

**FORMOSA LABORATORIES, INC. AND  
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT**

**MARCH 31, 2026 AND 2025**

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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 Formosa Laboratories, Inc.

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Formosa Laboratories, Inc. and its subsidiaries (the "Group") as at March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months 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***

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" of 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.

## ***Conclusion***

Based on our reviews, 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 March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months then ended 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.

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Teng, Sheng-Wei

Tsai, Pei-Hua

For and on Behalf of PricewaterhouseCoopers, Taiwan

May 14, 2026

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

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

**FORMOSA LABORATORIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	March 31, 2026		December 31, 2025		March 31, 2025		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 1,156,746	9	\$ 1,140,826	8	\$ 1,438,483	10
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	112,095	1	150,418	1	122,033	1
1136	Current financial assets at amortised cost, net	6(4)	1,112,900	8	1,220,900	9	1,330,000	10
1150	Notes receivable, net	6(5)	-	-	-	-	1,021	-
1170	Accounts receivable, net	6(5)	868,932	6	1,046,002	8	972,064	7
1180	Accounts receivable - related parties	7	74,014	1	45,514	-	33,017	-
1200	Other receivables		53,406	-	72,023	1	62,360	1
1210	Other receivables - related parties	7	50	-	401	-	32	-
1220	Current income tax assets		5,794	-	5,163	-	3,309	-
130X	Inventory	6(6)	1,832,692	13	1,715,718	12	1,702,803	12
1410	Prepayments		161,743	1	168,495	1	184,122	1
1470	Other current assets		3,087	-	1,640	-	4,997	-
11XX	<b>Total current assets</b>		<u>5,381,459</u>	<u>39</u>	<u>5,549,100</u>	<u>40</u>	<u>5,854,241</u>	<u>42</u>
<b>Non-current assets</b>								
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 8	1,048,012	7	1,168,890	8	1,337,940	10
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	92,287	1	92,182	1	100,329	1
1550	Investments accounted for under equity method	6(7)	21,568	-	24,528	-	18,761	-
1600	Property, plant and equipment	6(8) and 8	6,286,990	46	6,122,066	44	6,079,592	44
1755	Right-of-use assets		113,807	1	103,593	1	104,986	1
1780	Intangible assets	6(9)	365,444	3	353,111	3	210,367	1
1840	Deferred income tax assets		121,876	1	116,584	1	98,662	1
1900	Other non-current assets	6(8)(10) and 8	266,959	2	303,263	2	68,691	-
15XX	<b>Total non-current assets</b>		<u>8,316,943</u>	<u>61</u>	<u>8,284,217</u>	<u>60</u>	<u>8,019,328</u>	<u>58</u>
1XXX	<b>Total assets</b>		<u>\$ 13,698,402</u>	<u>100</u>	<u>\$ 13,833,317</u>	<u>100</u>	<u>\$ 13,873,569</u>	<u>100</u>

(Continued)

**FORMOSA LABORATORIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	March 31, 2026		December 31, 2025		March 31, 2025		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>								
2100	Short-term borrowings	6(12) and 8	\$ 683,000	5	\$ 1,113,000	8	\$ 933,000	7
2110	Short-term notes and bills payable	6(13)	-	-	-	-	49,995	-
2130	Current contract liabilities	6(22)	126,558	1	125,915	1	89,506	1
2150	Notes payable		-	-	-	-	606	-
2170	Accounts payable		235,867	2	274,356	2	265,663	2
2200	Other payables	6(14)	698,266	5	857,372	6	678,483	5
2220	Other payables to related parties	7	4,134	-	136	-	89	-
2230	Current income tax liabilities		73,828	1	30,941	-	125,926	1
2280	Current lease liabilities		26,830	-	23,763	-	25,209	-
2320	Long-term liabilities, current portion	6(15) and 8	428,562	3	440,337	3	392,921	3
2399	Other current liabilities	6(9)	34,798	-	34,505	1	36,762	-
21XX	<b>Total current liabilities</b>		<u>2,311,843</u>	<u>17</u>	<u>2,900,325</u>	<u>21</u>	<u>2,598,160</u>	<u>19</u>
<b>Non-current liabilities</b>								
2520	Financial liabilities at amortised cost - non-current	6(11) and 7	63,990	1	62,860	-	66,410	-
2527	Contract liabilities - non-current	6(22)	31,062	-	26,077	-	22,716	-
2540	Long-term borrowings	6(15) and 8	2,376,884	17	1,949,414	14	2,305,447	17
2570	Deferred income tax liabilities		10,407	-	13,456	-	20,137	-
2580	Non-current lease liabilities		89,825	1	83,068	1	80,826	1
2600	Other non-current liabilities	6(7)(9)	130,078	1	127,975	1	25,698	-
25XX	<b>Total non-current liabilities</b>		<u>2,702,246</u>	<u>20</u>	<u>2,262,850</u>	<u>16</u>	<u>2,521,234</u>	<u>18</u>
2XXX	<b>Total liabilities</b>		<u>5,014,089</u>	<u>37</u>	<u>5,163,175</u>	<u>37</u>	<u>5,119,394</u>	<u>37</u>
<b>Equity attributable to owners of parent</b>								
Share capital								
3110	Common stock	1 and 6(18)	1,202,560	9	1,202,560	8	1,202,560	9
Capital surplus								
3200	Capital surplus	6(19)	3,570,410	26	3,570,380	26	3,773,560	27
Retained earnings								
3310	Legal reserve	6(20)	513,729	4	513,729	4	498,069	3
3320	Special reserve		18,218	-	18,218	-	19	-
3350	Unappropriated retained earnings		2,497,390	18	2,478,635	18	2,348,701	17
Other equity interest								
3400	Other equity interest	6(21)	(27,094)	-	(26,339)	-	(12,972)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>7,775,213</u>	<u>57</u>	<u>7,757,183</u>	<u>56</u>	<u>7,809,937</u>	<u>56</u>
36XX	Non-controlling interest	4(3)	909,100	6	912,959	7	944,238	7
3XXX	<b>Total equity</b>		<u>8,684,313</u>	<u>63</u>	<u>8,670,142</u>	<u>63</u>	<u>8,754,175</u>	<u>63</u>
Significant Contingent Liabilities and Unrecognised Contract Commitments								
3X2X	<b>Total liabilities and equity</b>		<u>\$ 13,698,402</u>	<u>100</u>	<u>\$ 13,833,317</u>	<u>100</u>	<u>\$ 13,873,569</u>	<u>100</u>

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

**FORMOSA LABORATORIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**THREE MONTHS ENDED MARCH 31, 2026 AND 2025**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Three months ended March 31				
		2026		2025		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(22) and 7	\$ 1,064,006	100	\$ 1,143,721	100
5000	Operating costs	6(6)(27) and 7	( 606,662)	( 57)	( 662,822)	( 58)
5900	Net operating margin		<u>457,344</u>	<u>43</u>	<u>480,899</u>	<u>42</u>
	Operating expenses	6(27) and 7				
6100	Selling expenses		( 57,350)	( 5)	( 50,467)	( 4)
6200	General and administrative expenses		( 67,801)	( 6)	( 68,068)	( 6)
6300	Research and development expenses		( 186,056)	( 18)	( 177,348)	( 16)
6450	Impairment gain	12(2)	4,644	-	8,458	1
6000	Total operating expenses		<u>( 306,563)</u>	<u>( 29)</u>	<u>( 287,425)</u>	<u>( 25)</u>
6900	Operating profit		<u>150,781</u>	<u>14</u>	<u>193,474</u>	<u>17</u>
	Non-operating income and expenses					
7100	Interest income	6(23)	5,761	1	6,498	1
7010	Other income	6(24)	783	-	1,458	-
7020	Other gains and losses	6(25)	( 97,015)	( 9)	( 40,804)	( 4)
7050	Finance costs	6(26)	( 7,073)	( 1)	( 10,874)	( 1)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	( 2,940)	-	542	-
7000	Total non-operating income and expenses		<u>( 100,484)</u>	<u>( 9)</u>	<u>( 43,180)</u>	<u>( 4)</u>
7900	<b>Profit before income tax</b>		<u>50,297</u>	<u>5</u>	<u>150,294</u>	<u>13</u>
7950	Income tax expense	6(29)	( 35,332)	( 4)	( 49,377)	( 4)
8200	<b>Profit for the period</b>		<u>\$ 14,965</u>	<u>1</u>	<u>\$ 100,917</u>	<u>9</u>
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	\$ 104	-	( \$ 204)	-
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		<u>104</u>	<u>-</u>	<u>( 204)</u>	<u>-</u>
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations		( 1,191)	-	7,134	-
8399	Income tax relating to the components of other comprehensive income	6(21)(29)	218	-	( 668)	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		<u>( 973)</u>	<u>-</u>	<u>6,466</u>	<u>-</u>
8300	<b>Total other comprehensive income (loss) for the period</b>		<u>( \$ 869)</u>	<u>-</u>	<u>\$ 6,262</u>	<u>-</u>
8500	<b>Total comprehensive income for the period</b>		<u>\$ 14,096</u>	<u>1</u>	<u>\$ 107,179</u>	<u>9</u>
	Profit (loss) attributable to:					
8610	Owners of the parent		\$ 18,755	2	\$ 120,545	11
8620	Non-controlling interest		( 3,790)	( 1)	( 19,628)	( 2)
			<u>\$ 14,965</u>	<u>1</u>	<u>\$ 100,917</u>	<u>9</u>
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		\$ 18,000	1	\$ 125,770	11
8720	Non-controlling interest		( 3,904)	-	( 18,591)	( 2)
			<u>\$ 14,096</u>	<u>1</u>	<u>\$ 107,179</u>	<u>9</u>
	Earnings per share (in dollars)	6(30)				
9750	Basic earnings per share		\$ 0.16		\$ 1.00	
9850	Diluted earnings per share		\$ 0.15		\$ 1.00	

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

FORMOSA LABORATORIES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
THREE MONTHS ENDED MARCH 31, 2026 AND 2025  
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent											
		Capital Reserves			Retained Earnings			Other Equity Interest					
			Capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed	Capital Surplus, changes in ownership interests in subsidiaries	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	Share capital - common stock	Capital surplus, additional paid- in capital											
<u>2025</u>													
	Balance at January 1, 2025	\$ 1,202,560	\$ 3,083,576	\$ 1,586	\$ 688,306	\$ 498,069	\$ 19	\$ 2,228,157	(\$ 15,342)	(\$ 2,856)	\$ 7,684,075	\$ 962,697	\$ 8,646,772
	Profit (loss) for the period	-	-	-	-	-	-	120,545	-	-	120,545	( 19,628)	100,917
	Other comprehensive income	-	-	-	-	-	-	-	2,671	2,554	5,225	1,037	6,262
	Total comprehensive income (loss)	-	-	-	-	-	-	120,545	2,671	2,554	125,770	( 18,591)	107,179
	Disposal of investments in equity instruments designated at fair value through other comprehensive income by subsidiaries	-	-	-	-	-	-	( 1)	-	1	-	-	-
	Amortisation of compensation cost of employee stock options	-	-	-	92	-	-	-	-	-	92	132	224
	Balance at March 31, 2025	\$ 1,202,560	\$ 3,083,576	\$ 1,586	\$ 688,398	\$ 498,069	\$ 19	\$ 2,348,701	(\$ 12,671)	(\$ 301)	\$ 7,809,937	\$ 944,238	\$ 8,754,175
<u>2026</u>													
	Balance at January 1, 2026	\$ 1,202,560	\$ 2,880,344	\$ 1,586	\$ 688,450	\$ 513,729	\$ 18,218	\$ 2,478,655	(\$ 17,277)	\$ 9,062	\$ 7,757,183	\$ 912,959	\$ 8,670,142
	Profit (loss) for the period	-	-	-	-	-	-	18,755	-	-	18,755	( 3,790)	14,965
	Other comprehensive (loss)	-	-	-	-	-	-	-	( 871)	116	( 755)	( 114)	( 869)
	Total comprehensive income (loss)	-	-	-	-	-	-	18,755	( 871)	116	18,000	( 3,904)	14,096
	Amortisation of compensation cost of employee stock options	-	-	-	30	-	-	-	-	-	30	45	75
	Balance at March 31, 2026	\$ 1,202,560	\$ 2,880,344	\$ 1,586	\$ 688,480	\$ 513,729	\$ 18,218	\$ 2,497,390	(\$ 18,148)	(\$ 8,946)	\$ 7,775,213	\$ 909,100	\$ 8,684,313

