,807)	—	(3,023,034)
	<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 six-month period ended June 30, 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	—	26,178	27,643	1,121	115	3,775	15,113	87,321	161,266
Transfers (Note 2)	—	187,500	57,841	5,107	1,807	1,356	55,756	(238,188)	71,179
Depreciation	—	(33,426)	(76,258)	(8,147)	(965)	(1,898)	(52,389)	—	(173,083)
Disposals - cost	—	(343)	(27,682)	(1,579)	—	(6,719)	(17,831)	—	(54,154)
- accumulated depreciation	—	343	12,443	1,567	—	6,719	16,800	—	37,872
Net exchange differences	—	4,309	135	—	4	2	40	—	4,490
At June 30	<u>\$ 770,539</u>	<u>\$ 1,520,851</u>	<u>\$ 836,542</u>	<u>\$ 107,391</u>	<u>\$ 6,754</u>	<u>\$ 14,222</u>	<u>\$ 617,818</u>	<u>\$ 194,979</u>	<u>\$ 4,069,096</u>
<u>At June 30, 2024</u>									
Cost	\$ 770,539	\$ 2,410,651	\$ 2,230,979	\$ 318,156	\$ 26,379	\$ 44,526	\$ 1,237,555	\$ 194,979	\$ 7,233,764
Accumulated depreciation	—	(889,800)	(1,394,437)	(210,765)	(19,625)	(30,304)	(619,737)	—	(3,164,668)
	<u>\$ 770,539</u>	<u>\$ 1,520,851</u>	<u>\$ 836,542</u>	<u>\$ 107,391</u>	<u>\$ 6,754</u>	<u>\$ 14,222</u>	<u>\$ 617,818</u>	<u>\$ 194,979</u>	<u>\$ 4,069,096</u>

(Note 1) Including transfer of \$7,622 from ‘Inventories’; transfer of \$151,133 from ‘Prepayment for equipment’; transfer of \$345 from ‘Right-of-use assets’ and transfer of \$2 to expenses.

(Note 2) Including transfer of \$3,871 from ‘Inventories’ and transfer of \$67,308 from ‘Prepayment for equipment’.

A. As of June 30, 2025, December 31, 2024 and June 30, 2024, the carrying amount of land, buildings and other equipment held for operating leases are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Land	\$ 5,264	\$ 5,264	\$ 5,264
Buildings	\$ 10,033	\$ 10,227	\$ 10,423
Other equipment	\$ 2,829	\$ 1,738	\$ 2,412

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 June 30,</u>	
	<u>2025</u>	<u>2024</u>
Amount capitalised	\$ 756	\$ 442
Interest rate range	<u>0.96%~1.80%</u>	<u>1.20%~1.32%</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Amount capitalised	\$ 1,745	\$ 747
Interest rate range	<u>0.60%~1.80%</u>	<u>0.84%~1.44%</u>

C. Information about property, plant and equipment that were pledged to others as collateral as of June 30, 2025, December 31, 2024 and June 30, 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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 225,258	\$ 237,379	\$ 245,393
Buildings	29,220	14,575	19,037
Transportation equipment	10,620	8,687	9,456
	<u>\$ 265,098</u>	<u>\$ 260,641</u>	<u>\$ 273,886</u>

	<u>For the three-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Land	\$ 4,027	\$ 4,087
Buildings	2,714	2,282
Transportation equipment	545	384
	<u>\$ 7,286</u>	<u>\$ 6,753</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation</u>	<u>Depreciation</u>
Land	\$ 8,074	\$ 8,083
Buildings	5,053	4,558
Transportation equipment	929	751
	<u>\$ 14,056</u>	<u>\$ 13,392</u>

C. For the three-month and six-month periods ended June 30, 2025 and 2024, the additions to right-of-use assets were \$23,722, \$388, 24,547 and \$6,052, respectively.

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

	<u>For the three-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 996	\$ 1,015
Expense on short-term lease contract	1,285	1,298
Expense on leases of low-value assets	120	232
Gain from lease modification	(35)	–

	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,943	\$ 2,050
Expense on short-term lease contract	2,918	3,726
Expense on leases of low-value assets	611	278
Gain from lease modification	(35)	–

E. For the six-month periods ended June 30, 2025 and 2024, the Group's total cash outflow for leases was \$18,414 and \$18,289, 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 six-month period ended June 30, 2025</u>					
At January 1	\$ 173,911	\$ 4,346	\$ 21,070	\$ 8,404	\$ 207,731
Additions – acquired separately	-	1,319	-	10,000	11,319
Amortisation	-	(1,151)	(4,805)	(439)	(6,395)
Disposals – cost	-	(6,062)	(1,954)	(32,232)	(40,248)
– accumulated amortisation	-	6,062	1,954	32,232	40,248
Net exchange differences	-	13	-	-	13
At June 30	<u>\$ 173,911</u>	<u>\$ 4,527</u>	<u>\$ 16,265</u>	<u>\$ 17,965</u>	<u>\$ 212,668</u>
<u>At June 30, 2025</u>					
Cost	\$ 174,159	\$ 11,922	\$ 64,579	\$ 64,426	\$ 315,086
Accumulated amortisation	(248)	(7,395)	(48,533)	(30,727)	(86,903)
Accumulated impairment	-	-	-	(15,734)	(15,734)
Net exchange differences	-	(-)	219	-	219
	<u>\$ 173,911</u>	<u>\$ 4,527</u>	<u>\$ 16,265</u>	<u>\$ 17,965</u>	<u>\$ 212,668</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 six-month period ended June 30, 2024</u>					
At January 1	\$ 173,911	\$ 4,765	\$ 30,041	\$ 5,821	\$ 214,538
Additions – acquired separately	-	505	630	-	1,135
Amortisation	-	(1,362)	(4,805)	(13)	(6,180)
At June 30	<u>\$ 173,911</u>	<u>\$ 3,908</u>	<u>\$ 25,866</u>	<u>\$ 5,808</u>	<u>\$ 209,493</u>
<u>At June 30, 2024</u>					
Cost	\$ 174,159	\$ 43,189	\$ 66,533	\$ 84,058	\$ 367,939
Accumulated amortisation	(248)	(39,266)	(40,886)	(62,516)	(142,916)
Accumulated impairment	-	-	-	(15,734)	(15,734)
Net exchange differences	-	(15)	219	-	204
	<u>\$ 173,911</u>	<u>\$ 3,908</u>	<u>\$ 25,866</u>	<u>\$ 5,808</u>	<u>\$ 209,493</u>

A. No borrowing costs were capitalised as part of intangible assets for the six-month periods ended June 30, 2025 and 2024.

