

Stock Code: 4123

Center Laboratories, Inc. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024

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Independent Auditors' Review Report

The Board of Directors and Shareholders of Center Laboratories, Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Center Laboratories, Inc. and its subsidiaries as of March 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended and the related notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The financial statements of non-significant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$4,839,567 thousand and NT\$5,467,712 thousand, constituting 18.9% and 20.2% of the consolidated total assets, and total liabilities of NT\$10,184 thousand and NT\$555,447 thousand, constituting 0.1% and 7.5% of the consolidated total liabilities as of March 31, 2025 and 2024, respectively; and total comprehensive (loss) income of NT\$(45,649) thousand and NT\$(206,892) thousand, constituting 8.0% and 40.1% of the consolidated total comprehensive (loss) income for the three months ended March 31, 2025 and 2024, respectively.

The valuation of investments accounted for using the equity method, which includes investments in associates, is based on the financial statements of those companies for the same period that were not reviewed by independent auditors. The investments accounted for using the equity method amounted to NT\$3,912,583 thousand and NT\$3,899,880 thousand, constituting 15.3% and 14.4% of the consolidated total assets as of March 31, 2025 and 2024, respectively. The share of profit (loss) from associates accounted for using the equity method amounted to NT\$18,273 thousand and NT\$(12,909) thousand for the three months ended March 31, 2025 and 2024, respectively.

Qualified Conclusion

Based on our reviews and the review reports of other independent auditors, except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of non-significant consolidated subsidiaries and certain investments accounted for using the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, 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 Center Laboratories, Inc. and its subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, “Interim Financial Reporting,” that came into effect as endorsed by the Financial Supervisory Commission.

Other Matter - Making reference to the reviews of other independent auditors

For the aforesaid subsidiaries disclosed in the consolidated financial statements as of March 31, 2025, the consolidated financial statements of Bioflag International Corporation and its subsidiaries were not reviewed by the Group’s CPA. Those financial statements were reviewed by another auditor whose reports have been thereon furnished to us, and our opinions expressed herein, insofar as it relates to the amounts for the aforesaid subsidiaries, are based solely on the report of other auditor. Total assets of the consolidated financial statements amounted to NT\$1,967,397 thousand, constituting 7.7% of the consolidated total assets as of March 31, 2025; concurrently, total operating revenues amounted to NT\$133,735 thousand, constituting 35.3% of the consolidated total operating revenues for the three months ended March 31, 2025.

Among the invested companies accounted for using the equity method disclosed in the consolidated financial statements, the financial statements of BioGend Therapeutics Co., Ltd., Lumosa Therapeutics Co., Ltd., and Medeon Biodesign, Inc., were not reviewed by our CPA. Those financial statements were reviewed by another auditor whose reports have been thereon furnished to us, and our opinions expressed herein, insofar as it relates to the amounts included in the financial statements, are based solely on the report of other auditor. These investments accounted for using the equity method amounted to NT\$1,306,074 thousand and NT\$1,392,785 thousand, constituting 5.1% and 5.1% of the total assets as of March 31, 2025 and 2024, respectively. The share of profit (loss) from associates accounted for using the equity method amounted to NT\$(100,194) thousand and NT\$(102,829) thousand, constituting (14.3)% and 17.7% of the income before income tax for the three months ended March 31, 2025 and 2024, respectively.

The engagement partners on the reviews resulting in this independent auditors' review report are Cheng, Chung-Hao and Chi, Chia-Yu.

Full-Fill & Co., CPAs

Taipei, Taiwan

Republic of China

May 12, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

Center Laboratories, Inc. and Subsidiaries

Consolidated Balance Sheets

As of March 31, 2025, December 31, 2024, and March 31, 2024

Account Code	Assets	Notes	In Thousands of New Taiwan Dollars					
			March 31, 2025		December 31, 2024		March 31, 2024	
			Amount	%	Amount	%	Amount	%
11XX	Current assets							
1100	Cash and cash equivalents	6(1)	\$ 620,371	2	\$ 1,442,273	6	\$ 2,143,131	8
1110	Financial assets at fair value through profit or loss	6(2), 8	333,312	1	257,998	1	1,036,276	4
1136	Financial assets at amortized cost	6(3)	572,352	2	350,009	1	758,080	3
1150	Notes receivable, net		24,442	—	24,106	—	34,226	—
1170	Accounts receivable, net	6(4)	181,503	1	178,579	1	184,710	1
1200	Other receivables	7	10,422	—	11,367	—	12,492	—
130X	Inventories	6(5)	299,201	1	309,703	1	270,401	1
1476	Other financial assets	8	1,150,669	5	1,183,483	5	1,167,942	4
1470	Other current assets		24,093	—	23,989	—	40,379	—
11XX	Total current assets		<u>3,216,365</u>	<u>12</u>	<u>3,781,507</u>	<u>15</u>	<u>5,647,637</u>	<u>21</u>
15XX	Non-current assets							
1510	Financial assets at fair value through profit or loss	6(2), 8	13,779,741	54	13,048,724	51	12,754,799	47
1550	Investments accounted for using the equity method	6(6), 8	5,618,588	22	5,761,850	23	5,772,893	21
1600	Property, plant and equipment	6(7), 8	1,407,730	6	1,415,920	5	1,336,122	5
1755	Right-of-use assets	6(8)	14,780	—	17,080	—	23,980	—
1760	Investment property, net	6(9), 8	661,238	3	662,247	3	665,312	3
1780	Intangible assets	6(10)	768,592	3	780,347	3	814,669	3
1840	Deferred tax assets	6(21)	26,980	—	32,505	—	22,037	—
1920	Refundable deposits		8,873	—	9,127	—	10,676	—
1915	Prepayments		35,722	—	13,959	—	35,649	—
1975	Net defined benefit asset		14,623	—	13,909	—	7,763	—
15XX	Total non-current assets		<u>22,336,867</u>	<u>88</u>	<u>21,755,668</u>	<u>85</u>	<u>21,443,900</u>	<u>79</u>
1XXX	Total assets		<u>\$ 25,553,232</u>	<u>100</u>	<u>\$ 25,537,175</u>	<u>100</u>	<u>\$ 27,091,537</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

Center Laboratories, Inc. and Subsidiaries
Consolidated Balance Sheets
As of March 31, 2025, December 31, 2024, and March 31, 2024

In Thousands of New Taiwan Dollars

Account Code	Liabilities and Equity	Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			Amount	%	Amount	%	Amount	%
21XX	Current liabilities							
2100	Short-term loans	6(11), 8	\$ 1,050,000	4	\$ 1,262,000	5	\$ 330,000	1
2130	Contract liabilities	6(17)	124,132	—	159,246	1	124,175	1
2170	Accounts payable		132,609	1	134,790	—	123,059	—
2200	Other payables	6(12), 7	143,171	1	155,967	1	94,569	—
2230	Current tax liabilities		289,424	1	277,325	1	240,079	1
2280	Lease liabilities	6(8)	9,163	—	9,214	—	9,251	—
2320	Long-term liabilities, current portion	6(11)(13)	2,003,813	8	2,595,827	10	234,750	1
2399	Other current liabilities	7	18,445	—	22,393	—	23,482	—
21XX	Total current liabilities		3,770,757	15	4,616,762	18	1,179,365	4
25XX	Non-current liabilities							
2500	Financial liabilities at fair value through profit or loss	6(2)	85,432	—	46,158	—	76,792	—
2527	Contract liabilities	6(17)	4,841	—	4,841	—	—	—
2530	Bonds payable	6(13)	2,258,832	9	2,234,917	9	4,389,561	16
2540	Long-term loans	6(11), 8	511,709	2	419,998	2	1,326,531	5
2570	Deferred tax liabilities	6(21)	284,951	1	148,741	—	391,505	2
2580	Lease liabilities	6(8)	5,868	—	8,173	—	15,037	—
2670	Other non-current liabilities	7	3,101	—	3,102	—	5,587	—
25XX	Total non-current liabilities		3,154,734	12	2,865,930	11	6,205,013	23
2XXX	Total liabilities		6,925,491	27	7,482,692	29	7,384,378	27
31XX	Equity attributable to shareholders of the parent	6(15)						
3110	Share capital		7,249,768	28	7,249,768	28	6,914,211	26
3200	Capital surplus		5,536,866	22	5,535,957	22	7,249,304	27
3300	Retained earnings							
3310	Legal reserve		1,267,810	5	1,267,810	5	1,267,810	5
3320	Special reserve		5,560,363	22	5,560,363	22	5,560,363	20
3350	Unappropriated earnings		(820,752)	(3)	(1,368,634)	(5)	(1,546,759)	(6)
3400	Other equity							
3410	Exchange differences arising on translation of foreign operations		23,728	—	(739)	—	(16,970)	—
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income		19,603	—	19,603	—	74,820	—
3500	Treasury shares		(209,651)	(1)	(209,651)	(1)	(246,721)	(1)
31XX	Total equity attributable to shareholders of the parent		18,627,735	73	18,054,477	71	19,256,058	71
36XX	Non-controlling interests	6(15)	6	—	6	—	451,101	2
3XXX	Total equity		18,627,741	73	18,054,483	71	19,707,159	73
1XXX	Total liabilities and equity		\$ 25,553,232	100	\$ 25,537,175	100	\$ 27,091,537	100

(The accompanying notes are an integral part of the consolidated financial statements.)

Center Laboratories, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2025 and 2024

In Thousands of New Taiwan Dollars, Except Earnings Per Share						
Account Code	Items	Notes	Three Months Ended March 31			
			2025		2024	
			Amount	%	Amount	%
4000	Net revenue	6(17)	\$ 378,859	100	\$ 363,410	100
5000	Cost of revenue		215,601	57	198,735	55
5900	Gross profit		163,258	43	164,675	45
6000	Operating expenses	6(18), 7				
6100	Selling and marketing expenses		53,858	14	55,933	15
6200	General and administrative expenses		45,805	12	46,011	13
6300	Research and development expenses		17,716	5	20,709	6
6450	Expected credit impairment gains (losses)		1	—	(2)	—
	Total operating expenses		117,380	31	122,651	34
6900	Income from operations		45,878	12	42,024	11
7000	Non-operating income and expenses					
7050	Finance costs	6(19)	(61,400)	(16)	(54,311)	(15)
7100	Interest income		15,576	4	21,630	6
7190	Other income	7	8,910	2	13,049	4
7225	Gain on disposal of investments		34	—	28,084	8
7230	Gain on foreign exchange		15,010	4	60,319	16
7060	Share of profit or loss of associates and joint ventures accounted for using the equity method	6(6)	(108,592)	(29)	(143,385)	(39)
7590	Other gains and losses		(8)	—	(90)	—
7635	Gain (loss) on financial assets (liabilities) at fair value through profit or loss		783,049	207	(547,846)	(151)
	Total non-operating income and expenses		652,579	172	(622,550)	(171)
7900	Income (loss) before income tax		698,457	184	(580,526)	(160)
7950	Income tax (expense) benefit	4, 6(21)	(149,317)	(39)	31,301	9
8200	Net income		549,140	145	(549,225)	(151)

(To be continued)

(Continued)

Account Code	Items	Notes	Three Months Ended March 31			
			2025		2024	
			Amount	%	Amount	%
8300	Other comprehensive income (loss)					
8360	Items that may be reclassified subsequently to profit or loss	6(20)				
8361	Exchange differences arising on translation of foreign operations		27,573	7	34,537	9
8370	Share of other comprehensive income or loss of associates and joint ventures accounted for using the equity method		2,526	1	6,096	2
8399	Income tax (expense) relating to items that may be reclassified to profit or loss	6(21)	(5,632)	(2)	(7,207)	(2)
8360	Total components of other comprehensive income that may be reclassified to profit or loss		24,467	6	33,426	9
8500	Total comprehensive income (loss)		<u>\$ 573,607</u>	<u>151</u>	<u>\$ (515,799)</u>	<u>(142)</u>
8600	Net income (loss) attributable to:					
8610	Shareholders of the parent		<u>\$ 549,140</u>	<u>145</u>	<u>\$ (540,977)</u>	<u>(149)</u>
8620	Non-controlling interests		<u>\$ —</u>	<u>—</u>	<u>\$ (8,248)</u>	<u>(2)</u>
8700	Total comprehensive income attributable to:					
8710	Shareholders of the parent		<u>\$ 573,607</u>	<u>151</u>	<u>\$ (507,551)</u>	<u>(140)</u>
8720	Non-controlling interests		<u>\$ —</u>	<u>—</u>	<u>\$ (8,248)</u>	<u>(2)</u>
9750	Earnings per share Basic earnings per share	6(22)	<u>\$ 0.76</u>		<u>\$ (0.78)</u>	
9850	Diluted earnings per share	6(22)	<u>\$ 0.70</u>		<u>\$ (0.78)</u>	

(The accompanying notes are an integral part of the consolidated financial statements.)