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

FORMOSA LABORATORIES, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
THREE MONTHS ENDED MARCH 31, 2026 AND 2025  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2026	2025
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 50,297	\$ 150,294
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(27)	134,145	129,169
Amortisation	6(27)	8,204	6,504
Expected credit impairment gain	12(2)	( 4,644 )	( 8,458 )
Net loss on financial assets at fair value through profit	6(2)(25)	91,401	37,512
Interest expense	6(26)	7,073	10,874
Interest income	6(23)	( 5,761 )	( 6,498 )
Compensation cost of employee stock options	6(17)	75	224
Share of loss (profit) of associates accounted for using equity method	6(7)	2,940	( 542 )
Proceeds from disposal of property, plant and equipment	6(25)	-	206
Gain from lease modification	6(25)	-	( 5 )
Expenses transferred from prepayment for equipment (shown as other non-current assets)	6(8)	1,026	1,629
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		-	( 1,021 )
Accounts receivable		181,728	214,980
Accounts receivable - related parties		( 28,514 )	( 15,598 )
Other receivables		17,212	20,415
Other receivables - related parties		351	3
Inventory		( 116,974 )	8,768
Prepayments		6,752	7,970
Other current assets		( 1,447 )	( 2,475 )
Other non-current assets		( 1,037 )	-
Changes in operating liabilities			
Current contract liabilities		5,628	( 10,907 )
Notes payable		-	( 304 )
Accounts payable		( 38,489 )	47,637
Other payables		( 156,770 )	( 150,032 )
Other payables - related parties		3,998	( 3,011 )
Other current liabilities		293	10,321
Other non-current liabilities		268	410
Cash inflow generated from operations		157,755	448,065
Interest received		6,533	3,787
Interest paid		( 6,827 )	( 10,584 )
Income taxes paid		( 566 )	( 15 )
Net cash flows from operating activities		156,895	441,253

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**FORMOSA LABORATORIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**THREE MONTHS ENDED MARCH 31, 2026 AND 2025**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2026	2025
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through profit or loss		\$ -	(\$ 18,000 )
Proceeds from disposal of financial assets at fair value through profit or loss		67,801	3,213
Acquisition of financial assets at amortised cost		( 610,000 )	( 560,000 )
Proceeds from disposal of financial assets at amortised cost		700,000	450,000
Acquisition of property, plant and equipment	6(31)	( 222,683 )	( 128,821 )
Proceeds from disposal of property, plant and equipment		-	616
Acquisition of intangible assets	6(31)	( 216 )	-
Prepayment for equipment (shown as other non-current assets)	6(8)	( 18,984 )	( 38,912 )
Increase in refundable deposits		( 46 )	( 7 )
Prepayment for investments (shown as other non-current assets)		( 34,117 )	( 1,942 )
Net cash flows used in investing activities		( 118,245 )	( 293,853 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
(Decrease) increase in short-term loans	6(32)	( 430,000 )	250,000
Increase in short-term notes and bills payable	6(32)	-	13
Proceeds from long-term debt	6(32)	2,297,800	1,020,000
Repayments of long-term debt (including current portion)	6(32)	( 1,882,105 )	( 1,379,529 )
Payments of lease liabilities	6(32)	( 8,412 )	( 8,264 )
Net cash flows used in financing activities		( 22,717 )	( 117,780 )
Effect of exchange rate changes on cash and cash equivalents		( 13 )	44,325
Net increase in cash and cash equivalents		15,920	73,945
Cash and cash equivalents at beginning of period		1,140,826	1,364,538
Cash and cash equivalents at end of period		<u>\$ 1,156,746</u>	<u>\$ 1,438,483</u>

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

FORMOSA LABORATORIES, INC AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2026 AND 2025

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

1. HISTORY AND ORGANIZATION

Formosa Laboratories, Inc. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) in December 1995 and started its operations in the same year. The Company and its subsidiaries (the “Group”) are primarily engaged in the wholesale and manufacturing of active pharmaceutical ingredients.

On June 6, 2008, in order to strengthen operational efficiency, enlarge operation scale and minimize management costs, the Company’s shareholders resolved to merge with L. C. United Chemical Corporation, effective July 1, 2008, with the Company as the surviving company. L. C. United Chemical Corporation was incorporated in Luzhu Dist., Taoyuan County in July 1984 and is primarily engaged in the manufacturing and sales of ultraviolet absorbers.

After the merger, the Company is primarily engaged in the manufacturing and sales of active pharmaceutical ingredients, including medical active pharmaceutical ingredients and ultraviolet absorbers. The Company's shares were listed in the Taiwan Stock Exchange starting from March 1, 2011. As of March 31, 2026, the Company’s authorised capital and paid-in capital were \$1,600,000 and \$1,202,560, respectively, with a par value of \$10 (in dollars) per share.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on May 14, 2026.

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<sup>®</sup>”) 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 2026 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
Amendment 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.

Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

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

None.

(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 International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

Note: The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' 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, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies 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. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

##### (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 and financial liabilities (including derivative instruments) at fair value through profit or loss.
  - (b) Financial assets at fair value through other comprehensive income financial assets measured at fair value.
  - (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<sup>®</sup> Interpretations, and SIC<sup>®</sup> Interpretations 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.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of this consolidated financial report is the same as that of the 2025 consolidated financial report.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2026	December 31, 2025	March 31, 2025	
Formosa Laboratories, Inc.	Formosa Pharmaceuticals Inc.	Research and development of new biotechnology medicine	40.66	40.66	40.66	Note
Formosa Laboratories, Inc.	Epione Pharmaceuticals, Inc.	Research and development of new biotechnology medicine	100	100	100	
Formosa Laboratories, Inc.	Epione Investment Cayman Limited	Medicine, chemical trade and investment business	100	100	100	
Epione Investment Cayman Limited	Epione Investment HK Limited	Medicine, chemical trade and investment business	100	100	100	
Epione Investment HK Limited	Shanghai Epione Enterprise Co., Ltd.	Wholesale and import and export of chemical raw materials and products and commission agency	100	100	100	
Formosa Pharmaceuticals Inc.	Activus Pharma Co., Ltd.	Research and development of new biotechnology medicine	99.23	99.23	99.23	
Formosa Laboratories, Inc.	SynChem-Formosa, Inc.	Research of organic synthesis, process development and medicinal chemistry contracts	100	100	100	

Note: On September 30, 2025, although the Company's equity interest held in Formosa Pharmaceuticals Inc. did not exceed 50%, the Company was its single major shareholder and conducted its relevant activities, which met the controlling factor in paragraph 7 of IFRS 10, 'Consolidated Financial Statements'. Accordingly, Formosa Pharmaceuticals Inc. was included in the consolidated financial statements.

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:

As of March 31, 2026, December 31, 2025 and March 31, 2025, the non-controlling interest amounted to \$909,100, \$912,959 and \$944,238, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		March 31, 2026		December 31, 2025	
		Amount	Ownership (%)	Amount	Ownership (%)
Formosa Pharmaceuticals Inc.	Taiwan	\$ 909,100	59.34%	\$ 912,959	59.34%

Name of subsidiary	Principal place of business	Non-controlling interest	
		March 31, 2025	
		Amount	Ownership (%)
Formosa Pharmaceuticals Inc.	Taiwan	\$ 944,238	59.34%

Summarised financial information of the subsidiaries:

Balance sheets

	Formosa Pharmaceuticals Inc.		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	\$ 1,487,176	\$ 1,515,929	\$ 1,681,578
Non-current assets	543,267	555,305	378,124
Current liabilities	( 129,271)	( 166,417)	( 200,509)
Non-current liabilities	( 459,369)	( 447,647)	( 349,475)
Total net assets	\$ 1,441,803	\$ 1,457,170	\$ 1,509,718

	Formosa Pharmaceuticals Inc.	
	Three months ended March 31,	
	2026	2025
Revenue	\$ 45,422	\$ 594
Loss before income tax	(\$ 14,997)	(\$ 40,914)
Income tax (expense) benefit	( 255)	123
Loss for the period	( 15,252)	( 40,791)
Other comprehensive loss, net of tax	( 190)	( 1,713)
Total comprehensive loss for the period	(\$ 15,442)	(\$ 42,504)
Comprehensive income attributable to non-controlling interest	\$ 10	\$ 3

	Formosa Pharmaceuticals Inc.	
	Three months ended March 31,	
	2026	2025
Net cash used in operating activities	(\$ 63,924)	(\$ 76,913)
Net cash used in investing activities	88,234	( 119,380)
Net cash used in financing activities	( 1,670)	( 1,404)
Effect of exchange rates on cash and cash equivalents	8,748	36,641
Increase (decrease) in cash and cash equivalents	31,388	( 161,056)
Cash and cash equivalents, beginning of period	241,785	425,785
Cash and cash equivalents, end of period	\$ 273,173	\$ 264,729

(4) Employee benefits

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 as of March 31, 2026. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Petty cash and cash on hand	\$ 417	\$ 446	\$ 326
Demand deposits	1,047,191	987,480	1,387,938
Time deposits	109,138	152,900	50,219
	<u>\$ 1,156,746</u>	<u>\$ 1,140,826</u>	<u>\$ 1,438,483</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. The Group has no cash and cash equivalents pledged to others.

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

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks			
EirGenix, Inc.	\$ 53,205	\$ 59,906	\$ 67,769
TOT Biopharm International Company Limited	25,449	44,281	41,979
Hemed Innovations Co., Ltd.	11,968	-	-
Emerging stocks			
TaiRx, Inc.	5,128	7,422	11,979
Hemed Innovations Co., Ltd.	-	22,753	-
Unlisted stocks			
APRINOIA Therapeutics	15,998	-	-
Derivatives			
- the redemption rights of convertible bonds	347	16,056	306
	<u>\$ 112,095</u>	<u>\$ 150,418</u>	<u>\$ 122,033</u>

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks			
EirGenix, Inc.	\$ 963,489	\$ 1,084,803	\$ 1,227,217
Emerging stocks			
Hemed Innovations Co., Ltd.	-	-	24,500
Unlisted stocks			
AG Global Inc.	-	-	-
AmMax Bio, Inc.	24,523	24,087	26,223
Forward BioT Venture Capital	60,000	60,000	60,000
	<u>\$ 1,048,012</u>	<u>\$ 1,168,890</u>	<u>\$ 1,337,940</u>

A. The Group recognised net loss amounting to (\$91,401) and (\$37,512) on financial assets at fair value through profit or loss for the three months ended March 31, 2026 and 2025, respectively.

B. Details of the Group's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

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

<u>Items</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Non-current items:			
Equity instruments			
Listed stocks			
Eyenovia, Inc.	\$ 1,520	\$ 1,540	\$ 503
Unlisted stocks			
Oncomatryx Biopharma, S.A.	74,541	74,927	83,223
PharmaSTAR Inc.	16,226	15,715	16,603
	<u>\$ 92,287</u>	<u>\$ 92,182</u>	<u>\$ 100,329</u>

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. In 2025, the Group incurred a cumulative disposal loss of \$2 due to the reverse stock split conducted by Eyenovia, Inc. There was no such situation for the three months ended March 31, 2026. Additionally, Eyenovia, Inc. was renamed as Hyperion DeFi, Inc. in 2025.

C. Amounts recognised in comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ <u>104</u>	(\$ <u>204</u> )
Cumulative losses reclassified to retained earnings due to derecognition	\$ <u>-</u>	(\$ <u>2</u> )

- D. As at March 31, 2026, December 31, 2025 and March 31, 2025, 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 \$92,287, \$92,182 and \$100,329, respectively.
- E. The Group had no financial assets at fair value through other comprehensive income pledged to others as collateral.
- F. For relevant credit risk information on financial assets measured at fair value through other comprehensive income, please refer to Note 12(b).

(4) Financial assets at amortised cost

<u>Items</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Time deposits with a maturity of more than three months	\$ <u>1,112,900</u>	\$ <u>1,202,900</u>	\$ <u>1,330,000</u>

- A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Interest income	\$ <u>4,795</u>	\$ <u>5,212</u>

- B. As at March 31, 2026, December 31, 2025 and March 31, 2025, 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 amortized cost held by the Company were \$1,112,900, \$1,202,900 and \$1,330,000, respectively.
- C. The Company has no financial assets at amortized cost pledged to others as collateral.
- D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable, net

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Notes receivable	\$ -	\$ -	\$ 1,021
Accounts receivable	\$ 878,824	\$ 1,060,552	\$ 995,052
Less: Allowance for uncollectible accounts	( 9,892)	( 14,550)	( 22,988)
	<u>\$ 868,932</u>	<u>\$ 1,046,002</u>	<u>\$ 972,064</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>March 31, 2026</u>		<u>December 31, 2025</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 609,989	\$ -	\$ 791,712	\$ -
Up to 30 days past due	107,591	-	215,657	-
31~ 90 days past due	130,876	-	38,003	-
91~ 180 days past due	24,864	-	9,038	-
181 days past due	5,504	-	6,142	-
	<u>\$ 878,824</u>	<u>\$ -</u>	<u>\$ 1,060,552</u>	<u>\$ -</u>

  

	<u>March 31, 2025</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 842,868	\$ 1,021
Up to 30 days past due	91,435	-
31~ 90 days past due	53,090	-
91~ 180 days past due	-	-
181 days past due	7,659	-
	<u>\$ 995,052</u>	<u>\$ 1,021</u>

The above ageing analysis was based on past due date.