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

	<u>For the three-month periods ended June 30,</u>	
	2025	2024
Operating costs	\$ 1,833	\$ 1,538
Selling expenses	2	4
General and administrative expenses	823	986
Research and development expenses	641	567
	<u>\$ 3,299</u>	<u>\$ 3,095</u>
	<u>For the six-month periods ended June 30,</u>	
	2025	2024
Operating costs	\$ 3,373	\$ 3,080
Selling expenses	5	14
General and administrative expenses	1,671	1,977
Research and development expenses	1,346	1,109
	<u>\$ 6,395</u>	<u>\$ 6,180</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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Multipower Enterprise Corp.	\$ 70,265	\$ 70,265	\$ 70,265
Syn-Tech Chem. & Pharm. Co., Ltd.	\$ 91,972	\$ 91,972	\$ 91,972
Ho Yao Biopharm Co., Ltd.	\$ 11,674	\$ 11,674	\$ 11,674

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

E. As of June 30, 2025, December 31, 2024 and June 30, 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 six-month periods ended June 30, 2025 and 2024.

C. As of June 30, 2025, December 31, 2024 and June 30, 2024, the carrying amount of accumulated impairment of non-financial assets was \$15,734.

(12) Short-term borrowings

<u>Type of borrowings</u>	<u>June 30, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 180,000	1.80%	None

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

<u>Type of borrowings</u>	<u>June 30, 2024</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured bank borrowings	\$ 319,449	1.71%~3.31%	None

For more information about the interest expenses recognised in profit or loss by the Group for the three-month and six-month periods ended June 30, 2025 and 2024, refer to Note 6(24), ‘Finance costs’.

(13) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Dividends payable	\$ 742, 006	\$ –	\$ 667, 019
Accrued salaries and bonuses	181, 414	281, 687	197, 639
Accrued employees' compensation and directors' remuneration	54, 875	50, 741	35, 288
Equipment payable	24, 301	6, 648	20, 753
Others	233, 925	234, 299	236, 636
	<u>\$ 1, 236, 521</u>	<u>\$ 573, 375</u>	<u>\$ 1, 157, 335</u>

(14) Long-term borrowings

Type of borrowings	Maturity date	June 30, 2025	Interest rate	Collateral	Note
Bank secured borrowings	2027. 1. 15	\$ 93, 459	1. 92%	Buildings and other equipment	(Note 1)
Less: Current portion of long-term borrowings		(59, 026)			
		<u>\$ 34, 433</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	June 30, 2024	Interest rate	Collateral	Note
Bank secured borrowings	2027. 1. 15	\$ 152, 487	2. 02%	Constuction in progress	(Note 1)
Bank secured borrowings	2043. 10. 26	100, 000	1. 82%	Buildings	(Note 2)
		\$ 252, 487			
Less: Current portion of long-term borrowings		(59, 027)			
		<u>\$ 193, 460</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 and six-month periods ended June 30, 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 \$886, \$1,672, \$1,590 and \$2,545 for the three-month and six-month periods ended June 30, 2025 and 2024, respectively.
 - (b) Expected contributions to the defined benefit pension plans of the Group for the next year is \$8,895.
- 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 six-month periods ended June 30, 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 and six-month periods ended June 30, 2025 and 2024 were \$14,624, \$14,377, \$29,590 and \$28,446, 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 six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Beginning and ending balance	<u>178, 696</u>	<u>178, 696</u>

- B. As of June 30, 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 \$318 and \$612 for the six-month periods ended June 30, 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 six-month periods ended June 30, 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 \$114 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. For the six-month period ended June 30, 2024, the aforementioned reversal of special reserve amounted to \$115,935 for the period. No such reversal occurred for the six-month period ended June 30, 2025.

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 six-month period ended June 30, 2025</u>		
	<u>Currency translation</u>	<u>Unrealised gain (loss) on valuation of financial assets</u>	<u>Total</u>
At January 1	\$ 4,489	\$ 103,642	\$ 108,131
Currency translation differences			
- Group	(18,595)	-	(18,595)
- Associates	(438)	-	(438)
Valuation adjustment			
- Group	<u>-</u>	<u>(96,502)</u>	<u>(96,502)</u>
At June 30	<u>(\$ 14,544)</u>	<u>\$ 7,140</u>	<u>(\$ 7,404)</u>

	For the six-month period ended June 30, 2024		
	Currency translation	Unrealised gain (loss) on valuation of financial assets	Total
At January 1	(\$ 7,452)	\$ 20,629	\$ 13,177
Currency translation differences			
- Group	8,871	–	8,871
- Associates	151	–	151
Valuation adjustment			
- Group	–	450,833	450,833
Valuation adjustment transferred to retained earnings			
- Group	–	(6,418)	(6,418)
At June 30	<u>\$ 1,570</u>	<u>\$ 465,044</u>	<u>\$ 466,614</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:

	For the three-month period ended June 30, 2025		
	Domestic	International	Total
Revenue from sales of medicine	\$ 698,564	\$ 106,460	\$ 805,024
Revenue from sales of dietary supplement	605,610	19,268	624,878
Revenue from sales of Active Pharmaceutical Ingredients	92,611	237,780	330,391
Revenue from rendering of services	290	–	290
Others	<u>66,101</u>	<u>1,231</u>	<u>67,332</u>
	<u>\$ 1,463,176</u>	<u>\$ 364,739</u>	<u>\$ 1,827,915</u>
	For the three-month period ended June 30, 2024		
	Domestic	International	Total
Revenue from sales of medicine	\$ 670,259	\$ 128,758	\$ 799,017
Revenue from sales of dietary supplement	506,903	23,883	530,786
Revenue from sales of Active Pharmaceutical Ingredients	88,225	273,701	361,926
Revenue from rendering of services	549	–	549
Others	<u>63,850</u>	<u>3,976</u>	<u>67,826</u>
	<u>\$ 1,329,786</u>	<u>\$ 430,318</u>	<u>\$ 1,760,104</u>

	For the six-month period ended June 30, 2025		
	Domestic	International	Total
Revenue from sales of medicine	\$ 1,401,206	\$ 170,404	\$ 1,571,610
Revenue from sales of dietary supplement	1,083,176	29,905	1,113,081
Revenue from sales of Active Pharmaceutical Ingredients	150,320	502,288	652,608
Revenue from rendering of services	540	–	540
Others	127,663	2,447	130,110
	<u>\$ 2,762,905</u>	<u>\$ 705,044</u>	<u>\$ 3,467,949</u>
	For the six-month period ended June 30, 2024		
	Domestic	International	Total
Revenue from sales of medicine	\$ 1,349,560	\$ 231,298	\$ 1,580,858
Revenue from sales of dietary supplement	963,927	47,242	1,011,169
Revenue from sales of Active Pharmaceutical Ingredients	175,513	475,100	650,613
Revenue from rendering of services	1,112	–	1,112
Others	121,907	7,980	129,887
	<u>\$ 2,612,019</u>	<u>\$ 761,620</u>	<u>\$ 3,373,639</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract liabilities –current				
Sales of medicine	\$ 51,435	\$ 43,587	\$ 44,023	\$ 34,899
Sales of dietary supplement	52,974	45,531	60,984	44,943
Sales of Active Pharmaceutical Ingredients	3,996	4,754	3,585	31
Others	730	1,114	1,967	3,337
	<u>\$ 109,135</u>	<u>\$ 94,986</u>	<u>\$ 110,559</u>	<u>\$ 83,210</u>
	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Refund liabilities - current	\$ –	\$ 320	\$ 320	\$ –

Revenue recognised that was included in the contract liability balance at the beginning of the three-month and six-month periods ended June 30, 2025 and 2024 were \$4,651, \$14,373, \$56,251 and \$50,047, respectively.

(21) Interest income

	<u>For the three-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ <u>8,297</u>	\$ <u>12,827</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ <u>13,196</u>	\$ <u>24,354</u>

(22) Other income

	<u>For the three-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Dividend income	\$ 798	\$ 113
Rental income	1,135	508
Research income	3,929	14,501
Royalty income	7,201	7,877
Government grants income	1,457	243
Compensation income	1,978	–
Other income	<u>1,479</u>	<u>4,396</u>
	\$ <u>17,977</u>	\$ <u>27,638</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Dividend income	\$ 798	\$ 113
Rental income	2,832	1,161
Research income	11,117	14,501
Royalty income	10,150	10,604
Technology transfer income	–	8,734
Government grants income	1,628	807
Compensation income	2,346	–
Other income	<u>4,655</u>	<u>8,252</u>
	\$ <u>33,526</u>	\$ <u>44,172</u>

(23) Other gains and losses

	<u>For the three-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Net gain on financial assets at fair value through profit or loss	\$ 1, 854	\$ 3, 084
Net loss on disposal of property, plant and equipment	(211)	(473)
Loss on remeasurement of investments	(6)	-
Gain from lease modification	35	-
Net currency exchange (loss) gain	(91, 820)	14, 473
Other losses	(1, 455)	(4, 121)
	<u>(\$ 91, 603)</u>	<u>\$ 12, 963</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Net gain on financial assets at fair value through profit or loss	\$ 44	\$ 4, 181
Net loss on disposal of property, plant and equipment	(216)	(748)
Loss on remeasurement of investments	(6)	-
Gain from lease modification	35	-
Net currency exchange (loss) gain	(73, 431)	74, 956
Other losses	(3, 806)	(6, 489)
	<u>(\$ 77, 380)</u>	<u>\$ 71, 900</u>

(24) Finance costs

	<u>For the three-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest expense		
Bank borrowings	\$ 1, 778	\$ 3, 710
Lease liabilities	996	1, 015
	2, 774	4, 725
Less: Capitalisation of qualifying assets	(756)	(442)
	<u>\$ 2, 018</u>	<u>\$ 4, 283</u>

	For the six-month periods ended June 30,	
	2025	2024
Interest expense		
Bank borrowings	\$ 3,378	\$ 8,125
Lease liabilities	1,943	2,050
	5,321	10,175
Less: Capitalisation of qualifying assets	(1,745)	(747)
	<u>\$ 3,576</u>	<u>\$ 9,428</u>

(25) Expenses by nature

	For the three-month period ended June 30, 2025		
	Recognised in operating costs	Recognised in operating expenses	Total
Employee benefit expenses	\$ 223,266	\$ 202,805	\$ 426,071
Depreciation	77,063	25,549	102,612
Amortisation	3,115	2,130	5,245
	<u>\$ 303,444</u>	<u>\$ 230,484</u>	<u>\$ 533,928</u>