Center Laboratories, Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2025 and 2024

In Thousands of New Taiwan Dollars

Items	Equity attributable to shareholders of the parent															Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
	Capital surplus							Retained earnings			Other Equity							
	Share capital	Issued at premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in net equity of associates and joint ventures accounted for using the equity method	Treasury shares	Others	Stock options	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences arising on translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total	Treasury shares				
Balance as of January 1, 2024	\$ 6,914,211	\$ 4,866,544	\$ 449,327	\$ 1,046,926	\$ 76,827	\$ 1,540	\$ 800,338	\$ 1,267,810	\$ 5,560,363	\$ (1,004,735)	\$ (50,396)	\$ 74,820	\$ 24,424	\$ (246,721)	\$ 19,756,854	\$ 459,349	\$ 20,216,203	
Other changes in capital surplus																		
Adjustments to share of changes in equities of associates	—	—	—	7,802	—	—	—	—	—	(1,047)	—	—	—	—	6,755	—	6,755	
Net income (loss)	—	—	—	—	—	—	—	—	—	(540,977)	—	—	—	—	(540,977)	(8,248)	(549,225)	
Other comprehensive income	—	—	—	—	—	—	—	—	—	—	33,426	—	33,426	—	33,426	—	33,426	
Balance as of March 31, 2024	<u>\$ 6,914,211</u>	<u>\$ 4,866,544</u>	<u>\$ 449,327</u>	<u>\$ 1,054,728</u>	<u>\$ 76,827</u>	<u>\$ 1,540</u>	<u>\$ 800,338</u>	<u>\$ 1,267,810</u>	<u>\$ 5,560,363</u>	<u>\$ (1,546,759)</u>	<u>\$ (16,970)</u>	<u>\$ 74,820</u>	<u>\$ 57,850</u>	<u>\$ (246,721)</u>	<u>\$ 19,256,058</u>	<u>\$ 451,101</u>	<u>\$ 19,707,159</u>	
Balance as of January 1, 2025	\$ 7,249,768	\$ 4,054,144	\$ —	\$ 665,876	\$ 88,455	\$ 1,609	\$ 725,873	\$ 1,267,810	\$ 5,560,363	\$ (1,368,634)	\$ (739)	\$ 19,603	\$ 18,864	\$ (209,651)	\$ 18,054,477	\$ 6	\$ 18,054,483	
Other changes in capital surplus																		
Adjustments to share of changes in equities of associates	—	—	—	(922)	—	—	—	—	—	(1,258)	—	—	—	—	(2,180)	—	(2,180)	
Recovery of unclaimed dividends from shareholders	—	—	21	—	—	46	—	—	—	—	—	—	—	—	67	—	67	
Net income (loss)	—	—	—	—	—	—	—	—	—	549,140	—	—	—	—	549,140	—	549,140	
Other comprehensive income	—	—	—	—	—	—	—	—	—	—	24,467	—	24,467	—	24,467	—	24,467	
Share-based compensation	—	—	—	—	—	—	1,764	—	—	—	—	—	—	—	1,764	—	1,764	
Balance as of March 31, 2025	<u>\$ 7,249,768</u>	<u>\$ 4,054,144</u>	<u>\$ 21</u>	<u>\$ 664,954</u>	<u>\$ 88,455</u>	<u>\$ 1,655</u>	<u>\$ 727,637</u>	<u>\$ 1,267,810</u>	<u>\$ 5,560,363</u>	<u>\$ (820,752)</u>	<u>\$ 23,728</u>	<u>\$ 19,603</u>	<u>\$ 43,331</u>	<u>\$ (209,651)</u>	<u>\$ 18,627,735</u>	<u>\$ 6</u>	<u>\$ 18,627,741</u>	

(The accompanying notes are an integral part of the consolidated financial statements.)

Center Laboratories, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the three months ended March 31, 2025 and 2024

		In Thousands of New Taiwan Dollars	
		Three Months Ended	
		March 31	
		2025	2024
Cash flows from operating activities:			
Income (loss) before income tax		\$ 698,457	\$ (580,526)
Adjustments for:			
The income or loss items which did not affect cash flows			
Depreciation expense		28,616	26,544
Amortization expense		12,610	12,171
Net (gain) loss on financial assets and liabilities at fair value through profit or loss		(783,049)	547,846
Loss on disposal of property, plant and equipment		1	—
Expected credit losses (gains)		1	(2)
Unrealized foreign exchange gain		(11,890)	(27,443)
Share-based compensation		1,764	—
Interest expense		61,400	54,311
Interest income		(15,576)	(21,630)
Share of profit or loss of associates and joint ventures accounted for using the equity method		108,592	143,385
Gain on disposal of investments		(34)	(28,084)
Changes in operating assets and liabilities			
(Increase) decrease in notes receivable		(334)	19,777
(Increase) decrease in accounts receivable		(2,927)	5,896
(Increase) decrease in other receivables		(298)	8,116
Decrease (increase) in inventories		10,502	(1,173)
(Increase) decrease in other current assets		(1,379)	5,033
(Increase) in defined benefit asset, net		(714)	(631)
(Decrease) in accounts payable		(2,181)	(21,583)
(Decrease) in other payables		(33,909)	(50,188)
(Decrease) increase in contract liabilities		(35,114)	10,509
(Decrease) increase in other current liabilities		(3,948)	1,436
Cash generated from operations		30,590	103,764
Interest received		14,692	23,207
Interest paid		(24,016)	(29,662)
Income tax paid		(1,115)	(500)
Net cash provided by operating activities		20,151	96,809

(To be continued)

(Continued)

	Three Months Ended March 31	
	2025	2024
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(57,170)	(647,835)
Proceeds from disposal of financial assets at fair value through profit or loss	75,290	389,110
Acquisition of investments accounted for using the equity method	(5,988)	—
Proceeds from disposal of investments accounted for using the equity method	—	31,821
Acquisition of intangible assets	(855)	(1,001)
Acquisition of property, plant and equipment (Including prepayment for equipment)	(17,514)	(50,222)
(Increase) decrease in financial assets at amortized cost	(210,452)	14,880
Decrease (increase) in refundable deposits	254	(165)
Decrease (increase) decrease in other financial assets	32,814	(40,084)
Dividends received	68,368	—
Net cash (used in) investing activities	<u>(115,253)</u>	<u>(303,496)</u>
Cash flows from financing activities:		
(Decrease) in short-term loans	(212,000)	—
(Repayment of) proceeds from long-term loans	(512,751)	647,299
(Decrease) in guarantee deposits	(1)	—
Repayment of the principal portion of lease liabilities	(2,356)	(2,281)
Recovery of unclaimed dividends from shareholders	67	—
Net cash (used in) provided by financing activities	<u>(727,041)</u>	<u>645,018</u>
Effect of exchange rate changes on cash and cash equivalents	241	208
Net (decrease) increase in cash and cash equivalents	<u>(821,902)</u>	<u>438,539</u>
Cash and cash equivalents, beginning of period	1,442,273	1,704,592
Cash and cash equivalents, end of period	<u>\$ 620,371</u>	<u>\$ 2,143,131</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

Center Laboratories, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL INFORMATION

Center Laboratories, Inc. (hereinafter referred to as “the Company”) was established on November 4, 1959 in accordance with the Company Act. As of March 31, 2025, the Company possessed an authorized capital of \$10,000,000 thousand and paid-in capital of \$7,249,768 thousand. The Company mainly engages in the manufacture and sale of various Western medicines. The Company and its factories are located in Taipei City and Hsinchu County, Taiwan, respectively.

The Company’s shares have been traded on Taipei Exchange since October 2003.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Company have been released after submission to the Board of Directors on May 12, 2025.

3. APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

- (1) Initial adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standard Interpretations Committee (SIC) (hereinafter referred to as the “IFRSs”) endorsed and promulgated by the Financial Supervisory Commission (the “FSC”).

The adoption of the revised IFRSs approved and issued by the Financial Supervisory Commission, effective from January 1, 2025, is not expected to result in significant changes to the accounting policies of the consolidated company.

- (2) IFRSs issued by IASB but not yet accredited by the FSC (actual applicable date shall prevail):

New, Revised or Amended Standards and Interpretations	Effective Date of Issuance by the IASB (Note 1)
Annual Improvements to IFRSs - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendment to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB.
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosure”	January 1, 2027

Note 1: Unless stated otherwise, the aforementioned new, revised and amended standards and interpretations are effective for annual reporting periods beginning on or after the respective effective dates.

In the future, the consolidated company adopts the above IASB standards or interpretations which have not yet been accredited by the FSC and those may have a potential impact on the consolidated company's financial statements are as follows:

A. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes in this standard include:

The income statement should classify revenue and expense items by operating, investing, financing, income tax, and discontinued operations categories.

The income statement should present operating profit or loss, profit or loss before financing and income tax, and subtotals and totals of profit or loss.

Providing guidance to enhance aggregation and disaggregation requirements: Consolidated entities must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events and classify and aggregate them based on common characteristics, ensuring that each significant line item in the primary financial statements has at least one similar characteristic. Items with different characteristics should be disaggregated in the primary financial statements and notes. Consolidated entities should only label such items as "other" when more informative names cannot be found.

Adding disclosures on performance measures defined by management: Consolidated entities should disclose relevant information on performance measures defined by management in a single note to the financial statements when engaging in external communication beyond financial statements and when communicating management's perspective on a particular aspect of the consolidated entity's overall financial performance to users of the financial statements. This disclosure should include a description of the measure, how it is calculated, adjustments to subtotals or totals defined in IFRS accounting standards, and the tax and non-controlling interest effects of related adjustments.

As of the date the consolidated financial statements are authorized for issue, the Consolidated Company is continuously assessing the impact of other standards and amendments of interpretation on its financial position and financial performance, and will disclose the relevant impact upon completion of the assessment.

4. **SUMMARY OF MATERIAL ACCOUNTING POLICIES**

Apart from the following explanation, the significant accounting policies adopted in this consolidated financial report are consistent with those of the 2024 consolidated financial report. For further information, please refer to Note 4 of the 2024 consolidated financial report.

(1) Statement of Compliance

This consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the “Regulations”) and IAS 34 “Interim Financial Reporting” as recognized and issued by the Financial Supervisory Commission. This consolidated financial report does not include all the necessary information required to be disclosed in the entire annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Bulletins as recognized and issued by the Financial Supervisory Commission.

(2) Basis of Preparation

Except for financial instruments measured by fair value, the consolidated financial statements are prepared on a historical cost basis. Historical cost is usually based on the fair value of the consideration paid to acquire the asset.

(3) Basis of Preparation for Consolidated Financial Statements

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control refers to the Company’s power to direct the financial and operating policies of an individual to obtain benefits from its related operating activities.

The consolidated income statement has Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. The total comprehensive income of subsidiaries is attributed to the Company’s shareholders and non-controlling interests, even if this results in non-controlling interests having a deficit balance.

When necessary, adjustments are made to subsidiaries’ financial statements to bring their accounting policies into line with those used by the Company.

All significant transactions, balances, income, and expenses between the Company’s consolidated entities are eliminated in full on consolidation.

Changes in the Company’s ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company’s interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Company’s shareholders.

When the consolidated company loses control of the subsidiary, the disposition gains and losses are the difference between the following two; (1) The fair value of the consideration received and the remaining investment in the former subsidiary is counted at the fair value on the day when the control was lost, and (2) The assets (including goodwill), liabilities, and non-controlling interests of the former subsidiary are counted based on the book value on the date of loss of control. The consolidated company recognizes all amounts related to the subsidiary in other comprehensive profits and losses, and its accounting treatment is based on the same basis that the consolidated company must follow when directly processing related assets or liabilities.

The former subsidiary's remaining investment is based on the fair value at the date of loss of control as the amount initially recognized for investment in the affiliated Company.

A. The subsidiaries included in the preparation of the consolidated financial statements are listed as follows:

Name of Investor	Name of Subsidiary	Relationship with the Company	Nature of Business	Percentage of Ownership/Capital Contribution		
				March 31, 2025	December 31, 2024	March 31, 2024
The Company	Center Biotherapeutics Inc.	A subsidiary of the Company	Investment	100.00%	100.00%	100.00%
The Company	Centerlab Investment Holding Limited	A subsidiary of the Company	Investment	100.00%	100.00%	100.00%
The Company	BioEngine Technology Development Inc.	A subsidiary of the Company	Investment	100.00%	100.00%	100.00%
The Company and Centerlab Investment Holding Limited	Bioflag International Corporation	A subsidiary of the Company	Investment	100.00%	100.00%	47.33%
Bioflag International Corporation	Bioflag Co., Ltd.	Sub-subsidiary of the Company	Investment	100.00%	100.00%	100.00%
Bioflag Co., Ltd.	Genlac Biotech Inc.	Sub-subsidiary of the Company	Investment	—	—	100.00%
Bioflag Co., Ltd. or Genlac Biotech Inc.	Glac Biotech Co., Ltd.	Sub-subsidiary of the Company	Manufacturing and Sales of Functional Probiotics	100.00%	100.00%	100.00%
Glac Biotech Co., Ltd.	OmniPro Biotech Co., Ltd.	Sub-subsidiary of the Company	General Food Manufacturing	100.00%	100.00%	100.00%
Glac Biotech Co., Ltd.	Ezadd Co., Ltd.	Sub-subsidiary of the Company	Functional Probiotics Sales	99.50%	99.50%	99.50%

Name of Investor	Name of Subsidiary	Relationship with the Company	Nature of Business	Percentage of Ownership/Capital Contribution		
				March 31, 2025	December 31, 2024	March 31, 2024
The Company	Center Laboratories Limited	A subsidiary of the Company	Investment	100.00%	100.00%	100.00%
The Company	Center Venture Holding I Limited	A subsidiary of the Company	Investment	100.00%	100.00%	100.00%
The Company	Center Venture Holding II Limited	A subsidiary of the Company	Investment	100.00%	100.00%	100.00%
The Company	Center Venture Holding III Limited	A subsidiary of the Company	Investment	100.00%	100.00%	100.00%
BioEngine Technology Development Inc.	BioEngine Development I Limited	Sub-subsidiary of the Company	Investment	100.00%	100.00%	100.00%
BioEngine Development I Limited	Beijing Shundu Pharmaceutical Research Institute Co., Ltd.	Sub-subsidiary of the Company	Research and Development of New Pharmaceuticals and Skincare Products	100.00%	100.00%	100.00%

B. The important changes in the consolidated entities are explained as follows:

- (a) In May 2024, the Company acquired 52.67% of the shares of Bioflag International Corporation through the issuance of new shares. After the share exchange, Bioflag International Corporation became a wholly-owned subsidiary of the Company.
- (b) Genlac Biotech Inc. was dissolved in September 2024 and completed its liquidation in November of the same year. Its original investment in Glac Biotech Co., Ltd. is now directly held by Bioflag Co., Ltd.