- B. As of March 31, 2026, December 31, 2025 and March 31, 2025, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2025, the balance of receivables from contracts with customers amounted to \$1,178,581.
- C. The Group did not hold any collateral for the security of notes and accounts receivable.
- D. As at March 31, 2026, December 31, 2025 and March 31, 2025, 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 \$0, \$0, \$1,021, and \$868,932, \$1,046,002, \$972,064, respectively.
- E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

March 31, 2026			
	Cost	Allowance for valuation losses and loss on obsolete and slow-moving inventories	Carrying amount
Goods	\$ 2,079	(\$ 2,078)	\$ 1
Raw materials	607,764	( 66,350)	541,414
Work in progress	650,388	( 147,767)	502,621
Finished goods	<u>1,111,471</u>	<u>( 322,815)</u>	<u>788,656</u>
	<u>\$ 2,371,702</u>	<u>(\$ 539,010)</u>	<u>\$ 1,832,692</u>
December 31, 2025			
	Cost	Allowance for valuation losses and loss on obsolete and slow-moving inventories	Carrying amount
Goods	\$ 2,399	(\$ 2,078)	\$ 321
Raw materials	565,331	( 73,132)	492,199
Work in progress	592,767	( 151,434)	441,333
Finished goods	<u>1,057,019</u>	<u>( 275,154)</u>	<u>781,865</u>
	<u>\$ 2,217,516</u>	<u>(\$ 501,798)</u>	<u>\$ 1,715,718</u>
March 31, 2025			
	Cost	Allowance for valuation losses and loss on obsolete and slow-moving inventories	Carrying amount
Goods	\$ 2,074	(\$ 1,590)	\$ 484
Raw materials	634,615	( 75,362)	559,253
Work in progress	573,168	( 119,579)	453,589
Finished goods	<u>918,006</u>	<u>( 228,529)</u>	<u>689,477</u>
	<u>\$ 2,127,863</u>	<u>(\$ 425,060)</u>	<u>\$ 1,702,803</u>

Current expenses related to inventories are as follows:

	Three months ended March 31,	
	2026	2025
Cost of goods sold	\$ 546,314	\$ 588,122
Loss on valuation decline and scrapped inventory	37,212	45,859
Cost of services	20,397	29,174
Others	2,739	( 333)
	<u>\$ 606,662</u>	<u>\$ 662,822</u>

(7) Investments accounted for using equity method

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
A. R. Z Taiwan Limited	\$ 43	\$ -	(\$ 113)
Formosa Laboratories Japan, Inc.	<u>21,525</u>	<u>24,528</u>	<u>18,761</u>
	21,568	24,528	18,648
Transfer to other non-current liabilities	<u>-</u>	<u>-</u>	<u>113</u>
	<u>\$ 21,568</u>	<u>\$ 24,528</u>	<u>\$ 18,761</u>

- A. The Group's share of profit or loss of associates accounted for using the equity method for the three months ended March 31, 2026 and 2025 was (\$2,940) and \$542, respectively.
- B. The percentage of A. R. Z Taiwan Limited's and Formosa Laboratories Japan, Inc.'s assets, liabilities, income and profit or loss presented in the Group was minimal, and the two companies were not significant associates. Accordingly, the related accounts are not disclosed separately.

## (8) Property, plant and equipment

	Land	Buildings and structures (Note 3)	Machinery and equipment	Utilities equipment	Testing equipment	Pollution-prevention equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment acceptance	Total	Prepayments for business facilities (Note 1)
At January 1, 2026												
Cost	\$ 655,950	\$ 2,541,032	\$ 3,661,879	\$ 97,668	\$ 542,218	\$ 243,287	\$ 168,788	\$ 21,118	\$ 448,447	\$ 2,100,832	\$ 10,481,219	\$ 296,760
Accumulated depreciation	-	( 770,677)	( 2,563,062)	( 86,180)	( 343,062)	( 174,889)	( 115,560)	( 18,503)	( 287,220)	-	( 4,359,153)	-
	<u>\$ 655,950</u>	<u>\$ 1,770,355</u>	<u>\$ 1,098,817</u>	<u>\$ 11,488</u>	<u>\$ 199,156</u>	<u>\$ 68,398</u>	<u>\$ 53,228</u>	<u>\$ 2,615</u>	<u>\$ 161,227</u>	<u>\$ 2,100,832</u>	<u>\$ 6,122,066</u>	<u>\$ 296,760</u>
2026												
Opening net book amount as at January 1	\$ 655,950	\$ 1,770,355	\$ 1,098,817	\$ 11,488	\$ 199,156	\$ 68,398	\$ 53,228	\$ 2,615	\$ 161,227	\$ 2,100,832	\$ 6,122,066	\$ 296,760
Additions (Note 2)	-	220	3,980	-	95	-	86	-	570	216,751	221,702	18,984
Transfers (Note 4)	-	5,220	22,761	-	3,673	4,246	16,787	-	4,351	12,102	69,140	( 90,436)
Reclassifications	-	-	834	-	( 834)	-	-	-	-	-	-	( 46,233)
Depreciation charge	-	( 25,875)	( 68,511)	( 499)	( 12,541)	( 3,734)	( 4,126)	( 208)	( 10,678)	-	( 126,172)	-
Net exchange differences	-	-	-	-	249	-	1	4	-	-	254	-
Closing net book amount as at March 31	<u>\$ 655,950</u>	<u>\$ 1,749,920</u>	<u>\$ 1,057,881</u>	<u>\$ 10,989</u>	<u>\$ 189,798</u>	<u>\$ 68,910</u>	<u>\$ 65,976</u>	<u>\$ 2,411</u>	<u>\$ 155,470</u>	<u>\$ 2,329,685</u>	<u>\$ 6,286,990</u>	<u>\$ 179,075</u>
At March 31, 2026												
Cost	\$ 655,950	\$ 2,546,473	\$ 3,690,997	\$ 97,668	\$ 543,529	\$ 247,533	\$ 185,670	\$ 21,217	\$ 453,368	\$ 2,329,685	\$ 10,772,090	\$ 179,075
Accumulated depreciation	-	( 796,553)	( 2,633,116)	( 86,679)	( 353,731)	( 178,623)	( 119,694)	( 18,806)	( 297,898)	-	( 4,485,100)	-
	<u>\$ 655,950</u>	<u>\$ 1,749,920</u>	<u>\$ 1,057,881</u>	<u>\$ 10,989</u>	<u>\$ 189,798</u>	<u>\$ 68,910</u>	<u>\$ 65,976</u>	<u>\$ 2,411</u>	<u>\$ 155,470</u>	<u>\$ 2,329,685</u>	<u>\$ 6,286,990</u>	<u>\$ 179,075</u>

Note 1: Prepayments for equipment were shown as "other non-current assets".

Note 2: Including capitalised interests.

Note 3: The significant components of buildings include main plants and ancillary works and improvements, which are depreciated over 15~50 and 2~15 years, respectively.

Note 4: The difference of transfer during the period arose from prepayments for equipment transferred to intangible assets and operating expenses.

	Land	Buildings and structures (Note 3)	Machinery and equipment	Utilities equipment	Testing equipment	Pollution-prevention equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment acceptance	Total	Prepayments for business facilities (Note 1)
At January 1, 2025												
Cost	\$ 655,950	\$ 2,452,472	\$ 3,523,542	\$ 97,668	\$ 489,912	\$ 237,286	\$ 150,250	\$ 21,386	\$ 391,425	\$ 1,993,870	\$ 10,013,761	\$ 28,160
Accumulated depreciation	-	( 674,042)	( 2,317,026)	( 84,182)	( 304,206)	( 161,072)	( 103,243)	( 18,182)	( 254,467)	-	( 3,916,420)	-
	<u>\$ 655,950</u>	<u>\$ 1,778,430</u>	<u>\$ 1,206,516</u>	<u>\$ 13,486</u>	<u>\$ 185,706</u>	<u>\$ 76,214</u>	<u>\$ 47,007</u>	<u>\$ 3,204</u>	<u>\$ 136,958</u>	<u>\$ 1,993,870</u>	<u>\$ 6,097,341</u>	<u>\$ 28,160</u>
2025												
Opening net book amount as at January 1												
	\$ 655,950	\$ 1,778,430	\$ 1,206,516	\$ 13,486	\$ 185,706	\$ 76,214	\$ 47,007	\$ 3,204	\$ 136,958	\$ 1,993,870	\$ 6,097,341	\$ 28,160
Additions (Note 2)	-	-	4,458	-	10,780	-	1,808	-	902	84,379	102,327	38,912
Disposals	-	-	( 822)	-	-	-	-	-	-	-	( 822)	-
Transfers (Note 4)	-	1,300	40,195	-	20,513	642	7,829	-	11,801	( 80,254)	2,026	( 5,288)
Depreciation charge	-	( 24,069)	( 69,142)	( 500)	( 11,236)	( 3,445)	( 3,464)	( 213)	( 9,216)	-	( 121,285)	-
Net exchange differences	-	-	-	-	4	-	1	-	-	-	5	-
Closing net book amount as at March 31	<u>\$ 655,950</u>	<u>\$ 1,755,661</u>	<u>\$ 1,181,205</u>	<u>\$ 12,986</u>	<u>\$ 205,767</u>	<u>\$ 73,411</u>	<u>\$ 53,181</u>	<u>\$ 2,991</u>	<u>\$ 140,445</u>	<u>\$ 1,997,995</u>	<u>\$ 6,079,592</u>	<u>\$ 61,784</u>
At March 31, 2025												
Cost	\$ 655,950	\$ 2,453,575	\$ 3,554,339	\$ 97,668	\$ 522,101	\$ 237,928	\$ 157,809	\$ 21,166	\$ 399,029	\$ 1,997,995	\$ 10,097,560	\$ 61,784
Accumulated depreciation	-	( 697,914)	( 2,373,134)	( 84,682)	( 316,334)	( 164,517)	( 104,628)	( 18,175)	( 258,584)	-	( 4,017,968)	-
	<u>\$ 655,950</u>	<u>\$ 1,755,661</u>	<u>\$ 1,181,205</u>	<u>\$ 12,986</u>	<u>\$ 205,767</u>	<u>\$ 73,411</u>	<u>\$ 53,181</u>	<u>\$ 2,991</u>	<u>\$ 140,445</u>	<u>\$ 1,997,995</u>	<u>\$ 6,079,592</u>	<u>\$ 61,784</u>

Note 1: Prepayments for equipment were shown as "other non-current assets".

Note 2: Including capitalised interests.

Note 3: The significant components of buildings include main plants and ancillary works and improvements, which are depreciated over 15~50 and 2~15 years, respectively.

Note 4: The difference of transfer during the period arose from prepayments for equipment transferred to intangible assets.

A. 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:

	Three months ended March 31,	
	2026	2025
Amount capitalised	\$ 11,806	\$ 10,054
Range of the interest rates for capitalisation	1.5500%~2.3750%	2.04%

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(9) Intangible assets

	2026						
	Goodwill	Professional expertise			Computer software	Other intangible assets	Total
		APP13007 Ophthalmic anti-inflammatory agents	APP13002 Ophthalmic anti-inflammatory for eyes	TSY-310 Anibody-drug conjugates			
At January 1							
Cost	\$ 112,025	\$ 231,912	\$ 1,205	\$ 159,233	\$ 112,427	\$ 1,351	\$ 618,153
Accumulated amortisation and impairment	( 51,622)	( 117,320)	( 632)	( 4,825)	( 90,225)	( 418)	( 265,042)
	<u>\$ 60,403</u>	<u>\$ 114,592</u>	<u>\$ 573</u>	<u>\$ 154,408</u>	<u>\$ 22,202</u>	<u>\$ 933</u>	<u>\$ 353,111</u>
Opening net book amount as at January 1	\$ 60,403	\$ 114,592	\$ 573	\$ 154,408	\$ 22,202	\$ 933	\$ 353,111
Additions	-	-	-	-	216	-	216
Reclassifications (Note)	-	-	-	-	20,270	-	20,270
Amortisation charge	-	( 4,093)	( 19)	( 1,809)	( 2,165)	( 66)	( 8,152)
Net exchange differences	-	-	( 1)	-	-	-	( 1)
Closing net book amount as at March 31	<u>\$ 60,403</u>	<u>\$ 110,499</u>	<u>\$ 553</u>	<u>\$ 152,599</u>	<u>\$ 40,523</u>	<u>\$ 867</u>	<u>\$ 365,444</u>
At March 31							
Cost	\$ 112,025	\$ 231,912	\$ 1,203	\$ 159,233	\$ 132,913	\$ 1,351	\$ 638,637
Accumulated amortisation and impairment	( 51,622)	( 121,413)	( 650)	( 6,634)	( 92,390)	( 484)	( 273,193)
	<u>\$ 60,403</u>	<u>\$ 110,499</u>	<u>\$ 553</u>	<u>\$ 152,599</u>	<u>\$ 40,523</u>	<u>\$ 867</u>	<u>\$ 365,444</u>

Note: It was transferred from prepayments for equipment (shown as 'other non-current assets').