	For the three-month period ended June 30, 2024		
	Recognised in operating costs	Recognised in operating expenses	Total
Employee benefit expenses	\$ 221,075	\$ 205,085	\$ 426,160
Depreciation	73,824	22,164	95,988
Amortisation	3,195	1,555	4,750
	<u>\$ 298,094</u>	<u>\$ 228,804</u>	<u>\$ 526,898</u>

	For the six-month period ended June 30, 2025		
	Recognised in operating costs	Recognised in operating expenses	Total
Employee benefit expenses	\$ 434,867	\$ 413,601	\$ 848,468
Depreciation	151,957	50,263	202,220
Amortisation	5,996	4,344	10,340
	<u>\$ 592,820</u>	<u>\$ 468,208</u>	<u>\$ 1,061,028</u>

	For the six-month period ended June 30, 2025		
	Recognised in operating costs	Recognised in operating expenses	Total
Employee benefit expenses	\$ 423,658	\$ 408,999	\$ 832,657
Depreciation	142,944	43,531	186,475
Amortisation	5,273	4,169	9,442
	<u>\$ 571,875</u>	<u>\$ 456,699</u>	<u>\$ 1,028,574</u>

(26) Employee benefit expenses

For the three-month period ended June 30, 2025			
	Recognised in <u>operating costs</u>	Recognised in <u>operating expenses</u>	<u>Total</u>
Wages and salaries	\$ 187,199	\$ 172,096	\$ 359,295
Labour and health insurance expenses	18,088	14,716	32,804
Pension costs	7,852	7,658	15,510
Other personnel expenses	<u>10,127</u>	<u>8,335</u>	<u>18,462</u>
	<u>\$ 223,266</u>	<u>\$ 202,805</u>	<u>\$ 426,071</u>

For the three-month period ended June 30, 2024			
	Recognised in <u>operating costs</u>	Recognised in <u>operating expenses</u>	<u>Total</u>
Wages and salaries	\$ 186,020	\$ 173,818	\$ 359,838
Labour and health insurance expenses	17,460	14,372	31,832
Pension costs	7,799	8,250	16,049
Other personnel expenses	<u>9,796</u>	<u>8,645</u>	<u>18,441</u>
	<u>\$ 221,075</u>	<u>\$ 205,085</u>	<u>\$ 426,160</u>

For the six-month period ended June 30, 2025			
	Recognised in <u>operating costs</u>	Recognised in <u>operating expenses</u>	<u>Total</u>
Wages and salaries	\$ 361,152	\$ 348,786	\$ 709,938
Labour and health insurance expenses	38,008	31,015	69,023
Pension costs	15,723	15,457	31,180
Other personnel expenses	<u>19,984</u>	<u>18,343</u>	<u>38,327</u>
	<u>\$ 434,867</u>	<u>\$ 413,601</u>	<u>\$ 848,468</u>

For the six-month period ended June 30, 2024			
	Recognised in <u>operating costs</u>	Recognised in <u>operating expenses</u>	<u>Total</u>
Wages and salaries	\$ 353,099	\$ 347,286	\$ 700,385
Labour and health insurance expenses	35,926	29,449	65,375
Pension costs	15,463	15,528	30,991
Other personnel expenses	<u>19,170</u>	<u>16,736</u>	<u>35,906</u>
	<u>\$ 423,658</u>	<u>\$ 408,999</u>	<u>\$ 832,657</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, of which at least 60% shall be allocated to rank-and-file employees, 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 and six-month periods ended June 30, 2025 and 2024, employees' compensation was accrued at \$1,875, \$2,448, \$4,279 and \$4,873, respectively; while directors' remuneration was accrued at \$1,125, \$1,217, \$2,250 and \$2,067, 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 June 30,</u>	
	<u>2025</u>	<u>2024</u>
Current tax:		
Current tax on profits for the period	\$ 66,766	\$ 90,812
Tax on unappropriated earnings	9,940	29,016
Income tax overestimates for prior years	(33,642)	(8,861)
	<u>43,064</u>	<u>110,967</u>
Deferred tax:		
Origination and reversal of temporary differences	(9,450)	(11,087)
Total income tax expense	<u>\$ 33,614</u>	<u>\$ 99,880</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Current tax:		
Current tax on profits for the period	\$ 137,031	\$ 164,770
Tax on unappropriated earnings	9,940	29,016
Income tax overestimates for prior years	(35,914)	(12,479)
	<u>111,057</u>	<u>181,307</u>
Deferred tax:		
Origination and reversal of temporary differences	(7,886)	617
Total income tax expense	<u>\$ 103,171</u>	<u>\$ 181,924</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 August 5, 2025.

(28) Earnings per share

<u>For the three-month period ended June 30, 2025</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 196,179</u>	<u>178,696</u>	<u>\$ 1.10</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 196,179	178,696	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>—</u>	<u>83</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 196,179</u>	<u>178,779</u>	<u>\$ 1.10</u>
<u>For the three-month period ended June 30, 2024</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 215,767</u>	<u>178,696</u>	<u>\$ 1.21</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 215,767	178,696	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>—</u>	<u>70</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 215,767</u>	<u>178,766</u>	<u>\$ 1.21</u>

<u>For the six-month period ended June 30, 2025</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 390,850	178,696	\$ 2.19
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 390,850	178,696	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	137	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 390,850	178,833	\$ 2.19
<u>For the six-month period ended June 30, 2024</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 468,471	178,696	\$ 2.62
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 468,471	178,696	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	118	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 468,471	178,814	\$ 2.62

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
(a) Acquisition of property, plant and equipment	\$ 160,432	\$ 161,266
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	(8,396)	(17,994)
Ending balance of payable on equipment (listed as "Other payables")	(24,301)	(20,753)
Capitalised interest	(1,745)	(747)
Cash paid for acquisition of property, plant and equipment	<u>\$ 151,147</u>	<u>\$ 167,113</u>