C. Subsidiaries with non-controlling interests that are material to the Company:

As of March 31, 2025, December 31, 2024, and March 31, 2024, the total non-controlling interests for the Group were respectively \$6 thousand, \$6 thousand, and \$451,101 thousand. The following information pertains to significant non-controlling interests and their subsidiary companies within the Group:

Name of Subsidiary	Principal Place of Business	Non-controlling interests					
		March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	Percentage of Ownership	Amount	Percentage of Ownership	Amount	Percentage of Ownership
Bioflag International Corporation (excluding non-controlling interests of subsidiaries)	Cayman Islands	—	—	—	—	451,101	52.67%

The summary financial information of the subsidiaries below is prepared based on amounts before transactions between companies are eliminated:

Balance Sheet

	March 31, 2024
Items	Bioflag International Corporation
Current assets	\$ 268,139
Non-current assets	1,359,526
Current liabilities	11,798
Non-current liabilities	200,000
Equity	\$ 1,415,867

Statement of Comprehensive Income

	January 1, 2024 to March 31
Items	Bioflag International Corporation
Net revenue	\$ —
Net income before tax	(3,779)
Income tax expense	—
Net income of continuing operations	\$ (3,779)
Other comprehensive income (net after tax)	—
Total comprehensive income (loss)	\$ (3,779)
Comprehensive income (loss) attributable to non-controlling interests	\$ (1,990)
Dividends paid to non-controlling interests	\$ —

Statement of Cash Flows

	January 1, 2024 to March 31
Items	Bioflag International Corporation
Net cash provided by operating activities	\$ 562
Net cash provided by investing activities	—
Net cash provided by financing activities	—
Net increase in cash and cash equivalents	\$ 562
Cash and cash equivalents, beginning of period	11,577
Cash and cash equivalents, end of period	\$ 12,139

(4) Income Tax

The Group measures and discloses income tax expense for interim periods in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expense is measured by applying the best estimate of the applicable tax rate for the expected annual total earnings of the management multiplied by the pre-tax net profit for the interim reporting period, and is fully recognized as the current income tax expense.

Income tax expense that is directly recognized in equity items or other comprehensive income items is measured based on the temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases, using the applicable tax rates expected to be realized or settled upon.

(5) Defined benefit post-employment benefits

Pension cost for the interim period is calculated on a year-to-date basis using the actuarially determined pension cost rate as of the prior year-end date, adjusted for significant market fluctuations during the period and significant plan amendments, settlements or other significant one-time events.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of these consolidated financial statements in conformity with the Regulations and IAS 34, “Interim Financial Reporting,” as endorsed by the FSC, requires management to make judgments, estimates and assumptions that affect the adoption of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from the estimates.

Estimates and fundamental assumptions are regularly reviewed. If a revision of the estimate only impacts the current period, it is reflected in the accounting estimate revision for that period. If the revision of the accounting estimate affects both the current period and future periods, it is reflected in the estimate revision for both the current and future periods.

When preparing the consolidated financial statements, the significant judgments made by management in the adoption of accounting policies for consolidation and the principal sources of estimation uncertainty are consistent with Note 5 of the 2024 consolidated financial statements.

6. DESCRIPTION OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

Items	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and petty cash	\$ 578	\$ 505	\$ 502
Checking accounts and demand deposits	279,902	798,046	429,829
Cash equivalents:			
Time deposits	339,891	643,722	1,712,800
Total	<u>\$ 620,371</u>	<u>\$ 1,442,273</u>	<u>\$ 2,143,131</u>

A. Equivalent cash includes time deposits that are highly liquid, convertible into fixed cash at any time and have little risk of price changes within 3 months from the date of acquisition, and are used to meet short-term cash commitments.

B. Cash and cash equivalents described above have not been pledged as collateral.

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

Items	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets - current			
Designated to be measured at fair value through profit or loss			
Foreign listed stocks	<u>\$ 333,312</u>	<u>\$ 257,998</u>	<u>\$ 1,036,276</u>
Financial assets - non-current			
Designated to be measured at fair value through profit or loss			
Domestic listed stocks	\$ 2,464,026	\$ 2,567,288	\$ 3,072,557
Domestic unlisted ordinary shares and emerging stocks	184,552	192,667	199,192
Foreign listed stocks	2,304,006	1,351,278	1,652,373
Equity shares of unlisted foreign companies	1,031,635	1,060,446	673,649
Foreign unlisted preference/ordinary shares	3,414,509	3,439,016	2,744,273
Foreign funds	4,380,332	4,434,912	4,410,726
Derivative financial instruments - Redemption Rights	681	3,117	2,029
Total	<u>\$ 13,779,741</u>	<u>\$ 13,048,724</u>	<u>\$ 12,754,799</u>

Items	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities - non-current			
Designated to be measured at fair value through profit or loss			
Derivative financial instruments - put options	<u>\$ 85,432</u>	<u>\$ 46,158</u>	<u>\$ 76,792</u>

- A. The Company has issued convertible corporate bonds, which consist of principal contract debt instruments and put option derivative instruments. Put option derivatives are valued at fair value and reported as profit or loss.
- B. Please refer to Note 8 for the details that the Company provides financial assets as collateral for bank loans.

(3) Financial assets at amortized cost

Item	March 31, 2025	December 31, 2024	March 31, 2024
Current item:			
Time deposits with original maturity period of more than three months	\$ 572,352	\$ 350,009	\$ 758,080

- A. The ranges of market interest rates on time deposits at the balance sheet date are listed as follows:

Item	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits	4.27%-4.53%	3.0%-4.57%	5.26%-5.49%

(4) Accounts receivable, net

Items	March 31, 2025	December 31, 2024	March 31, 2024
Measured at amortized cost			
Accounts receivable from general customers	\$ 183,281	\$ 180,354	\$ 186,217
Less: Loss allowance	(1,778)	(1,775)	(1,507)
Net	\$ 181,503	\$ 178,579	\$ 184,710

None of the accounts receivable above has been pledged as collateral.

The consolidated company estimates expected credit losses for all accounts receivable using a simplified approach, i.e. measurement of lifetime expected credit losses. For the purpose of measurement, expected credit loss rate is determined based on the number of days on which an account receivable is recorded, and is included in forward-looking information. The analysis of expected credit losses on accounts receivable as of March 31, 2025, December 31, 2024, and March 31, 2024, for the Company is as follows:

March 31, 2025

Age	Carrying Amount of Accounts Receivable	Allowance for Lifetime Expected Credit Losses
Within 90 days	\$ 159,724	\$ 357
90 days to 180 days	22,261	343
180 days to 365 days	974	756
Over 365 days	322	322
Total	\$ 183,281	\$ 1,778

December 31, 2024

Age	Carrying Amount of Accounts Receivable	Allowance for Lifetime Expected Credit Losses
Within 90 days	\$ 158,465	\$ 408
90 days to 180 days	20,289	370
180 days to 365 days	1,281	678
Over 365 days	319	319
Total	\$ 180,354	\$ 1,775

March 31, 2024

Age	Carrying Amount of Accounts Receivable	Allowance for Lifetime Expected Credit Losses
Within 90 days	\$ 160,152	\$ 614
90 days to 180 days	24,059	203
180 days to 365 days	1,957	641
Over 365 days	49	49
Total	\$ 186,217	\$ 1,507

Information on changes in allowance for bad debt arising from accounts receivable is listed as follows:

Items	March 31, 2025	March 31, 2024
Beginning balance	\$ 1,775	\$ 1,953
Recognition (reversal) of impairment loss	3	10
Written-off as uncollectible	—	(456)
Ending balance	\$ 1,778	\$ 1,507

(5) Inventories

Items	March 31, 2025	December 31, 2024	March 31, 2024
Merchandise inventories	\$ 613	\$ 389	\$ 2,246
Finished goods	161,946	156,365	151,159
Work-in-progress and semi-finished goods	43,130	44,745	34,107
Raw materials	98,283	103,046	81,630
Supplies	14,415	12,194	24,415
Inventories in transit	6,523	19,236	5,631
Total	\$ 324,910	\$ 335,975	\$ 299,188
Less: Allowance for inventory valuation losses value of	(25,709)	(26,272)	(28,787)
Net	\$ 299,201	\$ 309,703	\$ 270,401

Costs of goods sold from January 1 to March 31, 2025 and 2024 include diminution in value of inventory (gain from price recovery) amounting to \$(563) thousand and 5,691 thousand, respectively.

(6) Investments accounted for using the equity method

Item	March 31, 2025	December 31, 2024	March 31, 2024
Investments in associates	\$ 5,618,588	\$ 5,761,850	\$ 5,772,893

A. Investments in associates are detailed as follows:

Items	March 31, 2025	December 31, 2024	March 31, 2024
Material associates			
Medeon Biodesign, Inc.	\$ 399,668	\$ 452,226	\$ 634,688
TOT BIOPHARM International Company Limited	3,007,845	2,983,726	2,939,566
Mycenax Biotech Inc.	399,931	426,073	480,228
Lumosa Therapeutics Co., Ltd.	635,107	668,841	435,525
	4,442,551	4,530,866	4,490,007
Individually immaterial associates	1,176,037	1,230,984	1,282,886
Total	\$ 5,618,588	\$ 5,761,850	\$ 5,772,893

- B. The basic information of associates that are material to the Group is listed as follows:

Items	Shareholding ratio		
	March 31, 2025	December 31, 2024	March 31, 2024
Medeon Biodesign, Inc.	29.75%	29.75%	29.75%
TOT BIOPHARM International Company Limited	28.59%	28.59%	28.59%
Mycenax Biotech Inc.	20.64%	20.65%	20.40%
Lumosa Therapeutics Co., Ltd.	34.85%	34.83%	33.43%

For information on the nature of business, principal place of business, and country of registration of the associates above, please refer to Table 2 “Information on Investees” and Table 3 “Information on Investment in Mainland China.”

- C. Information on the Level 1 fair value measurements of associates with quoted prices in active markets is provided as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Medeon Biodesign, Inc.	\$ 1,178,674	\$ 1,086,847	\$ 1,186,898
TOT BIOPHARM International Company Limited	1,829,515	1,669,864	1,490,770
Mycenax Biotech Inc.	580,666	693,285	615,810
Lumosa Therapeutics Co., Ltd.	7,415,496	10,407,523	6,755,064
Individually immaterial associates	1,185,649	1,264,567	1,424,282
Total	\$ 12,190,000	\$ 15,122,086	\$ 11,472,824

- D. For the amount of investments in associates pledged by the Company as collateral for borrowings, please refer to Note 8.
- E. The summary financial information of the material associates below is provided according to the consolidated financial statements of each associate prepared based on IFRSs, and has reflected adjustments made thereto using the equity method.

Balance Sheets

	March 31, 2025			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Current assets	\$ 1,112,113	\$ 3,337,133	\$ 713,574	\$ 1,460,295
Non-current assets	539,603	3,977,529	2,625,835	594,427
Current liabilities	184,443	1,590,375	779,625	221,101
Non-current liabilities	115,840	1,790,380	662,265	5,204
Equity	1,351,433	3,933,907	1,897,519	1,828,417
Non-controlling interests	(7,917)	—	—	(14,618)
	<u>\$ 1,343,516</u>	<u>\$ 3,993,907</u>	<u>\$ 1,897,519</u>	<u>\$ 1,813,799</u>
The Company's share of profit	\$ 399,668	\$ 1,124,792	\$ 391,682	\$ 632,105
Goodwill	—	1,883,053	8,249	11,031
Downstream/ sidestream transactions with associates	—	—	—	(8,029)
Carrying amount of associates invested	<u>\$ 399,668</u>	<u>\$ 3,007,845</u>	<u>\$ 399,931</u>	<u>\$ 635,107</u>
	December 31, 2024			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Current assets	\$ 1,317,199	\$ 3,328,394	\$ 736,381	\$ 1,537,047
Non-current assets	560,544	4,010,027	2,631,995	595,914
Current liabilities	215,642	1,859,996	661,496	201,176
Non-current liabilities	126,198	1,628,890	683,401	4,281
Equity	1,535,903	3,849,535	2,023,479	1,927,504
Non-controlling interests	(15,711)	—	—	(15,835)
	<u>\$ 1,520,192</u>	<u>\$ 3,849,535</u>	<u>\$ 2,023,479</u>	<u>\$ 1,911,669</u>
The Company's share of profit	\$ 452,226	\$ 1,100,673	\$ 417,824	\$ 665,886
Goodwill	—	1,883,053	8,249	11,031
Downstream/ sidestream transactions with associates	—	—	—	(8,076)
Carrying amount of associates invested	<u>\$ 452,226</u>	<u>\$ 2,983,726</u>	<u>\$ 426,073</u>	<u>\$ 668,841</u>
	March 31, 2024			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Current assets	\$ 2,018,591	\$ 2,833,348	\$ 766,160	\$ 860,256
Non-current assets	539,165	3,925,906	2,665,196	659,689
Current liabilities	213,088	1,416,819	522,272	193,372
Non-current liabilities	166,607	1,647,336	590,931	7,436
Equity	2,178,061	3,695,099	2,318,153	1,319,137
Non-controlling interests	(44,512)	—	—	(25,915)
	<u>\$ 2,133,549</u>	<u>\$ 3,695,099</u>	<u>\$ 2,318,153</u>	<u>\$ 1,293,222</u>

	March 31, 2024			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
The Company's share of profit	\$ 634,688	\$ 1,056,513	\$ 471,979	\$ 432,332
Goodwill	—	1,883,053	8,249	11,477
Downstream/ sidestream transactions with associates	—	—	—	(8,284)
Carrying amount of associates invested	\$ 634,688	\$ 2,939,566	\$ 480,228	\$ 435,525

Statements of Comprehensive Income

	January 1, 2025-March 31, 2025			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Revenue	\$ 101,878	\$ 1,138,577	\$ 121,716	\$ 8,896
Net income of continuing operations	\$ (190,538)	\$ 9,444	\$ (129,137)	\$ (105,403)
Other comprehensive income (net after tax)	4,352	2,050	59	28
Total comprehensive income (loss)	\$ (186,186)	\$ 11,494	\$ (129,078)	\$ (105,375)
Dividends received from associates	\$ —	\$ —	\$ —	\$ —

	January 1, 2024-March 31, 2024			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Revenue	\$ 47,141	\$ 971,712	\$ 80,190	\$ 4,463
Net income of continuing operations	\$ (214,513)	\$ 32,351	\$ (135,611)	\$ (117,591)
Other comprehensive income (net after tax)	13,518	3,650	160	25
Total comprehensive income (loss)	\$ (200,995)	\$ 36,001	\$ (135,451)	\$ (117,566)
Dividends received from associates	\$ —	\$ —	\$ —	\$ —

- F. The carrying amounts and share of operating results of the Group's individually immaterial associates are summarized as follows:

As of March 31, 2025, December 31, 2024, and March 31, 2024, the aggregate carrying amounts of other affiliated companies within the Group were \$1,176,037 thousand, \$1,230,984 thousand, and \$1,282,886 thousand, respectively.