2025

	Goodwill	Professional expertise		Computer software	Other intangible assets	Total
		APP13007 Ophthalmic anti-inflammatory agents	APP13002 Ophthalmic anti-inflammatory for eyes			
At January 1						
Cost	\$ 112,025	\$ 231,912	\$ 1,259	\$ 103,893	\$ 1,351	\$ 450,440
Accumulated amortisation and impairment	( 51,622)	( 100,949)	( 581)	( 82,092)	( 156)	( 235,400)
	<u>\$ 60,403</u>	<u>\$ 130,963</u>	<u>\$ 678</u>	<u>\$ 21,801</u>	<u>\$ 1,195</u>	<u>\$ 215,040</u>
Opening net book amount as at January 1	\$ 60,403	\$ 130,963	\$ 678	\$ 21,801	\$ 1,195	\$ 215,040
Reclassifications (Note)	-	-	-	1,633	-	1,633
Amortisation charge	-	( 4,093)	( 20)	( 2,164)	( 69)	( 6,346)
Net exchange differences	-	-	40	-	-	40
Closing net book amount as at March 31	<u>\$ 60,403</u>	<u>\$ 126,870</u>	<u>\$ 698</u>	<u>\$ 21,270</u>	<u>\$ 1,126</u>	<u>\$ 210,367</u>
At March 31						
Cost	\$ 112,025	\$ 231,912	\$ 1,336	\$ 105,526	\$ 1,351	\$ 452,150
Accumulated amortisation and impairment	( 51,622)	( 105,042)	( 638)	( 84,256)	( 225)	( 241,783)
	<u>\$ 60,403</u>	<u>\$ 126,870</u>	<u>\$ 698</u>	<u>\$ 21,270</u>	<u>\$ 1,126</u>	<u>\$ 210,367</u>

Note: It was transferred from prepayments for equipment (shown as 'other non-current assets').

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

	Three months ended March 31,	
	2026	2025
Operating costs	\$ 1,602	\$ 1,199
Administrative expenses	480	910
Research and development expenses	6,070	4,237
	<u>\$ 8,152</u>	<u>\$ 6,346</u>

B. Goodwill is allocated as follows to the Group's cash-generating units:

	March 31, 2026	December 31, 2025	March 31, 2025
Formosa Pharmaceuticals Inc.	\$ 30,544	\$ 30,544	\$ 30,544
SynChem-Formosa, Inc.	29,859	29,859	29,859
	<u>\$ 60,403</u>	<u>\$ 60,403</u>	<u>\$ 60,403</u>

C. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on the value in use which was calculated from the expected economic income of related research and development projects. The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions

used for value-in-use calculations are operating profit margin, growth rate and discount rate. Management determined budgeted net operating profit margin based on its expectations of market development. The assumptions used for growth rates are based on expectations of industry; the assumption used for discount rate is the weighted average capital cost of the same industry. As of March 31, 2026, December 31, 2025 and March 31, 2025:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Formosa Pharmaceuticals Inc.	16.96%	16.96%	19.49%
SynChem-Formosa, Inc.	17.88%	17.88%	14.68%

D. In May 2025, based on external expert valuation reports, the Group acquired the research and development results of Almac Discovery's bispecific antibody drug conjugate (ADC) (TSY-310) for \$159,233. The Company paid \$30,330 upon signing of the contract. Additional milestone license fees will be payable upon completion of various development stages. After the drug is marketed and sold, royalties will be paid based on a certain percentage of sales revenue. As of March 31, 2026, the unpaid consideration amounted to USD 4,250 thousand (equivalent to NT\$135,979), of which USD 1,000 thousand (equivalent to NT\$31,995) is presented under "Other current liabilities", and the remaining balance is recorded under "Other non-current liabilities".

(10) Other non-current assets

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Prepayments for business facilities	\$ 179,075	\$ 250,527	\$ 61,785
Rent expense payable	47,273	46,233	-
Prepayments for investment (Note 1)	34,117	-	1,942
Guarantee deposits paid (Note 2)	6,005	5,959	4,145
Others	489	544	819
	<u>\$ 266,959</u>	<u>\$ 303,263</u>	<u>\$ 68,691</u>

Note 1: As the capital increase procedure has not yet been completed, the capital contribution was recognised as prepayment for investment.

Note 2: Refer to Note 8 for the performance guarantees provided.

(11) Financial liabilities at amortised cost

<u>Items</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Non-current items:			
New medicine development revenue share agreement	<u>\$ 63,990</u>	<u>\$ 62,860</u>	<u>\$ 66,410</u>

On April 18, 2022, the Group and EirGenix Inc. entered into a new medicine development revenue share agreement for TSY-0110 (EG12043) (the 'product') to replace the previous signed

development and manufacturing related collaboration contract. During the development stage, the raw material of the product shall be provided at a reasonable market price by EirGenix Inc. The Group shall be responsible for the research and development of the product and the implementation of production and manufacturing after the development of the product has been completed. Both parties can launch the product in the global market and shall be entitled to a 50% authorisation income on any revenue or income generated from the development and commercialization of the product. Under the agreement, the Group will share the future authorization income with EirGenix Inc. and is entitled to a consideration of US\$30,000 thousand, which will be received in accordance with the schedule as specified in the contract. As of March 31, 2026, the Group has received US\$2,000 thousand.

(12) Short-term borrowings

	<u>March 31, 2026</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 63,000	1.82%	Refer to Note 8
Unsecured borrowings	<u>620,000</u>	1.82~1.85%	None
	<u>\$ 683,000</u>		
	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 63,000	1.82%	Refer to Note 8
Unsecured borrowings	<u>1,050,000</u>	1.82%~1.85%	None
	<u>\$ 1,113,000</u>		
	<u>March 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 63,000	1.82%	Refer to Note 8
Unsecured borrowings	<u>870,000</u>	1.82~1.85%	None
	<u>\$ 933,000</u>		

Interest expense recognised in profit or loss amounted to \$5,511 and \$5,010 for the three months ended March 31, 2026 and 2025, respectively.

(13) Short-term notes and bills payable

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Commercial paper payable	\$ -	\$ -	\$ 50,000
Less: Unamortized commercial paper payable	<u>-</u>	<u>-</u>	<u>( 5)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,995</u>
Interest rate	<u>-</u>	<u>-</u>	<u>1.97%</u>

(14) Other payables

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Salaries and bonus payable	\$ 138,968	\$ 267,948	\$ 129,947
Payable on machinery and equipment	116,206	117,187	63,792
Employees' compensation and directors' and supervisors' remuneration payable	71,556	57,600	69,132
Service expenses payable	63,465	84,016	112,815
Accrued commission	62,719	59,664	49,995
Consumables payable	46,537	52,655	47,119
Repairs and maintenance expense payable	40,737	43,017	36,392
Payables for intangible assets	32,235	31,670	-
Utilities expense payable	23,653	23,413	24,265
Pension expense payable	12,126	12,151	11,064
Revenue share payable	10,869	7,858	16,603
Rent expense payable	8,915	8,021	4,945
Import and export charges payable	7,335	6,745	7,307
Withholding tax payable	1,722	1,721	41,583
Others	61,223	83,706	63,524
	<u>\$ 698,266</u>	<u>\$ 857,372</u>	<u>\$ 678,483</u>

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2026
Mid-term and long-term bank borrowings				
Mega International Commercial Bank (Note 1)	2024.2.25 ~ 2028.5.31 The principal will be repaid upon maturity.	2.16%	Note 2	\$ 380,000
	2021.5.3 ~ 2026.5.3 Quarterly and average repayment starting from August 2022.	2.33%	"	3,441
THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.	2023.8.4 ~ 2026.8.4 Quarterly and average repayment starting from May 2024.	2.38%	"	20,000
	2026.3.2 ~ 2029.3.2 Quarterly and average repayment starting from May 2025.	2.27%	None	100,000
O-Bank Co., Ltd. (Note 1)	2025.5.23 ~ 2027.5.22 The principal will be repaid upon maturity.	2.27%	"	100,000
E.SUN Bank Taoyuan Corporate Banking Center	2025.2.25 ~ 2028.2.25 The principal will be repaid upon maturity.	2.11%	"	100,000
DBS Bank Limited	2025.6.30 ~ 2027.6.30 The principal will be repaid upon maturity.	1.98%	"	120,000
CTBC Bank Co., Ltd. Tao-Yuan Branch	2026.2.28 ~ 2028.2.28 The principal will be repaid upon maturity.	2.22%	"	120,000
Taishin International Bank	2025.7.31 ~ 2027.7.31 The principal will be repaid upon maturity.	2.28%	"	200,000
TAICHUNG COMMERCIAL BANK Co., Ltd. LINKOU BRANCH (Note 1)	2023.11.30 ~ 2026.11.30 Quarterly and average repayment starting from February 2024.	2.33%	"	25,000
CHANG HWA COMMERCIAL BANK LTD.	2024.11.8 ~ 2027.11.8 Quarterly and average repayment starting from February 2026.	2.19%	"	262,500
Entie Commercial Bank, Ltd. He Ping Branch (Note 1)	2025.4.30 ~ 2027.4.30 The principal will be repaid upon maturity.	2.18%	"	100,000
Band of Taiwan Nankan Branch	2026.2.25 ~ 2028.2.25 The principal will be repaid upon maturity.	2.20%	"	130,000
SUNNY BANK East Taoyuan Branch	2022.5.24 ~ 2027.5.24 Quarterly and average repayment starting from May 2024.	2.20%	Note 2	192,308
	2022.5.24 ~ 2027.5.24 Quarterly and average repayment starting from May 2023.	2.20%	None	84,398
	2026.3.19 ~ 2028.3.31 (Note 1) The principal will be repaid upon maturity.	2.20%	"	867,800
				<u>2,805,446</u>
Less: Current portion (shown as other current liabilities)				( <u>428,562</u> )
				<u>\$ 2,376,884</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2025
Mid-term and long-term bank borrowings				
Mega International Commercial Bank (Note 1)	2025.2.25 ~ 2028.5.31 The principal will be repaid upon maturity. 2021.5.3 ~ 2026.5.3 Quarterly and average repayment starting from August 2022.	2.15%	Note 2	\$ 400,000
THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. O-Bank Co., Ltd. (Note 1)	2023.8.4 ~ 2026.8.4 Quarterly and average repayment starting from May 2024. 2025.5.23 ~ 2027.5.22 The principal will be repaid upon maturity.	2.33%	"	6,883
E.SUN Bank Taoyuan Corporate Banking Center (Note 1)	2024.2.6 ~ 2027.2.6 The principal will be repaid upon maturity. 2025.2.25 ~ 2028.2.25 The principal will be repaid upon maturity.	2.38%	None	30,000
CTBC Bank Co., Ltd. Tao-Yuan Branch (Note 1)	2025.2.28 ~ 2027.2.28 The principal will be repaid upon maturity.	2.27%	"	100,000
Taishin International Bank (Note 1)	2024.2.6 ~ 2027.2.6 The principal will be repaid upon maturity.	2.07%	"	200,000
TAICHUNG COMMERCIAL BANK Co., Ltd. LINKOU BRANCH (Note 1)	2025.2.28 ~ 2027.2.28 The principal will be repaid upon maturity.	2.12%	"	100,000
CHANG HWA COMMERCIAL BANK, LTD.	2025.2.28 ~ 2027.2.28 The principal will be repaid upon maturity.	2.22%	"	120,000
Entie Commercial Bank, Ltd. He Ping Branch (Note 1)	2025.7.31 ~ 2027.7.31 The principal will be repaid upon maturity.	2.33%	"	200,000
SUNNY BANK.	2023.11.30 ~ 2026.11.30 Quarterly and average repayment starting from February 2024.	2.33%	"	33,333
	2024.11.8 ~ 2027.11.8 Quarterly and average repayment starting from February 2026.	2.19%	"	300,000
	2025.4.30 ~ 2027.4.30 The principal will be repaid upon maturity.	2.18%	"	200,000
	2022.5.24 ~ 2027.5.24 Quarterly and average repayment starting from May 2024.	2.20%	Note 2	230,769
	2022.5.24 ~ 2027.5.24 Quarterly and average repayment starting from May 2023.	2.20%	None	100,966
	2025.3.10 ~ 2027.3.31 (Note 1) The principal will be repaid upon maturity.	2.20%	"	367,800
				2,389,751
Less: Current portion (shown as other current liabilities)				( 440,337)
				<u>\$ 1,949,414</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2025
Mid-term and long-term bank borrowings				
Mega International Commercial Bank (Note 1)	2024.2.25 ~ 2027.2.24 The principal will be repaid upon maturity.	2.15%	Note 2	\$ 400,000
	2021.5.3 ~ 2026.5.3 Quarterly and average repayment starting from August 2021.	2.33%	"	17,208
THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.	2021.7.28 ~ 2025.7.28 Quarterly and average repayment starting from June 2024.	2.38%	"	8,200
	2022.8.4 ~ 2026.8.4 Quarterly and average repayment starting from May 2025.	2.38%	None	60,000
O-Bank Co., Ltd. (Note 1)	2024.6.5 ~ 2026.6.4 The principal will be repaid upon maturity.	2.27%	"	150,000
E.SUN Bank Taoyuan Corporate Banking Center	2024.2.6 ~ 2027.2.6 The principal will be repaid upon maturity.	2.12%	"	200,000
Entie Commercial Bank, Ltd. He Ping Branch (Note 1)	2024.4.30 ~ 2026.4.30 The principal will be repaid upon maturity.	2.22%	"	150,000
Bank SinoPac Co., Ltd. (Note 1)	2024.2.6 ~ 2027.4.20 The principal will be repaid upon maturity.	2.10%	"	100,000
DBS Bank Limited (Note 1)	2023.6.30 ~ 2025.6.30 The principal will be repaid upon maturity.	1.98%	"	120,000
TAICHUNG COMMERCIAL BANK Co., Ltd. LINKOU BRANCH (Note 1)	2023.11.30 ~ 2026.11.30 Quarterly and average repayment starting from February 2024.	2.33%	"	58,334
Taishin International Bank (Note 1)	2023.7.31 ~ 2025.7.31 The principal will be repaid upon maturity.	2.33%	"	300,000
CHANG HWA COMMERCIAL BANK LTD.	2024.11.8 ~ 2027.11.8 Quarterly and average repayment starting from June 2023.	2.19%	"	300,000
SUNNY BANK.	2022.5.24 ~ 2027.5.24 Quarterly and average repayment starting from May 2024.	2.20%	Note 2	346,154
	2022.5.24 ~ 2027.5.24 Quarterly and average repayment starting from May 2023.	2.20%	None	150,672
	2023.3.10 ~ 2026.3.10 (Note 1) The principal will be repaid upon maturity.	2.20%	"	297,800
Bank of Panhsin	2023.9.1 ~ 2025.9.1 Starting from December 2023, \$10 million will be repaid every quarter. The remaining balance shall be paid off in lump sum upon maturity.	2.36%	"	40,000
				2,698,368
Less: Current portion (shown as other current liabilities)				( 392,921)
				<u>\$ 2,305,447</u>