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

	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
(1) Write-off of accounts receivable	<u>\$ 1,559</u>	<u>\$ -</u>
(2) Proceeds from disposal of financial assets at fair value through profit or loss not yet received	<u>\$ 1,211</u>	<u>\$ 1,432</u>
(3) Inventories transferred to property, plant and equipment	<u>\$ 7,622</u>	<u>\$ 3,871</u>
(4) Prepayments for equipment transferred to property, plant and equipment	<u>\$ 151,133</u>	<u>\$ 67,308</u>
(5) Right-of-use assets reclassified to property, plant and equipment	<u>\$ 345</u>	<u>\$ -</u>
(6) Dividends receivable from investments accounted for under the equity method	<u>\$ -</u>	<u>\$ 27,641</u>
(7) Cash dividends declared but not yet distributed (listed as "Other payables")	<u>\$ 742,006</u>	<u>\$ 667,019</u>

C. On June 30, 2025, the Group lost control over Standard Pharma Holding Co., Ltd. as it did not subscribe to the new shares in proportion to its ownership interest. The related assets and liabilities of the company are as follows:

	<u>June 30, 2025</u>
Cash and cash equivalents	\$ 1,107
Non-current assets	899
Current liabilities	(1)
Carrying amount of net assets	<u>\$ 2,005</u>

On June 30, 2025, the Group's ownership interest in the company was remeasured at its fair value of \$1,232, resulting in a loss of \$6 (listed as 'Other gains and losses').

(30) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Long-term borrowings (including current portion)	Guarantee deposits received	Total
At January 1, 2025	\$ 110,000	\$ 227,455	\$ 222,973	\$ 8,772	\$ 569,200
Changes in cash flow from financing activities	70,000	(12,942)	(129,514)	(158)	(72,614)
Changes in other non-cash items	<u>-</u>	<u>23,292</u>	<u>-</u>	<u>-</u>	<u>23,292</u>
At June 30, 2025	<u>\$ 180,000</u>	<u>\$ 237,805</u>	<u>\$ 93,459</u>	<u>\$ 8,614</u>	<u>\$ 519,878</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	(480,551)	(12,235)	(29,513)	161	(522,138)
Changes in other non-cash items	<u>-</u>	<u>6,092</u>	<u>-</u>	<u>-</u>	<u>6,092</u>
At June 30, 2024	<u>\$ 319,449</u>	<u>\$ 239,743</u>	<u>\$ 252,487</u>	<u>\$ 12,460</u>	<u>\$ 824,139</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
Standard Pharma (Thailand) Co., Ltd. (SPTH)	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 June 30,</u>	
	<u>2025</u>	<u>2024</u>
Associates	\$ 26,674	\$ 38,862
Other related parties	<u>5,802</u>	<u>4,314</u>
	<u>\$ 32,476</u>	<u>\$ 43,176</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Associates	\$ 45,510	\$ 64,116
Other related parties	<u>11,500</u>	<u>11,335</u>
	<u>\$ 57,010</u>	<u>\$ 75,451</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 June 30,</u>	
	<u>2025</u>	<u>2024</u>
Associates	\$ 19,265	\$ 3,699
Other related parties	<u>1,209</u>	<u>2,301</u>
	<u>\$ 20,474</u>	<u>\$ 6,000</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Associates	\$ 27,873	\$ 17,307
Other related parties	<u>1,815</u>	<u>3,978</u>
	<u>\$ 29,688</u>	<u>\$ 21,285</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 June 30,</u>	
	<u>2025</u>	<u>2024</u>
Associates	\$ 17,741	\$ 5,271
Other related parties	<u>9</u>	<u>–</u>
	<u>\$ 17,750</u>	<u>\$ 5,271</u>

	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Associates	\$ 22,745	\$ 10,447
Other related parties	<u>9</u>	<u>6</u>
	<u>\$ 22,754</u>	<u>\$ 10,453</u>

D. Other income

	<u>For the three-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Associates	\$ 2, 690	\$ 1, 529
Other related parties	4	2
	<u>\$ 2, 694</u>	<u>\$ 1, 531</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Associates	\$ 3, 698	\$ 1, 613
Other related parties	1, 486	1, 329
	<u>\$ 5, 184</u>	<u>\$ 2, 942</u>

E. Ending balance of goods sold

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Receivables from related parties:			
Associates	\$ 23, 681	\$ 29, 893	\$ 34, 307
Other related parties	8, 434	7, 606	6, 786
	<u>\$ 32, 115</u>	<u>\$ 37, 499</u>	<u>\$ 41, 093</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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Associates	\$ 38	\$ 285	\$ 3, 853
Other related parties	–	2	24, 002
	<u>\$ 38</u>	<u>\$ 287</u>	<u>\$ 27, 855</u>

G. Ending balance of goods purchased

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Payables to related parties:			
Associates	\$ 27, 526	\$ 30, 349	\$ 7, 319
Other related parties	1, 875	2, 940	2, 957
	<u>\$ 29, 401</u>	<u>\$ 33, 289</u>	<u>\$ 10, 276</u>

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

H. Other payables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Associates	\$ 3, 416	\$ 9, 806	\$ 4, 784

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 June 30, 2025, December 31, 2024 and June 30, 2024, the carrying amount of right-of-use assets were \$1,349, \$3,095 and \$3,973, respectively.
- (c) As of June 30, 2025, December 31, 2024 and June 30, 2024, the carrying amount of lease liability were \$1,401, \$3,194 and \$4,086, respectively. The Group recognised interest expense amounting to \$4, \$14, \$13 and \$30 (listed as ‘Finance costs’) for the three-month and six-month periods ended June 30, 2025 and 2024, respectively.