The Company's share of profit	January 1, 2025-March 31, 2025	January 1, 2024-March 31, 2024
Net income of continuing operations	\$ 8,744	\$ (22,726)
Other comprehensive income (net after tax)	\$ 268	\$ 1,127

(7) Property, plant and equipment

A. The carrying amounts of the Group's property, plant, and equipment are listed as follows:

Items	March 31, 2025	December 31, 2024	March 31, 2024
Land, buildings, and facilities	\$ 769,887	\$ 775,110	\$ 777,790
Machinery and equipment	408,095	379,542	367,917
Transportation equipment	1,598	1,727	1,206
Office equipment	52,465	54,066	44,097
Leasehold improvements	97,249	100,899	106,861
Miscellaneous equipment	27,871	27,808	24,814
Construction in progress and equipment under installation	50,565	76,768	13,437
Total	\$ 1,407,730	\$ 1,415,920	\$ 1,336,122

B. Changes in cost, depreciation, and impairment loss on the Group's property, plant, and equipment are detailed as follows:

	Balance as of January 1, 2025	Additions - individually acquired	Disposals	Reclassification	Effect of exchange differences	Balance as of March 31, 2025
Cost:						
Land, buildings, and facilities	\$ 1,016,898	\$ 529	\$ —	\$ —	\$ —	\$ 1,017,427
Machinery and equipment	748,006	1,227	—	38,716	15	787,964
Transportation equipment	5,716	—	—	—	—	5,716
Office equipment	156,525	1,537	(1,022)	—	—	157,040
Leasehold improvements	137,863	195	—	—	—	138,058
Miscellaneous equipment	60,245	1,116	(1,099)	—	—	60,262
Construction in progress and equipment under installation	76,768	12,513	—	(38,716)	—	50,565
Total	\$ 2,202,021	\$ 17,117	\$ (2,121)	\$ —	\$ 15	\$ 2,217,032

	Balance as of January 1, 2025	Depreciation	Disposals	Reclassification	Effect of exchange differences	Balance as of March 31, 2025
Accumulated Depreciation and Impairment:						
Buildings and facilities	\$ 241,788	\$ 5,752	\$ —	\$ —	\$ —	\$ 247,540
Machinery and equipment	368,464	11,391	—	—	14	379,869
Transportation equipment	3,989	129	—	—	—	4,118
Office equipment	102,459	3,137	(1,021)	—	—	104,575
Leasehold improvements	36,964	3,845	—	—	—	40,809
Miscellaneous equipment	32,437	1,053	(1,099)	—	—	32,391
Total	<u>\$ 786,101</u>	<u>\$ 25,307</u>	<u>\$ (2,120)</u>	<u>\$ —</u>	<u>\$ 14</u>	<u>\$ 809,302</u>

	Balance as of January 1, 2024	Additions - individually acquired	Disposals	Reclassification	Effect of exchange differences	Balance as of March 31, 2024
Cost:						
Land, buildings, and facilities	\$ 997,954	\$ 798	\$ —	\$ 4,118	\$ —	\$ 1,002,870
Machinery and equipment	675,454	7,351	—	30,477	12	713,294
Transportation equipment	6,206	—	—	—	—	6,206
Office equipment	137,524	884	(28)	—	—	138,380
Leasehold improvements	129,659	1,592	—	762	—	132,013
Miscellaneous equipment	53,348	119	—	1,072	—	54,539
Construction in progress and equipment under installation	46,264	3,602	—	(36,429)	—	13,437
Total	<u>\$ 2,046,409</u>	<u>\$ 14,346</u>	<u>\$ (28)</u>	<u>\$ —</u>	<u>\$ 12</u>	<u>\$ 2,060,739</u>

	Balance as of January 1, 2024	Depreciation	Disposals	Reclassification	Effect of exchange differences	Balance as of March 31, 2024
Accumulated Depreciation and Impairment:						
Buildings and facilities	\$ 219,630	\$ 5,450	\$ —	\$ —	\$ —	\$ 225,080
Machinery and equipment	334,973	10,393	—	—	11	345,377
Transportation equipment	4,898	102	—	—	—	5,000
Office equipment	91,441	2,870	(28)	—	—	94,283
Leasehold improvements	21,853	3,299	—	—	—	25,152
Miscellaneous equipment	28,842	883	—	—	—	29,725
Total	<u>\$ 701,637</u>	<u>\$ 22,997</u>	<u>\$ (28)</u>	<u>\$ —</u>	<u>\$ 11</u>	<u>\$ 724,617</u>

C. The amount of capitalized interest for the first quarter of 2025 and 2024 in the consolidated company was both zero thousand dollars.

D. Please refer to Note 8 for the amount of property, plant, and equipment set by the consolidated company as collateral for a loan.

(8) Lease arrangements

A. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
The carrying amount of right-of-use assets			
Buildings and facilities	\$ 13,723	\$ 15,779	\$ 21,947
Transportation equipment	1,057	1,301	2,033
Total	<u>\$ 14,780</u>	<u>\$ 17,080</u>	<u>\$ 23,980</u>
	January 1, 2025-March 31, 2025	January 1, 2024-March 31, 2024	
Additions to right-of-use assets	<u>\$ —</u>	<u>\$ —</u>	
Depreciation of right-of-use assets			
Buildings and facilities	\$ 2,056	\$ 2,056	
Transportation equipment	244		244
Total	<u>\$ 2,300</u>	<u>\$ 2,300</u>	

B. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Current	<u>\$ 9,163</u>	<u>\$ 9,214</u>	<u>\$ 9,251</u>
Non-current	<u>\$ 5,868</u>	<u>\$ 8,173</u>	<u>\$ 15,037</u>

The ranges of discount rates for lease liabilities are listed as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings and facilities	1.350%	1.350%	1.350%
Transportation equipment	2.072%	2.072%	2.072%

C. Other lease information:

	January 1, 2025-March 31, 2025	January 1, 2024-March 31, 2024
Short-term lease and low-value asset expenses	<u>\$ 393</u>	<u>\$ 722</u>
Total cash outflow for leases	<u>\$ (2,356)</u>	<u>\$ (2,281)</u>

The consolidated company chooses to exempt the leases applicable to leases such as housing eligible for short-term leases and certain office equipment, such as low-value assets and does not recognize the relevant right of use assets and lease liabilities for such tenancies.

D. Operating leasing commitment - the consolidated company as a lessor

The consolidated company leases offices and factories by means of operating lease. The future minimum lease payments under non-cancellable operating leases as of March 31, 2025, and 2024 were listed as follows:

Items	March 31, 2025	March 31, 2024
Less than 1 year	\$ 13,945	\$ 31,621
More than 1 year but less than 5 years	9,765	62,637
Total	<u>\$ 23,710</u>	<u>\$ 94,258</u>

(9) Investment property

A. The carrying amounts of the consolidated company's investment property are listed as follows:

Items	March 31, 2025	December 31, 2024	March 31, 2024
Land	\$ 557,177	\$ 557,177	\$ 557,177
Buildings and facilities	104,061	105,070	108,135
Total	<u>\$ 661,238</u>	<u>\$ 662,247</u>	<u>\$ 665,312</u>

B. Changes in costs, depreciation, and impairment loss on the Group's investment property are detailed as follows:

Cost	Land	Buildings and facilities	Total
Balance as of January 1, 2025	\$ 557,177	\$ 151,867	\$ 709,044
Additions	—	—	—
Balance as of March 31, 2025	<u>\$ 557,177</u>	<u>\$ 151,867</u>	<u>\$ 709,044</u>
Accumulated Depreciation and Impairment			
Balance as of January 1, 2025	\$ —	\$ 46,797	\$ 46,797
Depreciation	—	1,009	1,009
Balance as of March 31, 2025	<u>\$ —</u>	<u>\$ 47,806</u>	<u>\$ 47,806</u>

Cost	Land	Buildings and facilities	Total
Balance as of January 1, 2024	\$ 557,177	\$ 151,867	\$ 709,044
Additions	—	—	—
Balance as of March 31, 2024	<u>\$ 557,177</u>	<u>\$ 151,867</u>	<u>\$ 709,044</u>
Accumulated Depreciation and Impairment			
Balance as of January 1, 2024	\$ —	\$ 42,485	\$ 42,485
Depreciation	—	1,247	1,247
Balance as of March 31, 2024	<u>\$ —</u>	<u>\$ 43,732</u>	<u>\$ 43,732</u>

C. As of March 31, 2025 and 2024, the fair values of the investment properties held by the consolidated company were NT\$859,365 thousand and NT\$822,219 thousand, respectively. The merged company's investment real estate is to appoint an independent external appraisal expert to evaluate the fair value. The fair value is estimated based on market evidence of similar real estate transaction prices.

- D. The rental income generated from investment properties for the periods from January 1 to March 31 of the years 2025 and 2024 were NT\$5,783 thousand and NT\$8,187 thousand, respectively. There were no direct operating expenses incurred for the periods from January 1 to March 31 of the years 2025 and 2024.
- E. For investment property pledged by the Group, please refer to Note 8.

(10) Intangible assets

- A. The carrying amounts of the Group's intangible assets are listed as follows:

Items	March 31, 2025	December 31, 2024	March 31, 2024
Computer software	\$ 4,983	\$ 4,956	\$ 3,931
Goodwill	398,359	398,359	398,359
Technical know-how	161,559	166,770	182,404
Trademark rights	203,691	210,262	229,975
Total	<u>\$ 768,592</u>	<u>\$ 780,347</u>	<u>\$ 814,669</u>

- B. The consolidated company's changes in costs, amortizations and impairment losses of the intangible assets are detailed as follows:

	Balance as of January 1, 2025	Additions - individually acquired	Disposals	Balance as of March 31, 2025
Cost:				
Computer software	\$ 22,629	\$ 855	\$ —	\$ 23,484
Goodwill	398,359	—	—	398,359
Technical know-how	208,462	—	—	208,462
Trademark rights	262,828	—	—	262,828
Total	<u>\$ 892,278</u>	<u>\$ 855</u>	<u>\$ —</u>	<u>\$ 893,133</u>

	Balance as of January 1, 2025	Amortization	Disposals	Balance as of March 31, 2025
Accumulated amortization and impairment:				
Computer software	\$ 17,673	\$ 828	\$ —	\$ 18,501
Technical know-how	41,692	5,211	—	46,903
Trademark rights	52,566	6,571	—	59,137
Total	<u>\$ 111,931</u>	<u>\$ 12,610</u>	<u>\$ —</u>	<u>\$ 124,541</u>

	Balance as of January 1, 2024	Additions - individually acquired	Disposals	Balance as of March 31, 2024
Cost:				
Computer software	\$ 18,309	\$ 1,001	\$ —	\$ 19,310
Goodwill	398,359	—	—	398,359
Technical know-how	208,462	—	—	208,462
Trademark rights	262,828	—	—	262,828
Total	<u>\$ 887,958</u>	<u>\$ 1,001</u>	<u>\$ —</u>	<u>\$ 888,959</u>

	Balance as of January 1, 2024	Amortization	Disposals	Balance as of March 31, 2024
Accumulated amortization and impairment:				
Computer software	\$ 14,990	\$ 389	\$ —	\$ 15,379
Technical know-how	20,846	5,212	—	26,058
Trademark rights	26,283	6,570	—	32,853
Total	<u>\$ 62,119</u>	<u>\$ 12,171</u>	<u>\$ —</u>	<u>\$ 74,290</u>

- C. No impairment losses on goodwill were recognized for the first quarter of the years 2025 and 2024 in the consolidated company.
- D. Amortization expense that should be recognized in the Group's intangible assets has been included in operating costs and operating expenses provided in the consolidated statements of profit and loss.