Note 1: Such borrowings can be redrawn during the contract period.

Note 2: Information on guarantees is provided in Note 8.

- A. Under the loan agreements, the Group is required to compute and maintain certain financial covenants based on the annual and semi-annual consolidated financial statements. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group has met all the required covenants.

- B. As at March 31, 2026, December 31, 2025 and March 31, 2025, the Group had total undrawn borrowing facilities of \$3,081,210, \$2,210,210 and \$2,511,210, respectively.

(16) Pensions

A. Defined benefit plans

- (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor 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 Labor Standards Act. 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% 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 labor pension reserve account by December 31, every year. If the account balance is 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 contributions for the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognised pension costs of \$512 and \$640 for the three months ended March 31, 2026 and 2025, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$980.

B. Defined contribution plans

- (a) The Group has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2026 and 2025 were \$11,077 and \$10,278, respectively.

(17) Share-based payment

- A. For the three months ended March 31, 2026 and 2025, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Formosa Pharmaceuticals Inc.- Employee stock options	2022.03.09	6 hundred thousand shares	5 years	2~4 years' service
Formosa Pharmaceuticals Inc.- Cash capital increase reserved for employee preemption	2024.06.20	1,680 hundred thousand shares	NA	Vested immediately

B. Details of the share-based payment arrangements are as follows:

	2026		2025	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	395,000	\$ 38.50	455,000	\$ 38.50
Options exercised	-	-	-	-
Options expired	-	-	-	-
Options outstanding at March 31	<u>395,000</u>	<u>\$ 38.50</u>	<u>455,000</u>	<u>\$ 38.50</u>
Options exercisable at March 31	<u>395,000</u>	<u>\$ 38.50</u>	<u>332,500</u>	<u>\$ 38.50</u>

C. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		March 31, 2026	
Issue date approved	Expiry date	No. of shares	Exercise price (in dollars)
2022.03.09	2027.03.08	395,000	\$ 38.50
		December 31, 2025	
Issue date approved	Expiry date	No. of shares	Exercise price (in dollars)
2022.03.09	2027.03.08	395,000	\$ 38.50
		March 31, 2025	
Issue date approved	Expiry date	No. of shares	Exercise price (in dollars)
2022.03.09	2027.03.08	455,000	\$ 38.50

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (in dollars)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Formosa Pharmaceuticals Inc.- Employee stock options	2022.03.09	\$39.50 (Note 1)	\$ 38.50	49.67% (Note 2)	3.5 ~ 4.5 years	0%	0.56%	\$13.8687 ~ 15.0536

Note 1: It was set based on the closing price of target shares in Taipei Exchange on the grant date.

Note 2: The expected price volatility was estimated based on the closing price of stocks of comparable companies with a period which approximates the expected duration.

- E. The fair value of cash capital increase reserved for employee preemption on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (in dollars)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Formosa Pharmaceuticals Inc.-Cash capital increase reserved for employee preemption	2024.06.20	\$56.70 (Note 1)	\$ 36.00	19.98% (Note 2)	0.06 years	0%	1.22%	\$ 20.7263

Note 1: It was set based on the closing price of target shares in Taipei Exchange on the grant date.

Note 2: The estimation is based on the closing prices of the target company on dates that are approximately the same length of time prior to the grant date as the expected duration of the stock options.

- F. Expenses incurred on share-based payment transactions are shown below:

	Three months ended March 31,	
	2026	2025
Equity-settled	\$ 75	\$ 224

- G. Formosa Pharmaceuticals Inc. - employee share options - 111 adjusted the performance price of employee share options to NT\$38.5 in accordance with the regulations on employee share options on August 9, 2024. The aforementioned adjustment of performance price did not significantly affect the fair value of employee share options.

(18) Share capital

As of March 31, 2026, the Company's authorised capital was \$1,600,000, consisting of 160,000 thousand shares of ordinary stock (including 8,000 thousand shares reserved for employee stock options issued by the Group), and the paid-in capital was \$1,202,560 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(19) Capital surplus

- A. Pursuant to the R.O.C. Group 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 Group 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. On May 8, 2025, the Board of Directors of the Company resolved to distribute cash dividends of \$203,232 (NT\$1.69 per share) from the capital surplus which was approved by the shareholders during their meeting on June 20, 2025.

(20) Retained earnings

- A. Under the Company's Articles of Incorporation, current year's earnings, if any, shall first be used to pay all taxes and offset prior years' deficit and then 10% of the remaining amount shall be set aside as legal reserve (until the legal reserve equals the paid-in capital), and the Group shall appropriate or reverse special reserve in accordance with laws or regulations of the authority. The remainder, if any, along with prior years' accumulated undistributed earnings shall be distributed as shareholders' bonus or retained for operating requirements which shall be proposed by the Board of Directors and resolved by the shareholders.
- B. The Group's dividend distribution policy was based on the Group's financial structure, operation status and capital budget, etc., along with the consideration of shareholders' interest and balancing dividends. The distribution of earnings shall be in the form of stock or cash or both, and the cash dividends shall account for at least 10% of total dividends distributed.
- C. 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 Group's paid-in capital.
- D.(a) In accordance with the regulations, the Group 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.

- (b) The amounts previously set aside by the Group as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- E. The appropriations of 2025 earnings had been proposed by the Board of Directors on March 12, 2026, and the appropriations of 2024 earnings had been resolved at the shareholders' meeting on June 20, 2025. Details are summarized below:

	Year ended December 31,			
	2025		2024	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 44,187		\$ 15,660	
Special reserve	8,142		18,198	
Cash dividends	360,768	\$ 3.00	157,536	\$ 1.31
	<u>\$ 413,097</u>		<u>\$ 191,394</u>	

As of May 14, 2026, the aforementioned appropriations of 2025 earnings have not yet been resolved by the shareholders.

(21) Other equity items

	Three months ended March 31, 2026		
	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Currency translation differences	Total
At January 1	(\$ 9,062)	(\$ 17,277)	(\$ 26,339)
Valuation adjustment	116	-	116
Currency translation differences:			
–Subsidiaries and associates	-	( 1,089)	( 1,089)
–Tax on subsidiaries and associates	-	218	218
At March 31	<u>(\$ 8,946)</u>	<u>(\$ 18,148)</u>	<u>(\$ 27,094)</u>

	Three months ended March 31, 2025		
	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Currency translation differences	Total
At January 1	(\$ 2,856)	(\$ 15,342)	(\$ 18,198)
Valuation adjustment	2,554	-	2,554
Revaluation transferred to retained earnings – gross	1	-	1
Currency translation differences:			
–Subsidiaries and associates	-	3,339	3,339
–Tax on subsidiaries and associates	-	(668)	(668)
	(\$ 301)	(\$ 12,671)	(\$ 12,972)

(22) Operating revenue

	Three months ended March 31,	
	2026	2025
Revenue from contracts with customers		
Sales revenue	\$ 960,661	\$ 1,101,420
Service revenue	58,458	42,301
Authorization	44,887	-
	\$ 1,064,006	\$ 1,143,721

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following geographical regions, product sales and service provision are classified under the Active Pharmaceutical Ingredients (API) segment, as presented in the segment information. Please refer to Note 14(3) for details.

Three months ended March 31, 2026				
At a point in time		Over time		
	Sales revenue	Technology licensing	Service revenue	Total
United States	\$ 197,071	\$ -	\$ 38,839	\$ 235,910
India	154,925	-	-	154,925
Japan	94,038	-	3,976	98,014
Netherlands	91,564	-	-	91,564
Canada	36,896	40,895	-	77,791
Spain	56,562	-	145	56,707
Germany	52,231	-	-	52,231
Taiwan	26,349	3,218	15,182	44,749
China	37,637	-	-	37,637
Others	213,388	774	316	214,478
	<u>\$ 960,661</u>	<u>\$ 44,887</u>	<u>\$ 58,458</u>	<u>\$ 1,064,006</u>

Three months ended March 31, 2025				
At a point in time		Over time		
	Sales revenue	Technology licensing	Service revenue	Total
Netherlands	\$ 196,273	\$ -	\$ -	\$ 196,273
India	177,148	-	-	177,148
United States	162,548	-	12,896	175,444
China	87,872	-	-	87,872
Japan	79,718	-	-	79,718
Spain	64,893	-	6,941	71,834
Germany	71,446	-	-	71,446
Taiwan	13,350	-	21,870	35,220
Others	248,172	-	594	248,766
	<u>\$ 1,101,420</u>	<u>\$ -</u>	<u>\$ 42,301</u>	<u>\$ 1,143,721</u>

#### B. Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2024
Contract liabilities	<u>\$ 157,620</u>	<u>\$ 151,992</u>	<u>\$ 112,222</u>	<u>\$ 91,129</u>

The Group recognised the revenue-related contract liabilities arising from advance sales receipts and licensing fee.