(3) Key management compensation

	<u>For the three-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Salaries and other short-term employee benefits	\$ 8,339	\$ 12,844
Post-employment benefits	18	—
	<u>\$ 8,357</u>	<u>\$ 12,844</u>
	<u>For the six-month periods ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Salaries and other short-term employee benefits	\$ 27,752	\$ 25,964
Post-employment benefits	37	—
	<u>\$ 27,789</u>	<u>\$ 25,964</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purposes
	June 30, 2025	December 31, 2024	June 30, 2024	
Time deposits (Note 1)	\$ 8,000	\$ 8,000	\$ —	Performance guarantees
Land (Note 2)	297,406	297,406	297,406	Short-term and long-term borrowings
Buildings-net (Note 2)	481,526	327,836	333,044	Short-term and long-term borrowings
Machinery-net (Note 2)	45,161	8,993	9,910	Long-term borrowings
Utility equipment-net (Note 2)	24,159	—	—	Long-term borrowings
Other equipment-net (Note 2)	—	110	110	Long-term borrowings
Construction in progress (Note 2)	—	71,179	110,519	Long-term borrowings
	<u>\$ 856,252</u>	<u>\$ 713,524</u>	<u>\$ 750,989</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 June 30, 2025, December 31, 2024 and June 30, 2024, the balances for contracts that the Group entered into for the purchase of property, plant and equipment, but not yet due were \$276,915, \$338,609 and \$388,987, 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>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 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>\$ 145,396</u>	<u>\$ 168,627</u>	<u>\$ 171,352</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	<u>\$ 555,952</u>	<u>\$ 508,242</u>	<u>\$ 865,873</u>
Financial assets at amortised cost			
Cash and cash equivalents	\$ 1,593,738	\$ 1,520,128	\$ 1,617,053
Financial assets at amortised cost	255,150	134,500	92,725
Notes receivable	307,722	283,668	371,153
Accounts receivable	1,163,330	1,039,155	1,123,484
Other receivables	7,288	16,567	175,115
Guarantee deposits paid	36,849	28,783	28,756
	<u>\$ 3,364,077</u>	<u>\$ 3,022,801</u>	<u>\$ 3,408,286</u>

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Financial liabilities			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 180, 000	\$ 110, 000	\$ 319, 449
Notes payable	262, 814	360, 766	359, 735
Accounts payable	371, 105	242, 304	247, 541
Other payables	1, 236, 521	573, 375	1, 157, 335
Long-term borrowings (including current portion)	93, 459	222, 973	252, 487
Guarantee deposits received	8, 614	8, 772	12, 460
	<u>\$ 2, 152, 513</u>	<u>\$ 1, 518, 190</u>	<u>\$ 2, 349, 007</u>
Lease liabilities	<u>\$ 237, 805</u>	<u>\$ 227, 455</u>	<u>\$ 239, 743</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:

June 30, 2025			
Foreign currency amount			
	(In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 20,004	29.30	\$ 586,117
EUR: NTD	1,256	34.35	43,144
JPY: NTD	522,124	0.2034	106,200
RMB: NTD	3,287	4.091	13,447
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	642	29.30	18,811
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

June 30, 2024			
Foreign currency			
amount			
	(In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 29,632	32.45	\$ 961,558
EUR: NTD	276	34.71	9,580
JPY: NTD	360,156	0.2017	72,643
RMB: NTD	10,902	4.445	48,459
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	377	32.45	12,234

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 six-month periods ended June 30, 2025 and 2024 would have increased/decreased by \$5,841 and \$8,640, respectively.

- v. Total net exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2025 and 2024 amounted to (\$91,820), \$14,473, (\$73,431) and \$74,956, 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 six-month periods ended June 30, 2025 and 2024 would have increased/decreased by \$1,598 and \$1,811, 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 \$5,476 and \$3,989, 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 six-month periods ended June 30, 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 six-month periods ended June 30, 2025 and 2024 would have been \$29 and \$75 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 six-month period ended June 30, 2025		
	Notes receivable	Accounts receivable	Total
Beginning balance	\$ 428	\$ 26,388	\$ 26,816
Reversal of impairment	(49)	(3,943)	(3,992)
Write-offs	<u>–</u>	<u>(1,559)</u>	<u>(1,559)</u>
Ending balance	<u>\$ 379</u>	<u>\$ 20,886</u>	<u>\$ 21,265</u>

	For the six-month period ended June 30, 2024		
	Notes receivable	Accounts receivable	Total
Beginning balance	\$ 237	\$ 15,368	\$ 15,605
Provision for impairment	<u>114</u>	<u>11,467</u>	<u>11,581</u>
Ending balance	<u>\$ 351</u>	<u>\$ 26,835</u>	<u>\$ 27,186</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:

	June 30, 2025	December 31, 2024	June 30, 2024
Floating rate:			
Expiring within one year	\$ 2,640,680	\$ 3,153,210	\$ 3,481,701
Expiring beyond one year	<u>80,000</u>	<u>127,000</u>	<u>47,000</u>
	<u>\$ 2,720,680</u>	<u>\$ 3,280,210</u>	<u>\$ 3,528,701</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:

June 30, 2025	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 180,257	\$ –	\$ –	\$ –
Notes payable	262,814	–	–	–
Accounts payable	371,105	–	–	–
Other payables	1,236,521	–	–	–
Lease liabilities	31,360	25,550	64,089	141,257
Long-term borrowings	60,303	34,654	–	–
Guarante deposits received	8,532	82	–	–
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	–	–
June 30, 2024	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 320,548	\$ –	\$ –	\$ –
Notes payable	359,735	–	–	–
Accounts payable	247,541	–	–	–
Other payables	1,157,335	–	–	–
Lease liabilities	28,582	26,770	55,175	158,073
Long-term borrowings	63,380	62,471	54,294	101,485
Guarantee deposits received	–	3,930	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 certain 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>June 30, 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	\$ 133,713	\$ –	\$ 11,683	\$ 145,396
Financial assets at fair value through other comprehensive income				
Equity securities	<u>392,860</u>	<u>–</u>	<u>163,092</u>	<u>555,952</u>
	<u>\$ 526,573</u>	<u>\$ –</u>	<u>\$ 174,775</u>	<u>\$ 701,348</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>June 30, 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	\$ 155,728	\$ –	\$ 15,624	\$ 171,352
Financial assets at fair value through other comprehensive income				
Equity securities	<u>738,017</u>	<u>–</u>	<u>127,856</u>	<u>865,873</u>
	<u>\$ 893,745</u>	<u>\$ –</u>	<u>\$ 143,480</u>	<u>\$1,037,225</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 six-months periods ended June 30, 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 six-month periods ended June 30, 2025 and 2024:

	For the six-month periods ended June 30,	
	2025	2024
At January 1	\$ 130,565	\$ 120,696
Purchase	45,000	20,000
Disposal	(12,821)	(399)
Recognised in profit or loss	12,153	(581)
Recognised in other comprehensive (loss) income	(122)	3,764
At June 30	<u>\$ 174,775</u>	<u>\$ 143,480</u>

F. For the six-month periods ended June 30, 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:

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 95,239	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	64,750	Discounted cash flow	Weighted-average cost of capital	8.57%~15%	The higher the weighted-average cost of capital, the lower the fair value
Unlisted stocks	14,786	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 June 30, 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, 992	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks		23, 700	Discounted cash flow	Weighted-average cost of capital	15%	The higher the weighted-average cost of capital, the lower the fair value
Unlisted stocks		16, 788	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:

			June 30, 2025			
			Recognised in profit or loss		Recognised in other comprehensive comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
			change	change	change	change
	Input	Change				
Financial assets						
Equity instrument	Discount for lack of marketability	± 3%	\$ 8	(\$ 8)	\$ 4,073	(\$ 4,073)
Equity instrument	Weighted-average cost of capital	±0.25% ~ ± 0.5%	\$ -	\$ -	\$ 14,110	(\$ 8,925)
			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
			change	change	change	change
	Input	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)
			June 30, 2024			
			Recognised in profit or loss		Recognised in other comprehensive comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
			change	change	change	change
	Input	Change				
Financial assets						
Equity instrument	Discount for lack of marketability	± 3%	\$ 145	(\$ 145)	\$ 4,269	(\$ 4,269)
Equity instrument	Weighted-average cost of capital	± 0.5%	\$ -	\$ -	\$ 1,080	(\$ 1,000)

13. SUPPLEMENTARY DISCLOSURES

(According to the current regulatory requirements, the Group is only required to disclose the information for the six-month period ended June 30, 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 period (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 period: 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 period 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 six-month period ended June 30, 2025				
	Active Pharmaceutical				
	Medicine	Dietary supplement	Ingredients	Others	Total
Segment revenue	\$ 1,617,003	\$ 1,160,094	\$ 680,627	\$ 151,599	\$ 3,609,323
Revenue from internal customers	(45,393)	(47,013)	(28,019)	(20,949)	(141,374)
Revenue from external customers	1,571,610	1,113,081	652,608	130,650	3,467,949
Segment profit before income tax	413,121	151,606	128,429	2,098	695,254
Segment assets	4,365,958	3,309,420	3,167,578	742,151	11,585,107
Segment liabilities	1,506,816	853,404	485,093	88,620	2,933,933

For the six-month period ended June 30, 2024					
Active Pharmaceutical					
	Medicine	Dietary supplement	Ingredients	Others	Total
Segment revenue	\$ 1,627,166	\$ 1,069,698	\$ 678,760	\$ 151,100	\$ 3,526,724
Revenue from internal customers	(46,308)	(58,529)	(28,147)	(20,101)	(153,085)
Revenue from external customers	1,580,858	1,011,169	650,613	130,999	3,373,639
Segment profit before income tax	557,050	121,379	244,339	13,039	935,807
Segment assets	4,622,264	3,305,919	3,094,138	747,319	11,769,640
Segment liabilities	1,559,380	1,072,147	443,062	20,764	3,095,353

(3) 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 six-month periods ended June 30,		
	2025	2024
Reportable segment income before income tax	\$ 693,156	\$ 922,768
Other segments profit before income tax	2,098	13,039
Inter-segment transactions	(59,832)	(86,899)
Profit before income tax	\$ 635,422	\$ 848,908

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 six-month period ended June 30, 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	\$ 8,387	\$ 8,387	\$ 8,387	1.20%	2	\$ -	Operating capital	\$ 8,387	—	—	\$ 5,995	\$ 7,195	(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 1:4.0910.

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

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

June 30, 2025

Table 2

Expressed in thousands of NTD

			As of June 30, 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	\$ 46,497	17.71%	\$ 46,497	-
	Sun You Biotech Pharm Co., Ltd.	The manager of the Company is Sun You Biotech Pharm Co., Ltd.' s director	2	3,378,006	43,880	18.13%	43,880	-
	Rossmax International Ltd.	—	2	3,548,000	51,091	4.15%	51,091	-
	EASYWELL BIOMEDICALS, INC.	—	2	6,794,600	341,768	5.45%	341,768	-
	Rock BioMedical, Inc.	—	2	1,500,000	42,570	1.24%	42,570	-
Advpharma Inc.	Beneficiary certificates:							
	Taishin 1699 Money Market Fund	—	1	977,966	13,945	-	13,945	-
	UPAMC James Bond Money Market Fund	—	1	1,185,178	20,774	-	20,774	-
	Capital Money Market Fund	—	1	1,227,024	20,796	-	20,796	-
	Stocks:							
	GlobalWafers Co., Ltd.	—	1	36,000	10,854	0.01%	10,854	-
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 period