(11) Loans

A. Short-term loans

	March 31, 2025	December 31, 2024	March 31, 2024
Bank loans			
Unsecured loans	\$ 450,000	\$ 500,000	\$ —
Secured loans	600,000	762,000	330,000
Total	<u>\$ 1,050,000</u>	<u>\$ 1,262,000</u>	<u>\$ 330,000</u>
Range of interest rates	2.18%-2.70%	2.10%-2.60%	2.40%

B. Long-term loans

	March 31, 2025	December 31, 2024	March 31, 2024
Bank loans			
Secured loans	\$ 548,370	\$ 1,061,121	\$ 1,561,281
Less: current portion	(36,661)	(641,123)	(234,750)
Total	<u>\$ 511,709</u>	<u>\$ 419,998</u>	<u>\$ 1,326,531</u>

- C. For assets pledged by the Group as collateral for long-term borrowings, please refer to Note 8.
- D. For details of the consolidated company's interest rate, foreign currency, and liquidity risk, please refer to Note 6(25).

(12) Other payables

Items	March 31, 2025	December 31, 2024	March 31, 2024
Accrued expenses:			
Salaries, bonuses and employee social insurance	\$ 56,958	\$ 80,381	\$ 45,013
Commission expense	2,804	3,497	5,126
Other accrued expenses	46,330	49,796	36,675
Subtotal	106,092	133,674	86,814
Business tax payable	998	7,578	2,073
Equipment payables	36,081	14,715	5,682
Total	\$ 143,171	\$ 155,967	\$ 94,569

(13) Bonds payable

	March 31, 2025	December 31, 2024	March 31, 2024
Domestic unsecured convertible bonds	\$ 1,944,300	\$ 1,944,300	\$ 2,320,700
Domestic secured convertible bonds	2,624,900	2,624,900	2,624,900
Less: Discounts on bonds payable	(343,216)	(379,579)	(556,039)
Less: current portion	(1,967,152)	(1,954,704)	—
Total	\$ 2,258,832	\$ 2,234,917	\$ 4,389,561

Changes from January 1 to March 31, 2025 and 2024:

Items	March 31, 2025	March 31, 2024
Liability component on January 1	\$ 4,189,621	\$ 4,350,826
Interest calculated using the effective interest rate	36,363	38,735
Less: current portion	(1,967,152)	—
Liability component on March 31	\$ 2,258,832	\$ 4,389,561

A. Fourth Domestic Secured Convertible Bonds

On September 7, 2020, the Company issued 5,000 units of New Taiwan Dollar-denominated zero-coupon secured convertible bonds totaling NT\$500,000 thousand.

Each unit bondholder has the right to convert their bonds into ordinary shares of the Company at a rate of NT\$91 per share. The conversion period for the convertible bonds is three months from the date when the convertible bonds were issued to the maturity date. On the third anniversary of the issuance of the convertible bonds, bondholders can request the Company to redeem their bonds in cash at 100.75% of the face value plus accrued interest, resulting in an effective yield 0.25%.

The convertible bonds consist of both debt and equity components, with the equity component being represented as capital surplus - stock options under equity items. The original recognized effective interest rate for the debt component is 1.0452%.

During the issuance of the convertible bonds, the conversion option of the bonds was separated from liabilities. Information on the recognition of the convertible bonds in equity and liabilities is provided as follows:

The present value of the compound interest on convertible corporate bonds	\$	474,668
Embedded derivative instrument - the right of redemption and put-back		1,530
Equity component at issuance		22,491
Issue price of convertible bonds (net of issuance costs of NT\$1,311 thousand)	\$	498,689

B. Fifth Domestic Unsecured Convertible Bonds

On September 8, 2020, the Company issued 15,000 units of New Taiwan Dollar-denominated zero-coupon unsecured convertible bonds totaling NT\$1,500,000 thousand.

In compliance with Article 7 of the Conversion Bond Act, effective from the issuance date of the sixth domestically secured convertible bond issuance (i.e., April 6, 2023), the Company set up an equivalent class of bonds or collateral rights in the same order as the secured convertible bond.

Holders of each unit of the convertible bonds are entitled to convert them into ordinary shares of the Company at NT\$90 per share. The conversion period for the convertible bonds is three months from the date when the convertible bonds were issued to the maturity date. Holders of the convertible bonds may request the Company to redeem the convertible bonds they held in cash at the par value of the convertible bonds plus an interest compensation equivalent to 102.27% (or an effective yield of 0.75%) of the par value of the convertible bonds at the end of three years from the issuance of the convertible bonds.

The convertible bonds consist of both debt and equity components, with the equity component being represented as capital surplus - stock options under equity items. The original recognized effective interest rate for the debt component is 3.0877%.

During the issuance of the convertible bonds, the conversion option of the bonds was separated from liabilities. Information on the recognition of the convertible bonds in equity and liabilities is provided as follows:

The present value of the compound interest on convertible corporate bonds	\$	1,288,418
Embedded derivative instrument - the right of redemption and put-back		38,760
Equity component at issuance		168,979
Issue price of convertible bonds (net of issuance costs of NT\$3,843 thousand)	\$	1,496,157

C. Sixth Domestic Secured Convertible Bonds

On April 26, 2023, the Company issued 7,000 units of secured convertible bonds with a coupon rate of 0% and a total principal amount of NT\$700,000 thousand in Taiwan. The bonds were publicly underwritten by auction at 110.08% of face value, and the actual amount of bonds issued was NT\$770,583 thousand.

Each unit bondholder has the option to convert their bonds into ordinary shares of the company at a rate of NT\$48 per share. The conversion period for the convertible bonds is three months from the date when the convertible bonds were issued to the maturity date.

The convertible bonds consist of both debt and equity components, with the equity component being represented as capital surplus - stock options under equity items. The original recognized effective interest rate for the debt component is 2.647%.

During the issuance of the convertible bonds, the conversion option of the bonds was separated from liabilities. Information on the recognition of the convertible bonds in equity and liabilities is provided as follows:

The present value of the compound interest on convertible corporate bonds	\$	614,362
Embedded derivative instrument - the right of put-back		(5,488)
Equity component at issuance		160,623
Issue price of convertible bonds (net of issuance costs of NT\$1,086 thousand)	\$	769,497

D. Seventh Domestic Unsecured Convertible Bonds

On April 27, 2023, the Company issued 25,000 units of unsecured convertible bonds denominated in New Taiwan dollars with a coupon rate of 0% and a total principal amount of NT\$2,500,000 thousand in Taiwan.

Holders of each unit of the convertible bonds are entitled to convert them into ordinary shares of the Company at NT\$49 per share. The conversion period for the convertible bonds is three months from the date when the convertible bonds were issued to the maturity date. Holders of the convertible bonds may request the Company to redeem the convertible bonds they held in cash at the par value of the convertible bonds plus an interest compensation equivalent to 103.03% (or an effective yield of 1%) of the par value of the convertible bonds at the end of three years from the issuance of the convertible bonds.

The convertible bonds consist of both debt and equity components, with the equity component being represented as capital surplus - stock options under equity items. The original recognized effective interest rate for the debt component is 5.03917%.

During the issuance of the convertible bonds, the conversion option of the bonds was separated from liabilities. Information on the recognition of the convertible bonds in equity and liabilities is provided as follows:

The present value of the compound interest on convertible corporate bonds	\$	1,955,165
Embedded derivative instrument - the right of redemption and put-back		41,075
Equity component at issuance		499,918
Issue price of convertible bonds (net of issuance costs of NT\$3,842 thousand)	\$	2,496,158

(14) Employee benefits

A. Defined contribution plan

Since subsidiaries of the Company, including Center Biotherapeutics Inc., Centerlab Investment Holding Limited, Center Laboratories Limited, Center Venture Holding I Limited, Center Venture Holding II Limited, Center Venture Holding III Limited, Bioflag International Corporation, Bioflag Co., Ltd., and Genlac Biotech Inc. do not hire full-time employees, their investing activities are carried out by the Company and management consulting firms. Hence, there is no relevant pension system in these subsidiaries.

The pension system of the Labor Pensions Ordinance applies to the Company and Glac Biotech Co., Ltd. is a definitive allocation scheme, which has been allocated to the individual pension account of the Labor Insurance Bureau based on 6 percent of the employee's monthly salary since July 1, 2005.

The retirement pensions of the remaining subsidiaries are determined by the definite allocation system, and various social security funds such as pensions and medical care are paid to the local government every month according to laws and regulations.

The total recognized expenses for defined contribution plan in the income statement for the periods from January 1 to March 31 of the years 2025 and 2024 were NT\$4,492 thousand and NT\$4,460 thousand, respectively.

B. Defined benefits plan

Where the Company and Glac Biotech Co., Ltd. adopt the government-managed defined benefit plan as their pension system applicable under the Labor Standards Act, each employee whose has served the company for up to 15 years, shall be given two bases for each full year of service rendered, while each employee who has served the Company over 15 years shall be given one base for each full year of service rendered. An employee shall not receive more than 45 bases in total. Employees' pension payments are based on the number of years of service and the average salary of the six months before the approved retirement date (the "basis"). The Company contributes 2% of salaries and wages to a monthly pension fund, which is deposited in the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee.

Before the end of each year, if the balance in the account is inadequate to pay pensions to workers retiring in the same year, the difference has to be made up in a one-off contribution before the end of March the following year. This special account is managed by the Labor Fund Utilization Bureau of the Ministry of Labor, and the Company has no right to influence the investment management strategy.

According to the aforementioned regulations, the retirement benefit cost (profit) recognized as expenses in the income statement for the Company for the periods from January 1 to March 31 of the years 2025 and 2024 were NT\$(35) thousand and NT\$(4) thousand, respectively.

(15) Equity

A. Ordinary shares

As of March 31, 2025, and 2024, the issued capital was NT\$10,000,000 thousand and the par value of each share is NT\$10, all of which are 1,000,000 thousand shares. The paid-in capital as of March 31, 2025 and 2024 was NT\$7,249,768 thousand and NT\$6,914,211 thousand, respectively, divided into 724,977 thousand and 691,421 thousand ordinary shares, respectively.

Based on the resolution passed by the shareholders' meeting in June 2015, the Company conducted a private placement of ordinary shares by issuing 15,000 thousand ordinary shares at a premium of \$62.1 per share in November 2015, and raised \$931,500 thousand in capital, where the record date for capital increase was November 26, 2015. In June 2016, the Company issued 5,000 thousand ordinary shares at a premium of \$62.1 per share and raised \$310,500 thousand in capital,

with the record date for the capital increase being June 22, 2016. The rights and obligations of the privately-placed ordinary shares are the same as those of other ordinary shares, except for the restrictions on transferability under the Securities and Exchange Act and the requirement that the shares must be held for three years from the date of delivery and must be reissued after the issuance of the shares to apply for over-the-counter quotations.

B. Capital surplus

Items	March 31, 2024	December 31, 2024	March 31, 2024
Issued at premium	\$ 4,054,144	\$ 4,054,144	\$ 4,866,544
Changes in net equity of associates and joint ventures accounted for using the equity method	664,954	665,876	1,054,728
Difference between consideration and carrying amount of subsidiaries acquired or disposed	21	—	449,327
Stock options	727,637	725,873	800,338
Treasury shares	88,455	88,455	76,827
Others	1,655	1,609	1,540
Total	<u>\$ 5,536,866</u>	<u>\$ 5,535,957</u>	<u>\$ 7,249,304</u>

- (a) Increase in ordinary share premium is due to capital increase and convertible bond premium.
- (b) Changes in the net equity of associates and joint ventures accounted for using the equity method are due to difference in net equity arising from changes in the shareholders' equity of investees and changes in the percentage of ownership.
- (c) The difference between the acquisition or disposal of the equity price of a subsidiary company and the book value is the acquisition or sale of the equity of the subsidiary. Since it has not lost control, it is regarded as an equity transaction and transferred to the capital surplus.
- (d) According to the Company Act, capital surplus may not be used for any purpose other than to offset a deficit. However, capital surplus from the issue of stock in excess of par value (including the excess of par value of ordinary shares issued, capital surplus from stock issued in connection with a merger, and treasury stock transactions) and the proceeds from the receipt of gifts may be transferred to capital, and such transfer is limited to a certain percentage of the paid-in capital each year. Capital surplus from long-term investments may not be used for any purpose.

In addition, under the Company Law amended in January 2012, if a company has no losses, the capital surplus from the issue of stock in excess of par value and the capital surplus from gifts may be distributed in cash in proportion to the shareholders' original shareholdings.

C. Retained earnings

Based on the Articles of Association, the annual earnings of the Company shall be first appropriated to pay taxes and offset accumulated losses before allocating 10% of the remaining earning to the legal capital reserve (not applicable where accumulated legal capital reserve has reached the amount required by law and regulations) and a special capital reserve in accordance to the Company's operating needs and pursuant to the applicable law and regulations. Any retained earnings available for distribution together with accumulated undistributed retained earnings may be proposed by the Board of Directors to appropriate and be resolved at the Annual General Meeting.

According to the Company's Articles of Incorporation, a dividend policy aims to establish a comprehensive financial structure and ensure investors' interests; hence, the Company adopts a dividend equalization policy, where earnings to be appropriated shall be no less than 50% of the unappropriated earnings for the current year, and at least 10% of dividends to be distributed in the current year shall be distributed as cash dividends. If the dividend distribution is insufficient, the Company may distribute stock dividends in full.

(a) Legal reserve

The legal reserve should be allocated until it reaches the total amount of the Company's paid-in capital. It can also be used to offset losses. According to the amended provisions of the Company Law announced on January 4, 2012, any excess amount of the legal reserve exceeding 25% of the total paid-in capital can be allocated to increase the capital or distributed in cash.

(b) Special reserve

The Company appropriates or reserves special reserve according to the Company's needs, which is subject to the resolution of the shareholders meeting, and in accordance with the Letter No. 1010012865, Letter No. 1010047490 and Letter No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs."