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Three months ended March 31,	
	2026	2025
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 24,182	\$ 7,792

- C. For the aforementioned technology license, the Group and Grandpharma (China) Co., Ltd. entered into a contract for collaborative development and authorisation agreement on new medicines in China, Hong Kong, Macao, etc. The Group transferred professional knowledge and provided related data to Grandpharma (China) Co., Ltd. who was responsible for clinical development. When Grandpharma (China) Co., Ltd. successfully develops new medicines, it will obtain the right of production and sales in China, Hong Kong and Macao. Under the contract, the Group can charge signing bonus, milestone payment and royalties proportionately to the sales amount in the future. From the contract signing date to March 31, 2026 and 2025, the Group has not yet recognised any revenue.
- D. The Group and Eyenovia, Inc. (EYEN) entered into a new drug licensing agreement for the United States. In March 2024, the Group transferred the drug license and the rights for production and sales in the U.S. to EYEN. Under the contract, the Group is entitled to receive signing bonuses, development milestone payments, and sales milestone payments from EYEN. On June 6, 2025, both parties mutually agreed to terminate the licensing agreement. According to the contract, from the termination date onwards, all claims and obligations between the parties are permanently waived, and EYEN will return the U.S. drug license. From the contract signing date to the termination date, the Group has recognised cumulative revenue of \$127,800.
- E. The Group entered into a new drug licensing agreement with Harrow, Inc. (hereinafter referred to as "HROW") for the United States. The Group will transfer the drug license for the U.S. region, granting HROW commercialization rights in the United States. According to the terms of the agreement, the Group is entitled to receive royalties and sales milestone payments from HROW. From the contract signing date to March 31, 2026, the Group has not yet recognised any revenue.
- F. The Group has signed new drug licensing agreements with various partners for regions including Canada, Mexico, Brazil, Chile and other Central and South American countries, Portugal, Switzerland and other European countries, Israel, Middle East and North Africa, South Africa, India, and Southeast Asia. The partners will obtain commercialization rights for regions including Canada, Mexico, Brazil, Chile and other Central and South American countries, Portugal, Switzerland and other European countries, Israel, Middle East and North Africa, South Africa, India, and Southeast Asia. According to the terms of various contracts, the Group can receive signing fees, development milestone payments, and sales milestone payments from partners. As of March 31, 2026 and 2025, the accumulated revenue was \$44,887 and \$0, respectively. The revenue mentioned above was \$23,120 and \$0 (listed under "Accounts receivable"), respectively.

(23) Interest income

	Three months ended March 31,	
	2026	2025
Interest income from bank deposits	\$ 966	\$ 1,286
Financial assets at amortised cost		
Interest income	4,795	5,212
	<u>\$ 5,761</u>	<u>\$ 6,498</u>

(24) Other income

	Three months ended March 31,	
	2026	2025
Others	\$ 783	\$ 1,458

(25) Other gains and losses

	Three months ended March 31,	
	2026	2025
Net loss on disposal of property, plant and equipment	\$ -	(\$ 206)
Gains arising from lease modifications	-	5
Net currency exchange losses	( 5,572)	( 3,091)
Net losses on financial assets at fair value through profit or loss	( 91,401)	( 37,512)
Miscellaneous disbursements	( 42)	-
	<u>(\$ 97,015)</u>	<u>(\$ 40,804)</u>

(26) Finance costs

	Three months ended March 31,	
	2026	2025
Interest expense:		
Bank borrowings	\$ 17,744	\$ 19,843
Others	1,135	1,085
	18,879	20,928
Less: Capitalisation of qualifying assets	( 11,806)	( 10,054)
Finance costs	<u>\$ 7,073</u>	<u>\$ 10,874</u>

(27) Expenses by nature

	Three months ended March 31,	
	2026	2025
Employee benefit expense	\$ 306,615	\$ 295,078
Depreciation charges on right-of-use assets, property, plant and equipment	\$ 134,145	\$ 129,169
Amortisation charges on intangible assets and other non-current assets	\$ 8,204	\$ 6,504

(28) Employee benefit expense

	Three months ended March 31,	
	2026	2025
Wages and salaries	\$ 262,386	\$ 251,778
Labour and health insurance fees	25,996	24,668
Pension costs	11,589	10,918
Other personnel expenses	6,569	7,490
Employee stock options	75	224
	<u>\$ 306,615</u>	<u>\$ 295,078</u>

A. In accordance with the Articles of Incorporation, if the Company has a profit for the year, at least 5% of the distributable profit shall be appropriated as employees' compensation, and no more than 2% shall be appropriated as directors' remuneration. However, if the Company has accumulated losses, an amount sufficient to offset such losses shall be reserved in advance and reported to the shareholders' meeting.

Of the employees' compensation mentioned above, no less than 20% shall be allocated to rank-and-file employees for remuneration distribution or salary adjustments. The recipients of employees' compensation may include employees of certain controlled or subsidiary companies who meet specified criteria, and the method of distribution shall be determined by the Board of Directors.

B. For the three months ended March 31, 2026 and 2025, employees' compensation was accrued at \$12,600 for both periods; while directors' remuneration was accrued at \$1,356 and \$3,882, respectively. The aforementioned amounts were recognised in salary expenses. For the three months ended March 31, 2026, the Group has accrued the compensation and remuneration according to the profit of current year and the percentage range as regulated in the Company's Articles of Incorporation.

C. On March 12, 2026, the employees' compensation and directors' remuneration resolved by the Board of Directors were \$50,400 and \$7,200, respectively, and the amount is consistent with the amount recognised in the financial report of 2025.

D. Information about employees' compensation and directors' remuneration of the Group as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax:

	Three months ended March 31,	
	2026	2025
Current tax:		
Current tax on profits for the period	\$ 43,454	\$ 55,105
Prior year income tax underestimation	-	1,397
Total current tax	43,454	56,502
Deferred tax:		
Origination and reversal of temporary differences	( 8,122)	( 7,125)
Income tax expense	<u>\$ 35,332</u>	<u>\$ 49,377</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Three months ended March 31,	
	2026	2025
Currency translation differences	<u>(\$ 218)</u>	<u>\$ 668</u>

B. The income tax returns of the Company and Epione Pharmaceuticals, Inc. through 2023 and Formosa Pharmaceuticals Inc. through 2022 have been assessed and approved by the Tax Authority.

(30) Earnings per share

	Three months ended March 31, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 18,755</u>	<u>120,256</u>	<u>\$ 0.16</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	18,755	120,256	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,056	
Profit attributable to ordinary shareholders of the parent	<u>\$ 18,755</u>	<u>121,312</u>	<u>\$ 0.15</u>

	Three months ended March 31, 2025		
Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 120,545	120,256	\$ 1.00
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	120,545	120,256	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	720	
Profit attributable to ordinary shareholders of the parent	\$ 120,545	120,976	\$ 1.00

(31) Supplemental cash flow information

Investing activities with partial cash payments

	Three months ended March 31,	
	2026	2025
Purchase of property, plant and equipment	\$ 221,702	\$ 102,327
Add: Opening balance of payable on equipment	117,187	90,286
Less: Ending balance of payable on equipment	( 116,206)	( 63,792)
Cash paid during the period	<u>\$ 222,683</u>	<u>\$ 128,821</u>
	Three months ended March 31,	
	2026	2025
Purchase of intangible assets	\$ 216	\$ -
Add: Opening balance of payable on contingent consideration (shown as "other current/ non-current liabilities")	119,049	-
Less: Ending contingent consideration (shown as other liabilities)	( 119,049)	-
Cash paid during the period	<u>\$ 216</u>	<u>\$ -</u>

(32) Changes in liabilities from financing activities

	2026				
	Short-term borrowings	Long-term borrowings (including current portion)	Lease liability	New medicine development revenue share agreement	Liabilities from financing activities-gross
At January 1	\$ 1,113,000	\$ 2,389,751	\$ 106,831	\$ 62,860	\$ 3,672,442
Changes in cash flow from financing activities	( 430,000)	415,695	( 8,412)	-	( 22,717)
Changes in other non-cash items	-	-	18,236	1,130	19,366
At March 31	<u>\$ 683,000</u>	<u>\$ 2,805,446</u>	<u>\$ 116,655</u>	<u>\$ 63,990</u>	<u>\$ 3,669,091</u>

	2025					
	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including current portion)	Lease liability	New medicine development revenue share agreement	Liabilities from financing activities-gross
At January 1	\$ 683,000	\$ 49,982	\$ 3,057,897	\$ 108,480	\$ 65,570	\$ 3,964,929
Changes in cash flow from financing activities	250,000	13	( 359,529)	( 8,264)	-	( 117,780)
Changes in other non-cash items	-	-	-	5,820	840	6,660
At March 31	<u>\$ 933,000</u>	<u>\$ 49,995</u>	<u>\$ 2,698,368</u>	<u>\$ 106,036</u>	<u>\$ 66,410</u>	<u>\$ 3,853,809</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

As the Group's shares were widely held by the public, the Group had no ultimate parent company and ultimate controlling party.

(2) Names of related parties and the relationship with the Group

<u>Names of related parties</u>	<u>Relationship with the Company</u>
TaiRx, Inc.	Other related party (Note)
EirGenix Inc.	Other related party
Formosa Laboratories Japan, Inc.	Associate
A. R. Z Taiwan Limited	Associate
Eros Biopharma INC.	Other related party
Caravel Oculus INC.	Other related party

Note: The corporate director representative of the company is the spouse of the Company's Chairman and General Manager. This corporate director representative resigned on June 12, 2025; therefore, from June 12, 2025 onwards, the individual is no longer considered a related party of the Group.

(3) Significant related party transactions

A. Operating revenue

	Three months ended March 31,	
	2026	2025
Sales of goods:		
Associates	\$ 75,026	\$ 30,958
Other related parties	4,042	369
	<u>\$ 79,068</u>	<u>\$ 31,327</u>

Goods are sold based on the price lists in force and terms that would be available to third parties.

	Three months ended March 31,	
	2026	2025
Sales of services:		
Other related parties	\$ 5,795	\$ 1,918

The Group was appointed to develop the manufacturing process and research method of active pharmaceutical ingredients. As there were no similar transactions for reference, the price cannot be compared with general customers and was based on mutual agreement. The payment term was not significantly different from regular transactions.

B. Service expenses (shown as research and development expenses)

	Three months ended March 31,	
	2026	2025
Other related parties	\$ 10,050	\$ -

The services relate to operations, manufacturing, and research methods outsourced to related parties. As no comparable transactions of a similar nature are available for reference, the terms were determined through mutual agreement between the parties. The payment terms do not differ significantly from those of ordinary transactions.

C. Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Associates	\$ 62,930	\$ 38,585	\$ 31,391
Other related parties	11,121	6,951	1,636
Loss allowance	( 37)	( 23)	( 10)
	<u>\$ 74,014</u>	<u>\$ 45,513</u>	<u>\$ 33,017</u>

Receivables from related parties arose from sales of goods and service transactions, except for some service revenue which were recognised based on the percentage-of-completion method. The credit terms were 30-90 days from the date of sale. The receivables are unsecured in nature and bear no interest.

D. Other income and other receivables

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other receivables			
Associates	\$ 50	\$ 41	\$ 32
Other related parties	-	360	-
	<u>\$ 50</u>	<u>\$ 401</u>	<u>\$ 32</u>

The above represents receivables for advances made on behalf of others.

E. Prepayments

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other related parties	\$ 28,897	\$ 25,347	\$ 623

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

F. Other payables

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other related parties	\$ 4,134	\$ 136	\$ 89

The above represents the payable for entrusting other related parties to carry out clinical development and research.

G. Financial liabilities at amortised cost

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other related parties	\$ 63,990	\$ 62,860	\$ 66,410

The above represents consideration due from other related parties under a new medicine development revenue share agreement of TSY-110. Refer to Note 6(11).

(4) Key management compensation

	<u>Three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Salaries and other short-term employee benefits	\$ 20,453	\$ 24,870
Post-employment benefits	382	349
Share-based payments	48	128
	<u>\$ 20,883</u>	<u>\$ 25,347</u>

## 8. PLEGDED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>			<u>Purpose</u>
	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	
Financial assets at fair value through profit or loss	\$ 520,600	\$ 586,150	\$ 684,000	Guarantee for short-term borrowings
Land	655,950	655,950	655,950	Guarantee for short-term borrowings and mid-term and long-term borrowings facility
Buildings and structures	1,678,065	1,585,020	1,557,620	"
Machinery and equipment	-	-	123,646	Guarantee for mid-term and long-term borrowings facility
Pollution-prevention equipment	-	-	3,572	"
Unfinished construction and equipment under acceptance	116,036	115,489	442,880	"
Guarantee deposits paid (shown as "other non-current assets")	1,890	1,855	1,021	Performance guarantee
	<u>\$ 2,972,541</u>	<u>\$ 2,944,464</u>	<u>\$ 3,468,689</u>	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Property, plant and equipment	<u>\$ 1,110,745</u>	<u>\$ 816,492</u>	<u>\$ 389,197</u>

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS 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 provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or convertible bonds. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net liabilities is calculated as total borrowings (including short-term borrowings, short-term notes and bills payable,

corporate bonds payable and long-term borrowings (including current portion)) less cash and cash equivalents. Total capital is calculated as ‘equity’ as shown in the consolidated balance sheet plus net debt.