For the six-month period ended June 30, 2025

Table 3

Expressed in thousands of NTD

				Transaction			
Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
0	Standard Chem. & Pharm. Co., Ltd.	Syngen Biotech Co., Ltd.	1	Purchases	\$ 34,847	1 ~ 4 month(s) after monthly billings.	1%
			1	Accounts payable	(26,192)	—	—
		Souriree Biotech & Pharm. Co., Ltd.	1	Purchases	38,914	1 ~ 4 month(s) after monthly billings.	1%
		Syn-Tech Chem. & Pharm. Co., Ltd.	1	Purchases	23,833	1 ~ 4 month(s) after monthly billings.	1%
		Standard Chem. & Pharm. Philippines, Inc.	1	Accounts payable	(16,481)	—	—
			1	Prepayments	28,218	—	—
1	Syn-Tech Chem. & Pharm. Co., Ltd.	Standard Chem. & Pharm. Co., Ltd.	2	Lease liabilities	13,960	—	—

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

Names, locations and other information of investee companies (not including investees in Mainland China)

For the six-month period ended June 30, 2025

Table 4

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025			Net profit (loss) of the investee for the six-month period ended June 30, 2025	Investment income (loss) recognised for the six-month period ended June 30, 2025	Note
				Balance as at June 30, 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	\$ 152,037	\$ 1,313	\$ 1,533	Subsidiary
	Chia Scheng International Co., Ltd.	Taiwan	Sale of various medical supplements	161,356	161,356	14,553,000	100.00	16,706	1,675	1,685	Subsidiary
	Standard Chem. & Pharm. Philippines, Inc.	Philippines	Import and export of Various medical products, medicine, supplements	12,340	12,340	392,014	100.00	(4,803)	(3,653)	(3,653)	Subsidiary
	Inforight Technology Co., Ltd.	Taiwan	Wholesale of multi-function printers and information software	5,000	5,000	500,000	100.00	6,901	1,247	1,247	Subsidiary
	Souriree Biotech & Pharm. Co., Ltd.	Taiwan	Manufacturing of western medicine and retail and wholesale of various medicines	41,871	41,871	5,673,908	93.58	46,042	397	790	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	297,356	(27,418)	(24,420)	Subsidiary
	Advpharma Inc.	Taiwan	Research and development, manufacturing and sale of various medicine	525,933	525,933	53,226,806	88.71	266,847	(4,407)	(3,877)	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	1,030,063	148,687	69,759	Subsidiary (Note 1)
	Syn-Tech Chem. & Pharm. Co., Ltd.	Taiwan	Manufacturing and sale of APIs, reagent, surfactant, Chinese, western, and veterinary medicinal products	720,941	720,941	12,675,959	28.43	801,013	92,253	22,492	Subsidiary (Note 2)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025			Net profit (loss) of the investee for the six-month period ended June 30, 2025	Investment income (loss) recognised for the six-month period ended June 30, 2025	Note
				Balance as at June 30, 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	\$ 73,500	\$ 46,800	6,350,000	90.71	\$ 52,662	(\$ 6,923)	(\$ 6,009)	Subsidiary
	Standard Chem. & Pharm. Vietnam Co., Ltd.	Vietnam	Import and export of various medicine	6,414	6,414	-	100.00	2,926	(1,725)	(1,725)	Subsidiary
	We Can Medicines Co., Ltd.	Taiwan	Wholesale of various medicine	299,915	299,915	13,444,909	29.88	318,806	(19,085)	(5,642)	Associate
	Taiwan Biosim Co., Ltd.	Taiwan	Research and development of various medicine	74,850	74,850	7,485,000	49.90	76,968	24,735	11,348	Associate
	Standard Pharma Holding Co.,Ltd.	Thailand	Sale of various medical supplements and investments	1,400	-	150,000	48.86	1,232	(275)	(161)	Associate (Note 3)
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	6,022	(259)	(259)	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	300,212	7,369	1,909	Associate (Note 4)
Syn-Tech Chem. & Pharm. Co., Ltd.	Advpharma Inc.	Taiwan	Research and development, manufacturing and sale of various medicine	9,626	9,626	1,495,414	2.49	7,684	(4,407)	-	(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 over-allotment 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: It was newly established during the second quarter of 2025.

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 June 30, 2025 (USD: NTD 1 : 29.30 ; PHP : NTD 1 : 0.5203 ; VND : NTD 1 : 0.00111 ; THB : NTD 1 : 0.9069 ; MYR : NTD 1 : 6.9555) ; Profit and loss were translated using the weighted-average exchange rate for the six-month period ended June 30, 2025 (USD : NTD 1 : 31.82 ; PHP : NTD 1 : 0.5575 ; VND : NTD 1 : 0.00120 ; THB : NTD 1 : 0.9539 ; MYR : NTD 1 : 7.2680).

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

Information on investments in Mainland China

For the six-month period ended June 30, 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 six-month period ended June 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Net income (loss) of investee for the six-month period ended June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised for the six-month period ended June 30, 2025	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 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	\$ 351,600	(Note 1)	\$ 263,408	\$ -	\$ -	\$ 263,408	\$ 724	100.00	\$ 724	\$ 112,733	\$ -	(Note 4) (Note 5)
Jiangsu Standard-Dia Biopharma Co., Ltd.	Research and development, manufacturing and sale of various medicine	173,438	(Note 2)	-	-	-	-	14,064	55.00	7,733	(8,392)	-	(Note 4)
Shanghai Standard Pharmaceuticals Co., Ltd.	Sale of various medicine and dietary supplement	11,720	(Note 3)	5,860	5,860	-	11,720	(1,048)	100.00	(1,048)	6,006	-	(Note 4)
<u>Company name</u>	<u>Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 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.	\$ 275,128	\$ 363,320	\$ 5,190,704										

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 June 30, 2025 (USD:NTD 1:29.30 ; RMB:NTD 1:4.0910) ; Investment gains or losses were translated using the weighted-average exchange rate for the six-month period ended June 30, 2025 (USD:NTD 1:31.82 ; RMB:NTD 1:4.3824).