D. Appropriation of earnings

On March 11, 2025, the Company's Board of Directors proposed a resolution to offset the losses for 2024 and distribute dividends from the capital surplus. However, the resolution to offset the losses is still pending approval at the upcoming shareholders' general meeting scheduled for June 26, 2025.

	2024	
	Amount	Dividends per share (NT\$)
Stock dividends	362,488	0.5
Cash dividends from capital surplus	543,733	0.75

The cash dividends from capital surplus, which were proposed and approved in the shareholders' meetings on June 25, 2024 was as follows:

	2023	
	Amount	Dividends per share (NT\$)
Cash dividends from capital surplus	1,037,159	1.50

For the appropriation of earnings proposed by the Board of Directors and approved by the shareholders' meeting at the Company, please visit the Market Observation Post System.

E. Other equity

Changes in other equity items for the first quarter of the years 2025 and 2024 are as follows:

	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Exchange differences arising on translation of foreign operations	Total
Balance as of January 1, 2025	\$ 19,603	\$ (739)	\$ 18,864
Exchange differences arising on translation of foreign operations	—	22,058	22,058
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	—	2,409	2,409
Balance as of March 31, 2025	\$ 19,603	\$ 23,728	\$ 43,331

	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Exchange differences arising on translation of foreign operations	Total
Balance as of January 1, 2024	\$ 74,820	\$ (50,396)	\$ 24,424
Exchange differences arising on translation of foreign operations	—	27,630	27,630
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	—	5,796	5,796
Balance as of March 31, 2024	\$ 74,820	\$ (16,970)	\$ 57,850

F. Treasury shares

- (a) Reasons for treasury stock and its quantity for the first quarter of 2025 and 2024:

Three Months Ended March 31, 2025				Unit: 1000 shares
Reason for Reacquisition	Number of Shares, Beginning of Period	Increase in current period	Decrease in current period	Number of Shares, End of Period
Shares of the Company held by subsidiaries	4,553	—	—	4,553

Three Months Ended March 31, 2025				Unit: 1000 shares
Reason for Reacquisition	Number of Shares, Beginning of Period	Increase in current period	Decrease in current period	Number of Shares, End of Period
Shares of the Company held by subsidiaries	5,358	—	—	5,358

As of March 31, 2025 and 2024, the subsidiary company held treasury stocks with a market value of NT\$166,173 and NT\$231,720 thousand.

- (b) According to the Securities and Exchange Act, the number of shares outstanding repurchased by the Company shall not exceed 10% of the number of issued shares, and the total amount repurchased shall not exceed the sum of the Company's retained earnings, share premium, and realized capital surplus.
- (c) According to the Securities and Exchange Act, treasury shares held by the Company shall not be pledged, and may not hold any shareholder rights before their transfer. The subsidiaries holding the aforementioned treasury shares are bestowed shareholders' rights, except the rights to participate in any capital increase by cash and to vote.

G. Non-controlling interests

Items	March 31, 2025	March 31, 2024
Beginning balance	\$ 6	\$ 459,349
Share attributable to non-controlling interests:		
Net income	—	(8,248)
Ending balance	\$ 6	\$ 451,101

(16) Share-based payment arrangements

- A. As of March 31, 2025, the Company's equity-based compensation agreement is as follows:

Type of Agreement	Grant Date	Number of Shares Granted (thousand shares)	Contractual Period	Vesting Conditions
Employee Stock Option Plan	2024.11.21	3,000	4 years	Note 1

Note 1: After an employee has been granted stock options and two years have elapsed, they may exercise their stock options according to the schedule and proportion specified in the plan, provided they are still employed and have achieved the operational performance targets.

- B. Information on these employee stock warrants is provided as follows:

Employee Stock Warrants	Three Months Ended March 31, 2025	
	Number of Units	Weighted Average Exercise Price (NT\$)
Stock warrants outstanding Beginning Balance	3,000	\$ 50.50
Forfeitures waived during the current period	(46)	50.50
Stock warrants outstanding at the end of the period	2,954	50.50
Stock warrants exercisable at the end of the period	—	
The weighted average of stock warrants granted	—	

- C. As of March 31, 2025, the relevant information regarding the employee stock options outstanding is as follows:

Range of Exercise Prices (NT\$)	Current External Units	Weighted Average Expected Remaining Duration (Years)	Weighted Average Exercise Price (NT\$)	Implementing Unit	Weighted Average Exercise Price of Exercisable Stock Warrants
50.5	2,954	3.64	50.5	—	—

- D. The employee stock option above uses Black-Scholes option evaluation mode to estimate the fair value of the subscription option, and the information relating thereto is as follows:

Type of Agreement	Grant Date	Share Price	Exercise Price	Expected Volatility	Expected Lifetime	Expected Dividends	Risk-free Rate	Weighted Average Fair Value per Share (NT\$)
Employee Stock Option Plan	2024.11.21	50.5	50.5	29.51%	4 years	0.00%	1.41%-1.44%	10.01

- E. The Company's recognized labor cost for the three months ended 2025, based on the aforementioned share-based payments, amounts to NT\$1,764 thousand.

(17) Revenue from contracts with customers

A. Details of revenue

January 1 to March 31, 2025			
	Pharmaceutical Division	Glac Segment	Total
<u>Major Regional Markets</u>			
Taiwan	245,124	51,838	296,962
China	—	74,048	74,048
Others	—	7,849	7,849
	245,124	133,735	378,859
<u>Major Products / Services</u>			
Western pharmaceuticals	245,124	—	245,124
Probiotics	—	133,735	133,735
Others	—	—	—
Total	245,124	133,735	378,859

January 1 to March 31, 2024			
	Pharmaceutical Division	Glac Segment	Total
<u>Major Regional Markets</u>			
Taiwan	247,234	42,139	289,373
China	—	64,594	64,594
Others	—	9,443	9,443
	<u>247,234</u>	<u>116,176</u>	<u>363,410</u>
<u>Major Products / Services</u>			
Western pharmaceuticals	247,234	—	247,234
Probiotics	—	116,176	116,176
Others	—	—	—
Total	<u>247,234</u>	<u>116,176</u>	<u>363,410</u>

B. Contract assets and liabilities

Below are the contractual assets and contractual liabilities related to the Customer Contract Revenues confirmed by the Company:

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable (including related parties)	\$ 183,281	\$ 180,354	\$ 186,217
Less: Loss allowance	(1,778)	(1,775)	(1,507)
	<u>\$ 181,503</u>	<u>\$ 178,579</u>	<u>\$ 184,710</u>
Contract liabilities - current			
Product Sales	\$ 122,209	\$ 157,323	\$ 124,175
Provision of Services	1,923	1,923	—
	<u>\$ 124,132</u>	<u>\$ 159,246</u>	<u>\$ 124,175</u>
Contract liabilities - non-current			
Provision of Services	\$ 4,841	\$ 4,841	\$ —

Contract liabilities are mainly due to advance receipts from commodity sales contracts, which will be transferred to revenue when the products are delivered to customers.

(18) Employee benefits, depreciation, and amortization expenses are summarized by function as follows:

Function Nature	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salaries	41,627	52,908	94,535	33,045	51,070	84,115
Labor and health insurance	4,426	5,042	9,468	3,872	4,172	8,044
Pension	2,053	2,404	4,457	1,905	2,551	4,456
Others	2,868	1,561	4,429	3,509	1,602	5,111
Subtotal	50,974	61,915	112,889	42,331	59,395	101,726
Depreciation	23,366	5,250	28,616	20,030	6,514	26,544
Amortization	35	12,575	12,610	13	12,158	12,171

The Company allocates 0.1% to 10% and no more than 2% of its net profit before tax before deducting employee compensation and remuneration of directors and supervisors for the current year, as compensation and remuneration of directors and supervisors, respectively in accordance with its Articles of Incorporation.

As a result of the accumulated loss for the three months ended March 31, 2025 and 2024, the Company was unable to provide employee compensation.

Changes in accounting estimates subsequent to the adoption of the annual financial statements are recognized as adjustments in the following year.

For information on the distribution of employee compensation and remuneration of directors and supervisors approved by the Company's Board of Directors, please visit the Market Observation Post System.

(19) Non-operating income and expenses

A. Finance costs

Items	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Interest on bank loans	\$ 17,334	\$ 8,688
Interest on corporate bonds	36,363	38,735
Interest on lease liabilities	56	88
Others	8	8
Subtotal	53,761	47,519
Bank loan processing fee	7,639	6,792
Total	<u>\$ 61,400</u>	<u>\$ 54,311</u>

(20) Components of other comprehensive income

Three Months Ended March 31, 2025	Amount	Reclassification Adjustment	Other Comprehensive Income	Income Tax Benefit (Expense)	Amount After Tax
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	\$ 27,573	\$ —	\$ 27,573	\$ (5,515)	\$ 22,058
Share of other comprehensive income or loss of associates and joint ventures accounted for using the equity method	2,526	—	2,526	(117)	2,409
Other comprehensive income	<u>\$ 30,099</u>	<u>\$ —</u>	<u>\$ 30,099</u>	<u>\$ (5,632)</u>	<u>\$ 24,467</u>
Three Months Ended March 31, 2024	Amount	Reclassification Adjustment	Other Comprehensive Income	Income Tax Benefit (Expense)	Amount After Tax
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	\$ 34,537	\$ —	\$ 34,537	\$ (6,907)	\$ 27,630
Share of other comprehensive income or loss of associates and joint ventures accounted for using the equity method	6,096	—	6,096	(300)	5,796
Other comprehensive income	<u>\$ 40,633</u>	<u>\$ —</u>	<u>\$ 40,633</u>	<u>\$ (7,207)</u>	<u>\$ 33,426</u>

(21) Income tax

A. Deferred tax assets (liabilities)

Items	March 31, 2025	December 31, 2024	March 31, 2024
Deferred tax assets			
Less: Allowance for inventory valuation losses	\$ 4,087	\$ 3,967	\$ 2,354
Unrealized gain on financial assets	15,261	20,733	10,985
Investments accounted for using the equity method	9,566	9,481	9,673
Loss carryforward	—	—	—

Items	March 31, 2025	December 31, 2024	March 31, 2024
Exchange differences arising on translation of foreign operations	(2,032)	(1,817)	(1,653)
Others	98	141	678
Subtotal	<u>\$ 26,980</u>	<u>\$ 32,505</u>	<u>\$ 22,037</u>
Deferred tax liabilities			
Less: Allowance for inventory valuation losses	\$ 1,063	\$ 1,299	\$ 2,514
Bonds payable	(51,280)	(66,818)	(95,538)
Unrealized gain on financial assets	95,625	60,093	(328,133)
Land value increment tax	(11,718)	(11,718)	(11,718)
Investments accounted for using the equity method	(302,079)	(122,048)	44,639
Others	(7,637)	(6,041)	(4,053)
Exchange differences arising on translation of foreign operations	(8,925)	(3,508)	784
Subtotal	<u>\$ (284,951)</u>	<u>\$ (148,741)</u>	<u>\$ (391,505)</u>

B. Details of the Company's income tax expense recognized in gain or loss are provided as follows:

Items	Three months ended March 31, 2025	Three months ended March 31, 2024
Current income tax expense	\$ 12,731	\$ 29,242
Deferred income tax expense (benefit)	136,103	(60,543)
Income basic tax	484	—
Underestimated (overestimated) income tax in prior years	(1)	—
Income tax expense (benefit)	<u>\$ 149,317</u>	<u>\$ (31,301)</u>

C. Income tax recognized in other comprehensive income

Items	Three months ended March 31, 2025	Three months ended March 31, 2024
Exchange differences arising on translation of foreign operations	\$ 5,515	\$ 6,907
Share of other comprehensive income or loss of associates and joint ventures accounted for using the equity method	117	300
Income tax expense (benefit) relating to items that may be reclassified to profit or loss	\$ 5,632	\$ 7,207

D. The Company's income tax returns have been examined and approved by the tax authorities until the year ended December 31, 2022.

(22) Earnings per share

	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024		
	Net income	Weighted average shares	Earnings per share	Net income	Weighted average shares	Earnings per share
Basic earnings per share	549,140	724,977	0.76	(540,977)	691,421	(0.78)
Dilutive potential ordinary shares						
Employee compensation	—	—		—	—	
Convertible bonds	29,089	96,009		(Note)	—	
Diluted earnings per share	578,229	820,986	0.70	(540,977)	691,421	(0.78)

(Note) In calculating the surplus per diluted share, the inclusion of potential ordinary shares in the calculation of net gain (loss) per share will have a dilution effect and are not included in the calculation.

When the Company decides to distribute employee compensation in the form of stocks or cash, diluted earnings per share should be calculated based on the assumption that the employee compensation will be distributed in the form of stocks. The weighted average number of outstanding shares should include the potential ordinary shares that have a dilutive effect in order to calculate diluted earnings per share. Additionally, when calculating diluted earnings per share prior to the distribution of employee dividends at the next annual shareholders' meeting, the dilutive effect of these potential ordinary shares should also be considered.