During the three months ended March 31, 2026, the Group’s strategy, which was unchanged from 2025, was to maintain the gearing ratio within a certain range. The gearing ratios at March 31, 2026, December 31, 2025 and March 31, 2025 were as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Total borrowings	\$ 3,488,446	\$ 3,502,751	\$ 3,681,363
Less: Cash and cash equivalents	( 1,156,746)	( 1,140,826)	( 1,438,483)
Net debt	2,331,700	2,361,925	2,242,880
Total equity	8,684,313	8,670,142	8,754,175
Total capital	\$ 11,016,013	\$ 11,032,067	\$ 10,997,055
Gearing ratio	<u>21.17%</u>	<u>21.41%</u>	<u>20.40%</u>

## (2) Financial instruments

### A. Financial instruments by category

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</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	\$ 1,160,107	\$ 1,319,308	\$ 1,459,973
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 92,287	\$ 92,182	\$ 100,329
Financial assets at amortised cost			
Cash and cash equivalents	\$ 1,156,746	\$ 1,140,826	\$ 1,438,483
Financial assets at amortised cost	1,112,900	1,202,900	1,330,000
Notes and accounts receivable (including related parties)	942,946	1,091,516	1,006,102
Other receivables due from related parties	53,456	72,424	62,392
Guarantee deposits paid (shown as “other non-current assets”)	6,005	5,959	4,145
	<u>\$ 3,272,053</u>	<u>\$ 3,513,625</u>	<u>\$ 3,841,122</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 683,000	\$ 1,113,000	\$ 933,000
Short-term notes and bills payable	-	-	49,995
Notes and accounts payable	235,867	274,356	266,269
Other payables	702,400	857,508	678,572
Long-term borrowings (including current portion)	63,990	62,860	66,410
Contingent consideration (shown as other liabilities)	2,805,446	2,389,751	2,698,368
	<u>\$ 4,490,703</u>	<u>\$ 4,697,475</u>	<u>\$ 4,692,614</u>
Lease liability (including current portion)	<u>\$ 116,655</u>	<u>\$ 106,831</u>	<u>\$ 106,035</u>

## B. Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's entire risk management policies focus on unpredictable matters in financial market and reducing the potential negative effects on the Group's financial status and financial performance.

## C. Significant financial risks and degrees of financial risks

### (a) Market risk

#### Exchange rate risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Group used in various functional currency, primarily with respect to the USD, JPY and EUR. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require each entity of the Group to manage their foreign exchange risk against their functional currency. Each entity of the Group is required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and EUR expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2026		
	Foreign currency amount (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 37,423	32.00	\$ 1,197,345
USD:JPY	3,200	159.58	102,611
<u>Non-monetary items</u>			
JPY:NTD	629,341	0.201	126,183
USD:NTD	1,919	32.00	61,383
EUR:NTD	2,031	36.71	74,541
HKD:NTD	6,236	4.08	25,449
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	21,652	32.00	692,764

				December 31, 2025		
				Foreign currency amount (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	\$	41,999		31.43	\$	1,313,436
		3,200		105.52		106,253
<u>Non-monetary items</u>						
		636,915		0.201		127,892
		1,378		31.43		44,043
		2,314		36.90		85,375
		10,966		4.04		44,281
<u>Financial liabilities</u>						
<u>Monetary items</u>						
		24,148		31.43		757,779
				March 31, 2025		
				Foreign currency amount (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	\$	52,667		33.205	\$	1,669,503
		3,200		149.10		106,561
<u>Non-monetary items</u>						
		575,223		0.2227		128,102
		1,470		33.205		48,805
		2,314		35.97		83,223
		9,836		4.268		41,979
<u>Financial liabilities</u>						
<u>Monetary items</u>						
		21,999		33.205		727,980

- iv. The exchange loss arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2026 and 2025, amounted to (\$5,572) and (\$3,091), respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

		Three months ended March 31, 2026		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 11,973	\$ -
	USD:JPY	1%	1,026	-
<u>Non-monetary items</u>				
	JPY:NTD	1%	1,262	-
	USD:NTD	1%	436	177
	EUR:NTD	1%	-	745
	HKD:NTD	1%	254	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	6,928	-
		Three months ended March 31, 2025		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 16,695	\$ -
	USD:JPY	1%	1,066	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	7,280	-

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 equity instruments issued by domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the three months ended March 31, 2026 and 2025 would have increased/decreased by \$11,601 and \$14,600, 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 by \$923 and \$1,003, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

#### Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arose from short-term notes and bills payable, short-term and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which was partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the three months ended March 31, 2026 and 2025, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and US Dollars.
- ii. At March 31, 2026, December 31, 2025 and March 31, 2025, if the borrowing interest rate increased by 0.1% (such as 1% increased to 1.1%) with all other variables held constant, the profit, net of tax for the three months ended March 31, 2026 and 2025 would have decreased by \$561 and \$540, respectively. The main factor is that increases in interest expense result from 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, and financial assets stated at amortised cost.
- ii. According to the Group's credit policy, 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. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:  
If the contract payments were past due over 30 days based on the terms, there has been

- a significant increase in credit risk on that instrument since initial recognition.
- v. The Group classifies customer's accounts receivable in accordance with credit rating of customer. The Group applies the modified approach using a provision roll rate matrix based on the loss rate methodology to estimate the expected credit loss.
  - vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
  - vii. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. The Group distinguished customers into optimal customers and non-optimal customers based on the customers' rating. Related information is as follows:
    - (i) The loss allowance for optimal customers' accounts was estimated to be 0.05% by using expected loss rate method. As of March 31, 2026, December 31, 2025 and March 31, 2025, the balances of loss allowance were \$294, \$334 and \$182, respectively. The accounts receivable from optimal customers of Formosa Pharmaceuticals, Inc. are estimated for allowance for losses at a 0% expected credit loss rate. As of March 31, 2026, December 31, 2025, and March 31, 2025, there were no allowances for losses recorded.
    - (ii) The loss allowance for non-optimal customers' accounts was estimated by using provision roll rate matrix. As of March 31, 2026, December 31, 2025 and March 31, 2025, related information is as follows:

	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
<u>March 31, 2026</u>			
Not past due	0.96%	\$ 287,532	\$ 2,774
Up to 30 days past due	4.92%	19,558	963
31~ 90 days past due	13.47~28.96%	27,392	4,114
91~ 180 days past due	69.10~100%	555	517
181 days past due	100.00%	1,267	1,267
Total		<u>\$ 336,304</u>	<u>\$ 9,635</u>
<u>December 31, 2025</u>			
Not past due	0.96%	\$ 283,070	\$ 2,731
Up to 30 days past due	4.92%	130,101	6,404
31~ 90 days past due	13.47~28.96%	24,575	3,860
91~ 180 days past due	69.10~100%	-	-
181 days past due	100.00%	1,245	1,245
Total		<u>\$ 438,991</u>	<u>\$ 14,240</u>

	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
<u>March 31, 2025</u>			
Not past due	1.68%	\$ 347,009	\$ 5,835
Up to 30 days past due	12.03%	57,079	6,869
31~ 90 days past due	18.65~47.35%	5,123	976
91~ 180 days past due	78.08~100%	-	-
181 days past due	100.00%	1,315	1,315
Total		<u>\$ 410,526</u>	<u>\$ 14,995</u>

(iii) The Group individually assessed customers with credit risk or those that have defaulted, estimating an allowance for expected credit losses at 100%. As of March 31, 2026, December 31, 2025 and March 31, 2025, the allowance for credit losses was \$0, \$0 and \$7,821, respectively.

viii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	<u>Three months ended March 31, 2026</u>		
	<u>Non-related</u>		
	<u>parties</u>	<u>Related parties</u>	<u>Total</u>
Balance at January 1	\$ 14,550	\$ 23	\$ 14,573
Provision for impairment loss	( 4,658)	14	( 4,644)
Balance at March 31	<u>\$ 9,892</u>	<u>\$ 37</u>	<u>\$ 9,929</u>

  

	<u>Three months ended March 31, 2025</u>		
	<u>Non-related</u>		
	<u>parties</u>	<u>Related parties</u>	<u>Total</u>
Balance at January 1	\$ 31,451	\$ 5	\$ 31,456
Provision for impairment loss	( 8,463)	5	( 8,458)
Balance at March 31	<u>\$ 22,988</u>	<u>\$ 10</u>	<u>\$ 22,998</u>

For provisioned loss on March 31, 2026 and 2025, the impairment (reversal) losses arising from customers' contracts were (\$4,644) and (\$8,458), respectively.

(c) Liquidity risk

- i. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational requirements.
- ii. 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 for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

March 31, 2026	<u>Within 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Over 3 years</u>
New medicine development revenue share agreement	\$ -	\$ -	\$ 63,990	\$ -
Short-term borrowings	684,093	-	-	-
Accounts payable	235,867	-	-	-
Other payables	702,400	-	-	-
Lease liability (including current portion)	31,053	24,078	18,625	59,320
Long-term borrowings (including current portion)	495,167	1,984,599	421,549	-
Other non-current liabilities (including current portion)	-	55,991	47,993	-
	<u>\$ 2,148,580</u>	<u>\$ 2,064,668</u>	<u>\$ 552,157</u>	<u>\$ 59,320</u>

Non-derivative financial liabilities:

December 31, 2025	<u>Within 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Over 3 years</u>
New medicine development revenue share agreement	\$ -	\$ -	\$ 62,860	\$ -
Short-term borrowings	1,115,589	-	-	-
Accounts payable	274,356	-	-	-
Other payables	857,508	-	-	-
Lease liability (including current portion)	27,303	22,138	14,361	59,577
Long-term borrowings (including current portion)	465,246	1,120,622	881,070	-
Other non-current liabilities (including current portion)	-	31,430	70,718	-
	<u>\$ 2,740,002</u>	<u>\$ 1,174,190</u>	<u>\$ 1,029,009</u>	<u>\$ 59,577</u>

Non-derivative financial liabilities:

March 31, 2025	<u>Within 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Over 3 years</u>
New medicine development revenue share agreement	\$ -	\$ -	\$ 66,410	\$ -
Short-term borrowings	935,041	-	-	-
Short-term notes and bills payable	49,995	-	-	-
Notes payable	606	-	-	-
Accounts payable	265,663	-	-	-
Other payables	678,572	-	-	-
Lease liability (including current portion)	29,002	20,304	14,565	60,007
Long-term borrowings (including current portion)	448,111	1,867,617	170,718	297,979
	<u>\$ 2,406,990</u>	<u>\$ 1,887,921</u>	<u>\$ 251,693</u>	<u>\$ 357,986</u>

(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.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.
- B. The carrying amounts of the Group's financial instruments not measured at fair value comprise cash and cash equivalents, contract assets, notes receivable, accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables, corporate bonds payable and long-term borrowings (including current portion) 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 and liabilities are as follows:
- (a) The related information on the nature of the assets and liabilities is as follows:

March 31, 2026	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through profit or loss - equity securities	\$ 1,059,239	\$ -	\$ 40,521	\$ 1,099,760
Venture fund	-	-	60,000	60,000
Convertible bonds	347	-	-	347
Financial assets at fair value through other comprehensive income - equity securities	<u>1,520</u>	<u>-</u>	<u>90,767</u>	<u>92,287</u>
Total	<u>\$ 1,061,106</u>	<u>\$ -</u>	<u>\$ 191,288</u>	<u>\$ 1,252,394</u>

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through profit or loss - equity securities	\$ 1,219,165	\$ -	\$ 24,087	\$ 1,243,252
Venture fund	-	-	60,000	60,000
Convertible bonds	341	-	15,715	16,056
Financial assets at fair value through other comprehensive income - equity securities	1,541	-	90,641	92,182
Total	<u>\$ 1,221,047</u>	<u>\$ -</u>	<u>\$ 190,443</u>	<u>\$ 1,411,490</u>
March 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through profit or loss - equity securities	\$ 1,373,444	\$ -	\$ 26,223	\$ 1,399,667
Venture fund	-	-	60,000	60,000
Convertible bonds	306	-	-	306
Financial assets at fair value through other comprehensive income - equity securities	503	-	99,826	100,329
Total	<u>\$ 1,374,253</u>	<u>\$ -</u>	<u>\$ 186,049</u>	<u>\$ 1,560,302</u>

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

- i. For the instruments the Group used market quoted prices as their fair values (that is, Level 1), the Group uses the closing price of market quoted price to measure the listed and emerging shares.
- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques. Some of the listed stocks which were invested by the Group were restricted by lock-up period. Their fair values were determined based on the quoted prices of the same and unrestricted instruments in the active market, adjusted by the restricted effects, and calculated by inputting available market information in the model at the balance sheet date.