(23) Cash flow information

A. Investment activities involving only partial cash payments:

	January 1, 2025-March 31, 2025	January 1, 2024-March 31, 2024
Increase in property, plant and equipment	\$ 17,117	\$ 14,346
Increase in prepayment for equipment	21,763	19,355
Changes in payables for construction and equipment	(21,366)	16,521
Payments for acquisition of property, plant and equipment (Including prepayment for equipment)	\$ 17,514	\$ 50,222

B. Changes in Debt from Fundraising Activities

	January 1 to March 31, 2025			
	Short-term loans	Long-term loans	Bonds payable	Lease payables
January 1	1,262,000	1,061,121	4,189,621	17,387
Cash flows from financing activities	(212,000)	(512,751)	—	(2,356)
Other non-cash changes	—	—	36,363	—
March 31	1,050,000	548,370	4,225,984	15,031

	January 1 to March 31, 2024			
	Short-term loans	Long-term loans	Bonds payable	Lease payables
January 1	330,000	913,982	4,350,826	26,569
Cash flows from financing activities	—	647,299	—	(2,281)
Other non-cash changes	—	—	38,735	—
March 31	330,000	1,561,281	4,389,561	24,288

(24) Capital management

Based on the characteristics of the industries in which the Company is currently operating and the future development of the Company, as well as taking into account factors such as changes in the external environment, the Company plans its needs for working capital, research and development expenses, and dividend payments in future periods, with a view to safeguarding the Company's ability to continue as a going concern, giving back to its shareholders while attending to the interests of other stakeholders, and maintaining an optimal capital structure to enhance shareholder value over the long run.

In order to maintain or adjust its capital structure, the Company may adjust the amount of dividends paid to shareholders by issuing new shares, distributing cash to shareholders or repurchasing its shares.

The Company regularly reviews the asset-liability ratio to monitor its funds. The capital of the Company is represented by “total equity” listed in the balance sheet, which is calculated as the total assets minus total liabilities.

The Company’s debt ratios are listed as follows:

Items	March 31, 2025	December 31, 2024	March 31, 2024
Total liabilities	\$ 6,925,491	\$ 7,482,692	\$ 7,384,378
Total assets	\$ 25,553,232	\$ 25,537,175	\$ 27,091,537
Debt ratio	27%	29%	27%

(25) Financial instruments

A. Information on Fair Value of Financial Instruments

Except as detailed in the table below, the carrying amounts of the Group’s financial instruments not measured at fair value (including cash and cash equivalents, time deposits, notes receivable, accounts receivable, other receivables, long-term and short-term loans, refundable deposits, bills payable, accounts payable and other payables) approximate their fair values. For information on the fair value of financial instruments that are measured at fair value, please refer to Note 6.(25)(C).

		March 31, 2025		
		Fair Value		
	Carrying Amount	Level 1	Level 2	Level 3
Financial liabilities				
Convertible bonds	4,225,984	—	—	4,188,893
		December 31, 2024		
		Fair Value		
	Carrying Amount	Level 1	Level 2	Level 3
Financial liabilities				
Convertible bonds	4,189,621	—	—	4,141,273

March 31, 2024				
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial liabilities				
Convertible bonds	4,389,561	—	—	4,337,793

B. Fair Value Hierarchy

The following table provides a related analysis of financial instruments that are measured at fair value after initial recognition and are categorized into Levels 1 through 3 based on the degree to which the fair value is observable. Each fair value level is defined as follows.

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: Other than quoted prices included within Level 1, inputs are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (c) Level 3: Derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

C. Financial instruments measured at fair value are classified according to the nature, characteristics and risks of assets and liabilities and the level of the fair value hierarchy as follows:

March 31, 2025				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current:				
Foreign listed stocks	\$ 333,312	\$ —	\$ —	\$ 333,312
Financial assets at fair value through profit or loss - non-current:				
Foreign funds	\$ —	\$ —	\$ 4,380,332	\$ 4,380,332
Domestic unlisted stocks and emerging stocks	—	167,978	16,574	184,552
Foreign unlisted stocks and equity	—	—	4,446,144	4,446,144
Domestic listed stocks	2,464,026	—	—	2,464,026
Foreign listed stocks	2,304,006	—	—	2,304,006
Redemption rights	—	—	681	681
Total	\$ 4,768,032	\$ 167,978	\$ 8,843,731	\$ 13,779,741
Financial liabilities at fair value through profit or loss – non-current:				
Put options	\$ —	\$ —	\$ 85,432	\$ 85,432

December 31, 2024				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current:				
Foreign listed stocks	\$ 257,998	\$ —	\$ —	\$ 257,998
Financial assets at fair value through profit or loss - non-current:				
Foreign funds	\$ —	\$ —	\$ 4,434,912	\$ 4,434,912
Domestic unlisted stocks and emerging stocks	—	174,156	18,511	192,667
Foreign unlisted stocks and equity	—	—	4,499,462	4,499,462
Domestic listed stocks	2,567,288	—	—	2,567,288
Foreign listed stocks	1,351,278	—	—	1,351,278
Redemption rights	—	—	3,117	3,117
Total	\$ 3,918,566	\$ 174,156	\$ 8,956,002	\$ 13,048,724
Financial liabilities at fair value through profit or loss – non-current:				
Put options	\$ —	\$ —	\$ 46,158	\$ 46,158

March 31, 2024				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current:				
Foreign listed stocks	\$ 1,036,276	\$ —	\$ —	\$ 1,036,276
Financial assets at fair value through profit or loss - non-current:				
Foreign funds	\$ —	\$ —	\$ 4,410,726	\$ 4,410,726
Domestic unlisted stocks and emerging stocks	—	191,038	8,154	199,192
Foreign unlisted stocks and equity	—	—	3,417,922	3,417,922
Domestic listed stocks	3,072,557	—	—	3,072,557
Foreign listed stocks	1,652,373	—	—	1,652,373
Redemption rights	—	—	2,029	2,029
Total	\$ 4,724,930	\$ 191,038	\$ 7,838,831	\$ 12,754,799
Financial liabilities at fair value through profit or loss – non-current:				
Put options	\$ —	\$ —	\$ 76,792	\$ 76,792

D. The methods and assumptions used by the Group to measure fair value are explained as follows:

- (a) Where the Company adopts the market quotation as the fair value input (i.e., Level 1), it is listed as follows according to the characteristics of the instrument:

	Listed Stocks	Open-end Funds
Quoted market price	Closing price	Net worth

- (b) Except for the above financial instruments with active markets, the fair values of other financial instruments are obtained by using valuation techniques or by reference to counterparty quotes. Fair values obtained using valuation techniques can be determined by reference to the current fair value of other instruments with substantially the same conditions and characteristics and discounted cash flow analysis or using other valuation techniques, including using models based on market information available at the consolidated balance sheet date (e.g., reference yield curve on Taipei Exchange and commercial paper rates on Reuters).

- (c) The evaluation of derivative financial instruments is based on widely accepted valuation models in the market, such as the discounted cash flow method and option pricing models. Forward foreign exchange contracts are usually evaluated based on the current forward exchange rate. Structured interest rate derivative financial instruments are evaluated using appropriate option pricing models, such as the Black-Scholes model, or other valuation methods, such as Monte Carlo simulation.
- (d) Quantitative information on significant unobservable inputs used in valuation models for Level 3 fair value measurements and sensitivity analysis of changes in significant unobservable inputs are provided as follows:

	Fair value as of March 31, 2025	Valuation technique	Significant Unobservable Inputs	Relationship between Inputs and Fair Value
Non-derivative instruments:				
Non-listed stocks	3,921,599	Comparable company approach	Price-to-earnings ratio, price-to-book ratio, enterprise value-to- operating income ratio, enterprise value-to-earnings before interest, taxes, depreciation, and amortization ratio, discount for lack of marketability, and control premium	The higher the ratios and control premium, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value;
	—	Discounted cash flow approach	Long-term revenue growth rate, weighted average cost of capital, discount for lack of marketability, and discount for minority interest	The higher the weighted average cost of capital and discount for lack of marketability, the lower the fair value; The higher the long-term revenue growth rate and long-term net operating profit before tax, the higher the fair value.
Shares of venture capital company	541,119	Net asset value approach	Not applicable.	Not applicable.
Privately offered fund investments	4,380,332	Net asset value approach	Not applicable.	Not applicable.
Hybrid instrument: Put option	85,432	Monte Carlo simulation	Volatility and discount rate	The higher the volatility, the higher the fair value; the higher the discount rate, the lower the fair value
Hybrid instrument: Right of redemption	681	Monte Carlo simulation	Volatility and discount rate	The higher the volatility, the higher the fair value; the higher the discount rate, the lower the fair value

	Fair value as of March 31, 2024	Valuation technique	Significant Unobservable Inputs	Relationship between Inputs and Fair Value
Non-derivative instruments:				
Non-listed stocks	2,945,789	Comparable company approach	Price-to-earnings ratio, price-to-book ratio, enterprise value-to-operating income ratio, enterprise value-to-earnings before interest, taxes, depreciation, and amortization ratio, discount for lack of marketability, and control premium	The higher the ratios and control premium, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value;
	—	Discounted cash flow approach	Long-term revenue growth rate, weighted average cost of capital, discount for lack of marketability, and discount for minority interest	The higher the weighted average cost of capital and discount for lack of marketability, the lower the fair value; The higher the long-term revenue growth rate and long-term net operating profit before tax, the higher the fair value.
Shares of venture capital company	480,287	Net asset value approach	Not applicable.	Not applicable.
Privately offered fund investments	4,410,726	Net asset value approach	Not applicable.	Not applicable.
Hybrid instrument: Put option	76,792	Monte Carlo simulation	Volatility and discount rate	The higher the volatility, the higher the fair value; the higher the discount rate, the lower the fair value
Hybrid instrument: Right of redemption	2,029	Monte Carlo simulation	Volatility and discount rate	The higher the volatility, the higher the fair value; the higher the discount rate, the lower the fair value

E. Financial Risk Management Objectives

The Company's financial risk management objective is to manage market risk, credit risk, and liquidity risk associated with our operations. To mitigate these financial risks, we are dedicated to identifying, assessing, and mitigating market uncertainties in order to minimize the potential negative impact of market fluctuations on our financial performance.

The Board of Directors reviews the significant financial activities of in accordance with applicable regulations and internal control systems. The Company must adhere to the relevant financial operational procedures for overall financial risk management and division of responsibilities during the execution of financial plans.

F. Market Risk

Market risk refers to the potential impact of market price fluctuations, including exchange rates, interest rates, and equity security prices, on a company's earnings and the value of its financial instruments. The goal of market risk management is to maintain market risk at an acceptable level while maximizing investment returns.

(a) Exchange Rate Risk

Information on financial assets and liabilities denominated in foreign currencies that are material to the Group is listed as follows:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
(Foreign currency: Functional currency)									
<u>Financial assets</u>									
<u>Monetary items</u>									
USD: NTD	28,952	33.205	961,026	37,465	32.785	1,228,300	39,556	32.00	1,265,788
RMB: NTD	6,783	4.573	31,019	10,260	4.478	45,944	6,201	4.408	27,333
HKD: NTD	88	4.268	377	89	4.222	373	247	4.089	1,011
JPY: NTD	106,128	0.21	23,635	106,128	0.210	22,276	62,376,000	0.211	13,193
<u>Non-monetary items</u>									
USD: NTD	145,903	33.205	4,844,720	150,938	32.785	4,948,505	161,904	32.00	5,180,944
RMB: NTD	1,058,154	4.573	4,838,938	1,072,623	4.478	4,803,206	770,176	4.408	3,394,934
KRW: NTD	646,258	0.0228	14,715	646,258	0.0225	14,515	567,618	0.0239	13,628
HKD: NTD	634,699	4.268	2,708,895	402,843	4.222	1,700,803	657,448	4.089	2,688,364
CHF: NTD	10,414	37.685	392,451	12,076	36.265	437,926	19,200	35.475	681,121
<u>Financial liabilities</u>									
<u>Non-monetary items</u>									
RMB: NTD	—	—	—	—	—	—	87	4.408	383

Due to a wide variety of foreign currencies involved in foreign currency transactions, exchange gains and losses are summarized and disclosed based on various foreign currencies of the consolidated company with material impact. All the exchange gains (including realized and unrealized) recognized in the first quarter of 2025 and 2024 due to changes in exchange rates were NT\$15,010 thousand and NT\$60,319 thousand, respectively.

(b) Interest Rate Risk

Interest rate risk refers to a type of risk in which the fair value of financial instruments changes due to market changes. The Company's interest rate risk mainly arises from floating-rate borrowings.

The carrying amounts of the Company's financial assets and liabilities that are exposed to interest rate risk at the balance sheet date are listed as follows:

Item	March 31, 2025	December 31, 2024	March 31, 2024
Exposed to cash flow interest rate risk			
– Financial liabilities	\$ 1,598,370	\$ 2,323,121	\$ 1,891,281

Sensitivity Analysis

The sensitivity analysis below is determined based on the interest rate exposure of financial instruments at the balance sheet date.

Floating-rate liabilities are analyzed based on the assumption that the amount of liabilities outstanding at the balance sheet date remains outstanding throughout the year.

Assuming all other variables remain constant, a one percentage point increase in the interest rate would lead to a decrease in the Company's pre-tax net profit for the first quarter of 2025 and 2024 by NT\$3,996 thousand and NT\$4,728 thousand, respectively.

G. Credit Risk

The Company faces potential credit risks primarily from its cash and cash equivalents, as well as financial instruments receivable. The Company holds its cash in various financial institutions and manages its exposure to credit risks at each institution. It believes that its cash and cash equivalents do not have a significant concentration of credit risks. The Company's main business is the sale of Western pharmaceuticals, serving a wide customer base across diverse sales regions. There is no significant concentration of credit risks in accounts receivable from transactions with individual customers.