E. The following chart is the movement of Level 3 for the three months ended March 31, 2026 and 2025:

	Equity securities and derivative instruments	
	2026	2025
At January 1	\$ 190,443	\$ 163,272
Recognised in profit or loss	719	333
Gains and losses recognised in other comprehensive income	126	4,444
Acquired during the period	-	18,000
Payment during the year	-	-
Transfers out from level 3	-	-
Effect due to changes in exchange rates	-	-
At March 31	<u>\$ 191,288</u>	<u>\$ 186,049</u>

E. Treasury 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 and periodically reviewed.

F. The following is the qualitative information of significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	<u>\$ 131,288</u>	Comparable to the regulations for publicly traded companies	Equity ratio	1.44~28.71 (8.10)	The higher the multiplier, the higher the fair value
Venture fund	<u>\$ 60,000</u>	Net asset value	Not applicable	-	Not applicable
Non-derivative debt instrument:					
Corporate	<u>\$ -</u>	Latest transaction prices in inactive market	Not applicable	-	Not applicable

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ <u>114,728</u>	Comparable to the regulations for publicly traded companies	Equity ratio	1.51~9.56 (4.09)	The higher the multiplier, the higher the fair value
Venture fund	\$ <u>60,000</u>	Net asset value	Not applicable	-	Not applicable
Non-derivative debt instrument:					
Corporate	\$ <u>15,715</u>	Latest transaction prices in inactive market	Not applicable	-	Not applicable
	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ <u>99,826</u>	Comparable to the regulations for publicly traded companies	Equity ratio	1.51~9.56 (4.09)	The higher the multiplier, the higher the fair value
Venture fund	\$ <u>60,000</u>	Net asset value	Not applicable	-	Not applicable

### 13. SUPPLEMENTARY DISCLOSURES

#### (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.

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

H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 3.

J. Significant inter-Group transactions during the reporting period: Refer to table 4.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 5.

#### (3) Information on investments in Mainland China

A. Basic information: Refer to table 6.

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

The Group considers the business from a product type perspective and distinguishes the business into active pharmaceutical ingredients segment and other segments.

##### (2) Measurement of segment information

The Group measured the performance of operating segment with the post-tax profit of continuing operations. The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4.

(3) 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:

Three months ended March 31, 2026

	<u>API</u>	<u>Other operating departments</u>	<u>Elimination</u>	<u>Total</u>
Revenue from external customers	\$ 1,015,075	\$ 48,931	\$ -	\$ 1,064,006
Inter-segment revenue	6,893	-	( 6,893)	-
Total segment revenue	<u>\$ 1,021,968</u>	<u>\$ 48,931</u>	<u>(\$ 6,893)</u>	<u>\$ 1,064,006</u>
Segment income	<u>\$ 18,755</u>	<u>(\$ 24,621)</u>	<u>\$ 20,831</u>	<u>\$ 14,965</u>
Segment income (loss), including				
Depreciation and amortisation	<u>\$ 133,032</u>	<u>\$ 14,616</u>	<u>(\$ 5,299)</u>	<u>\$ 142,349</u>
Income tax expense	<u>(\$ 35,096)</u>	<u>(\$ 255)</u>	<u>\$ 19</u>	<u>(\$ 35,332)</u>
Recognised investment profit or loss accounted for using equity method	<u>(\$ 2,940)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 2,940)</u>

Three months ended March 31, 2025

	<u>API</u>	<u>Other operating departments</u>	<u>Elimination</u>	<u>Total</u>
Revenue from external customers	\$ 1,139,443	\$ 4,278	\$ -	\$ 1,143,721
Inter-segment revenue	435	-	( 435)	-
Total segment revenue	<u>\$ 1,139,878</u>	<u>\$ 4,278</u>	<u>(\$ 435)</u>	<u>\$ 1,143,721</u>
Segment income	<u>\$ 120,545</u>	<u>(\$ 40,960)</u>	<u>\$ 21,332</u>	<u>\$ 100,917</u>
Segment income (loss), including				
Depreciation and amortisation	<u>\$ 128,735</u>	<u>\$ 11,992</u>	<u>(\$ 5,054)</u>	<u>\$ 135,673</u>
Income tax expense	<u>(\$ 49,520)</u>	<u>\$ 123</u>	<u>\$ 20</u>	<u>(\$ 49,377)</u>
Recognised investment profit or loss accounted for using equity method	<u>\$ 542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 542</u>

(4) Reconciliation for segment income (loss)

The post-tax profit of continuing operations reported to the chief operating decision-maker is measured in a manner consistent with the revenue and expenses in the statement of comprehensive income. Amounts of total assets and total liabilities of segments are not provided to the chief operating decision-maker to make strategic decisions. There is no difference between the presentation of segment report and income statement which were provided to the chief operating decision-maker and accordingly, no reconciliation is required to be disclosed.

FORMOSA LABORATORIES, INC. AND SUBSIDIARIES

Loans to others

Three months ended March 31, 2026

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during	Balance at	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	Footnote
					the three months ended March 31, 2026	December 31, 2026							Item	Value			
0	Formosa Laboratories, Inc.	SynChem-Formosa Inc.	Other receivables due from related parties	Y	\$ 159,975	\$ 127,980	\$ 87,986	-	2	\$ -	Revolving funds	\$ -	None	\$ -	\$ 777,521	\$ 1,555,043	Note 2

Note 1: The column of 'Nature of loan' shall fill in 1: 'Business transaction or 2: 'Short-term financing'.

Note 2: The Company loans to others:

(1) Ceiling of loans to individual (short-term financing) is 10% of the creditor's net asset of latest financial statements.

(2) Total ceiling of loans to individual (short-term financing) is 20% of the creditor's net asset of latest financial statements.

Note 3: Formosa Laboratories Japan loans to others:

(1) Ceiling of loans to individual (short-term financing) is 30% of the creditor's net asset of latest financial statements.

(2) Total ceiling of loans to individual (short-term financing) is 35% of the creditor's net asset of latest financial statements.

FORMOSA LABORATORIES, INC. AND SUBSIDIARIES  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
March 31, 2026

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2026				Footnote
				Number of shares	Carrying amount	Ownership (%)	Fair value	
Formosa Laboratories, Inc.	EirGenix, Inc. common stocks	Other related party	Current/non-current financial assets at fair value through profit or loss	18,552,818	\$ 1,016,694	6.05	\$ 1,016,694	
Formosa Laboratories, Inc.	TOT Biopharm International Company Limited common stocks	None	Financial assets at fair value through profit or loss - current	1,210,700	25,449	0.16	25,449	
Formosa Laboratories, Inc.	TaiRx, Inc. common stocks	Other related party	Financial assets at fair value through profit or loss - current	346,000	5,128	0.31	5,128	
Formosa Laboratories, Inc.	AG Global Inc Unlisted stocks	None	Financial assets at fair value through profit or loss - non-current	1,041,666	-	1.33	-	
Formosa Laboratories, Inc.	Oncomatrix Biopharma, S.A. common stocks	None	Non-current financial assets at fair value through other comprehensive income	303,713	74,541	3.12	74,541	
Formosa Laboratories, Inc.	PharmaSTAR Inc. common stocks	None	Non-current financial assets at fair value through other comprehensive income	500,000	16,226	20.00	16,226	
Formosa Laboratories, Inc.	Hcmed Innovations Co., Ltd. common stocks	None	Financial assets at fair value through profit or loss - non-current	154,623	11,968	0.47	11,968	
Formosa Laboratories, Inc.	Forward BioT Venture Capital	None	Financial assets at fair value through profit or loss - non-current	-	60,000	6.72	60,000	
Formosa Laboratories, Inc.	AmMAX Bio, Inc. stocks	None	Financial assets at fair value through profit or loss - non-current	934,578	24,523	1.41	24,523	
Formosa Laboratories, Inc.	APRINOIA Therapeutics Inc. convertible bonds	None	Financial assets at fair value through profit or loss - current	98,815	15,998	0.34	15,998	
Epione Pharmaceuticals, Inc.	AcBel Polytech Inc. II unsecured convertible bonds	None	Financial assets at fair value through profit or loss - current	3,000	347	-	347	

FORMOSA LABORATORIES, INC. AND SUBSIDIARIES  
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
 March 31, 2026

Table 3

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2026 (Note)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Activus Pharma. Co., Ltd.	Formosa Pharmaceuticals Inc.	Same ultimate parent company	\$ 102,611	0.00	\$ -	-	\$ -	\$ -

Note: The turnover rate is listed as 0.00 because the long-term receivables are listed in the table, so the turnover rate is not applicable.

FORMOSA LABORATORIES, INC. AND SUBSIDIARIES  
 Significant inter-company transactions during the reporting period  
 Three months ended March 31, 2026

Table 4

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Transaction		Percentage of consolidated total operating revenues or total
					Amount (Note 4)	Transaction terms	
1	Activus Pharma. Co., Ltd.	Formosa Pharmaceuticals Inc.	3	Other receivables	\$ 102,611	Note 6	1%

Note 1: 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 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

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

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The aforementioned threshold of disclosure was NT\$10 million above. Aforementioned related party transactions were written-off when preparing the consolidated financial statements.

Note 5: The transaction price and terms were based on mutual agreement.

Note 6: Represents receivables from authorised transaction in 2018 and was based on terms from mutual agreement, and the transaction price was \$196,928. Because it was a business transfer in the Group, the profit or loss was not recognised.

FORMOSA LABORATORIES, INC. AND SUBSIDIARIES  
Information on investees  
Three months ended March 31, 2026

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net income of investee for the three months ended March 31, 2026	Investment income (loss) recognised by the Company for the three months ended March 31, 2026	Footnote
				Balance as at March 31, 2026	Balance as at March 31, 2025	Number of shares	Ownership (%)	Book value			
Formosa Laboratories, Inc.	Formosa Pharmaceuticals Inc.	Taiwan	Research and development of new biotechnology medicine	\$ 1,229,635	\$ 1,229,635	61,387,653	40.66%	\$ 620,352	(\$ 15,252)	(\$ 3,380)	
Formosa Laboratories, Inc.	Epione Pharmaceuticals, Inc.	Taiwan	Research and development of new biotechnology medicine	40,000	40,000	4,000,000	100.00%	12,826	( 34)	( 34)	
Formosa Laboratories, Inc.	A.R.Z Taiwan Limited	Taiwan	Agency sales of raw materials and intermediates	2,716	2,716	271,620	45.00%	43	1,836	43	
Formosa Laboratories, Inc.	Formosa Laboratories Japan, Inc.	Japan	Agency sales of medicine and intermediates	1,105	1,105	400	40.00%	21,525	( 7,459)	( 2,984)	
Formosa Laboratories, Inc.	SynChem-Formosa, Inc.	United States	Research of organic synthesis, process development and medicinal chemistry contracts	28,898	28,898	311,996	100.00%	-	( 8,865)	( 8,912)	
Formosa Laboratories, Inc.	Epione Investment Cayman Limited	Cayman Islands	Medicine, chemical trade and investment business	18,482	18,482	619,000	100.00%	3,115	( 471)	( 471)	
Epione Investment Cayman Limited	Epione Investment HK Limited	Hong Kong	Medicine, chemical trade and investment business	16,287	16,287	544,500	100.00%	2,786	( 387)	( 387)	
Formosa Pharmaceuticals Inc.	Activus Pharma. Co., Ltd.	Japan	Research and development of new biotechnology medicine	274,633	274,633	1,942	99.23%	104,658	1,493	1,463	

FORMOSA LABORATORIES, INC. AND SUBSIDIARIES

Information on investments in Mainland China

Three months ended March 31, 2026

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

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, 2026	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income of investee for the three months ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2026	Book value of investments in Mainland China as of March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Epione Enterprise Co., Ltd.	Wholesale and import and export of chemical raw materials and products and commission agency	\$ 15,997	Note 1	\$ 15,997	\$ -	\$ -	\$ 15,997	(\$ 369)	100%	(\$ 369)	\$ 2,575	\$ -	Note 2

Note 1: Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

Note 2: The investment loss for the three months ended March 31, 2026 is calculated based on the Company's financial statements which were reviewed by independent auditors.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026 (Note 5)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 3)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
Formosa Laboratories, Inc.	\$ 58,655	\$ 162,611	\$ 4,665,129

Note 3: The total investment amount approved by the Investment Commission, MOEA, was USD 5,082 thousand at the exchange rate of 31.995 and translated into \$162,611.

Note 4: Ceiling on investments in Mainland China was calculated by the higher of the Company's net assets and 60% of consolidated net assets.

Note 5: The Company's accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026 was \$42,658, including investment in TOT Biopharm International Company Limited.