H. Liquidity Risk

The objective of the Company's management of liquidity risk is to maintain sufficient cash and cash equivalents, highly liquid marketable securities and adequate bank facilities required for its operations, so that the Company possesses ample financial flexibility.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

March 31, 2025				
Items	Less than 1 year	1 to 5 years	More than 5 years	Total
Short-term loans	\$ 1,050,000	\$ —	\$ —	\$ 1,050,000
Accounts payable	132,609	—	—	132,609
Other payables and others	432,595	—	—	432,595
Lease liabilities	9,311	5,892	—	15,203
Bonds payable	1,988,700	2,580,500	—	4,569,200
Long-term loans	36,661	511,709	—	548,370
Total	\$ 3,649,876	\$ 3,098,101	\$ —	\$ 6,747,977

December 31, 2024				
Items	Less than 1 year	1 to 5 years	More than 5 years	Total
Short-term loans	\$ 1,262,000	\$ —	\$ —	\$ 1,262,000
Accounts payable	134,790	—	—	134,790
Other payables and others	433,292	—	—	433,292
Lease liabilities	9,395	8,145	—	17,540
Bonds payable	1,988,700	2,580,500	—	4,569,200
Long-term loans	641,123	416,945	3,053	1,061,121
Total	<u>\$ 4,469,300</u>	<u>\$ 3,005,590</u>	<u>\$ 3,053</u>	<u>\$ 7,477,943</u>

March 31, 2024				
Items	Less than 1 year	1 to 5 years	More than 5 years	Total
Short-term loans	\$ 330,000	\$ —	\$ —	\$ 330,000
Accounts payable	123,059	—	—	123,059
Other payables and others	334,648	—	—	334,648
Lease liabilities	9,531	15,655	—	25,186
Bonds payable	—	4,945,600	—	4,945,600
Long-term loans	234,750	1,314,370	12,161	1,561,281
Total	<u>\$ 1,031,988</u>	<u>\$ 6,275,625</u>	<u>\$ 12,161</u>	<u>\$ 7,319,774</u>

7. **RELATED PARTY TRANSACTIONS**

(1) Name and Relationship of Related Parties

Name of Related Party	Relationship with the Group
Mycenax Biotech Inc.	Associate
Lumosa Therapeutics Co., Ltd.	Associate
BioGend Therapeutics Co., Ltd.	Associate
Anya Biopharm Inc.	Associate
TOT Biopharm Company Limited	Subsidiary of the Company's associate
Youluck International Inc.	Substantive related party
Ausnutria Dairy (Taiwan) Nutrition & Health Corporation	Substantive related party
Wechen Co., Ltd.	Directors of the Company
Youde Investment Consulting Co., Ltd.	The chairman of the Company is the person in charge of this Company.

(2) Significant transactions between the Company and related parties are listed as follows:

A. Other expenses

Type/Name of Related Party	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Associate	\$ 150	\$ 255

B. Lease income

Type/Name of Related Party	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Other related party	\$ 237	\$ 277
Associate	1,821	1,748
Lumosa Therapeutics Co., Ltd.	1,080	1,080
Total	\$ 3,138	\$ 3,105

C. Miscellaneous income

Type/Name of Related Party	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Associate	\$ 1,118	\$ 1,397
Other related party	101	578
Total	\$ 1,219	\$ 1,975

D. Accounts receivable (payable)

The debts and claims of the Company and its subsidiaries with related parties are listed as follows:

(a) Other receivables

Type/Name of Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Associate	\$ 49	\$ 1,231	\$ 1,375
Other related party	200	275	772
Total	\$ 249	\$ 1,506	\$ 2,147

(b) Other payables

Type/Name of Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Associate	\$ 47	\$ 32	\$ 32

(c) Other current liabilities

Type/Name of Related Party	March 31, 2025	December 31, 2024	March 31, 2024
Associate	\$ 71	\$ 958	\$ 1,013
Other related party	34	73	108
Total	<u>\$ 105</u>	<u>\$ 1,031</u>	<u>\$ 1,121</u>

(d) Guarantee deposits

Type/Name of Related Party	March 31, 2025	December 31, 2024	March 31, 2024
BioGend Therapeutics Co., Ltd.	\$ 565	\$ 565	\$ 565

E. Information on Compensation of Key Management Personnel

Items	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Salaries and other short-term employee benefits	\$ 3,653	\$ 3,386
Post-employment benefits	27	54
Share-based payments	198	—
Total	<u>\$ 3,878</u>	<u>\$ 3,440</u>

8. PLEDGED ASSETS

The following assets of the Company have been provided to financial institutions as collateral for borrowings or have been placed under restrictions as to use:

Name of Pledged Asset	March 31, 2025	December 31, 2024	March 31, 2024	Contents of the Guaranteed Debt
Property, plant and equipment	\$ 818,840	\$ 827,283	\$ 801,447	Bank loan and credit line guarantee
Investment property	661,238	662,247	665,312	Bank loan and credit line guarantee
Investments accounted for using the equity method	3,307,102	3,328,965	3,294,517	Guarantee for bank loan
Financial assets at fair value through profit or loss	81,690	75,600	184,590	Initial public offering lockup
Financial assets at fair value through profit or loss	2,318,216	1,565,165	1,471,215	Guarantee for bank loan
Other financial assets - Time deposits	924,974	924,974	920,430	Corporate bond guarantee
Other financial assets - Restricted demand deposits	225,695	258,509	247,512	Guarantee Limits for Repayment Accounts and Corporate Bonds
Total	<u>\$ 8,337,755</u>	<u>\$ 7,642,743</u>	<u>\$ 7,585,023</u>	

9. **SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS**

- (1) As of March 31, 2025 and 2024, the consolidated company has entered into outstanding authorization contracts of drug commissioned trial development amounted to NT\$6,646 thousand and NT\$4,357 thousand, respectively, and has paid NT\$4,184 thousand and NT\$3,068 thousand, respectively in accordance with the contracts.
- (2) As of March 31, 2025 and 2024, the consolidate company has entered into outstanding capital expenditures amounting to NT\$34,782 thousand and NT\$18,847 thousand, respectively for the construction of new plants and the acquisition of equipment.
- (3) In August 2010, the Company commissioned TTY Biopharm Company Limited to carry out formulation design and process development for R-PLGA long-acting freeze-dried powder injection dosage forms, with a commissioned development contract totaling \$20,000 thousand. As of March 31, 2025, the Company had paid \$12,500 thousand in accordance with the contract.
- (4) In October 2010, the Company entered into licensing contracts with the Industrial Technology Research Institute for the “D-PLGA Microparticle New Dosage Form Technology” and the “PLGA Microparticle Long-Acting Controlled-Release Platform Technology and Patent,” with a contract royalty of NT\$5,600 thousand payable and an annual royalty of 4% of the net sales of the products for 10 years from the date when sales of the products commences. As of March 31, 2025, the Company has paid a royalty of NT\$3,800 thousand.

10. **SIGNIFICANT DISASTER LOSS**: NONE

11. **SIGNIFICANT SUBSEQUENT EVENTS**: NONE

12. **OTHERS**: NONE

13. **ADDITIONAL DISCLOSURES**

- (1) Information on Significant Transactions and Investees

No.	Items	Description
1.	Parties providing financing to others	None
2.	Endorsement/guarantee provided	None
3.	Significant marketable securities held (excluding subsidiaries, associates and jointly controlled entities) at the end of the period.	Table 1
4.	Purchases from and sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital	None
5.	Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital	None

(2) Disclosure of Information on Investees

No.	Items	Description
1.	Information on investees (excluding information on investments in Mainland China)	Table 2
2.	Disclosure of control over investee companies	Table 1, 2

(3) Information on Investment in Mainland China:

No.	Items	Description
1.	The name of the mainland investee company, main business items, paid-in capital, investment method, capital access situation, shareholding ratio, investment gains, and losses, the book value of the investment at the end of the period, repatriated investment gains and losses, and investment limits in mainland China	Table 3
2.	Significant transactions with investees in Mainland China, either directly or indirectly through a third area, as well as prices, payment terms, and unrealized gains or losses involved therein	None

(4) Business relationships between the parent and subsidiaries and significant transactions between them: Table 4

14. SEGMENT INFORMATION

(1) Reportable Segment Information

The reportable segments provided to the main business decision-makers for the purposes of allocating resources and assessing segment performance are listed as follows:

Pharmaceutical division: Manufacturing and sales of various western pharmaceuticals.

Biotechnology venture capital- Investing in domestic and foreign biotechnology undertakings.

Glac segment - Manufacture and sale of probiotic products.

Other segments - Other businesses and operating segments that are not reported.

(2) The financial information of related reportable segments is analyzed as follows:

	Three Months Ended March 31, 2025					
	Pharmaceutical Division	Biotech Venture Capital	Glac Segment	Other Segments	Adjustments and Write-offs	Mergers
Income from customers other than the parent and subsidiaries	245,124	—	133,735	—	—	378,859
Income from the parent company and consolidated subsidiary	—	4,082	—	—	(4,082)	—
Total revenue	245,124	4,082	133,735	—	(4,082)	378,859
Segment profit (loss)	72,007	793,306	(346)	(378)		864,589
Investment income (loss)						(108,592)
Ordinary income (expenses)						3,860
Finance costs						(61,400)
Net income before tax of continuing operations						698,457
Identifiable assets	608,279	17,298,181	1,618,272	11,552		19,536,284
Long-term equity investments						5,618,588
Ordinary assets						398,360
Total assets						25,553,232

Three Months Ended March 31, 2024						
	Pharmaceutical Division	Biotech Venture Capital	Glac Segment	Other Segments	Adjustments and Write-offs	Mergers
Income from customers other than the parent and subsidiaries	247,234	—	116,176	—	—	363,410
Income from the parent company and consolidated subsidiary	—	4,998	122	—	(5,120)	—
Total revenue	247,234	4,998	116,298	—	(5,120)	363,410
Segment profit (loss)	79,713	(454,621)	(11,177)	(276)		(386,361)
Investment income (loss)						(143,385)
Ordinary income (expenses)						3,531
Finance costs						(54,311)
Net income before tax of continuing operations						(580,526)
Identifiable assets	815,065	18,501,325	1,552,569	11,327		20,920,285
Long-term equity investments						5,772,893
Ordinary assets						398,359
Total assets						27,091,537

Table 1

Significant marketable securities held (excluding subsidiaries, associates and jointly controlled entities) as of March 31, 2025

In Thousands of New Taiwan Dollars

Name of Company Held	Type and Name of Securities	Relationship with Securities Issuer	Financial Statement Account	Ending Balance			
				Shares	Carrying Amount	Shareholding ratio	Fair Value
Center Laboratories, Inc.	Ausnutria Dairy Corporation Ltd.	—	Financial assets at fair value through profit or loss - current	29,282,627	251,206	1.64%	251,206
Center Laboratories, Inc.	Hydrogenic Energy Fund I L.P.	—	Financial assets at fair value through profit or loss - non-current	—	149,147	19.39%	149,147
Center Laboratories, Inc.	Vivo Capital Fund X, L.P.	—	Financial assets at fair value through profit or loss - non-current	—	131,429	2.66%	131,429
Center Laboratories, Inc.	Vivo Capital Fund IX, L.P.	—	Financial assets at fair value through profit or loss - non-current	—	612,561	1.74%	612,561
Center Laboratories, Inc.	GL China Opportunities Fund III L.P.	—	Financial assets at fair value through profit or loss - non-current	—	764,925	4.17%	764,925
Center Laboratories, Inc.	Vivo Innovation Fund II, L.P.	—	Financial assets at fair value through profit or loss - non-current	—	355,002	4.77%	355,002
Center Laboratories, Inc.	Chengwei GP Participation Fund, L.P.	—	Financial assets at fair value through profit or loss - non-current	—	588,401	20.33%	588,401
Center Laboratories, Inc.	Vaxon Investment Inc.	—	Financial assets at fair value through profit or loss - non-current	3,000	110,429	15.00%	110,429
Center Laboratories, Inc.	Helicase Venture Fund I, L.P.	—	Financial assets at fair value through profit or loss - non-current	—	55,055	30.00%	55,055
Center Laboratories, Inc.	Fangyuan PCJ Fund II L.P.	—	Financial assets at fair value through profit or loss - non-current	—	179,164	19.80%	179,164
Center Laboratories, Inc.	GL China Opportunities Fund IV L.P.	—	Financial assets at fair value through profit or loss - non-current	—	1,091,398	16.39%	1,091,398

Name of Company Held	Type and Name of Securities	Relationship with Securities Issuer	Financial Statement Account	Ending Balance			
				Shares	Carrying Amount	Shareholding ratio	Fair Value
Center Laboratories, Inc.	T-E Pharma Holding (Cayman) Preferred Share	—	Financial assets at fair value through profit or loss - non-current	18,750,000	89,365	6.37%	89,365
Center Laboratories, Inc.	Onward Therapeutics SA Special Preferred Share	—	Financial assets at fair value through profit or loss - non-current	11,316,700	392,451	19.72%	392,451
Center Laboratories, Inc.	TransPacific Medtech Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	3,129	31,793	31.29%	31,793
Center Laboratories, Inc.	T-E Meds Holding (Cayman)	—	Financial assets at fair value through profit or loss - non-current	2,500,000	49,687	1.17%	49,687
Center Laboratories, Inc.	AiViva_Series A Preferred Share	—	Financial assets at fair value through profit or loss - non-current	4,031,052	40,636	16.54%	40,636
Center Laboratories, Inc.	Shine-On Biomedical Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	2,829,813	158,392	5.68%	158,392
Center Laboratories, Inc.	Ausnutria Dairy Corporation Ltd.	—	Financial assets at fair value through profit or loss - non-current	117,635,644	1,009,159	6.61%	1,009,159
Center Laboratories, Inc.	Ever Supreme Bio Technology Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	9,588,619	1,620,477	8.51%	1,620,477
Center Laboratories, Inc.	Ever Fortune. Ai Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	4,139,000	322,014	4.26%	322,014
Center Laboratories, Inc.	Adimmune Corporation	—	Financial assets at fair value through profit or loss - non-current	8,011,000	161,021	1.87%	161,021
Centerlab Investment Holding Limited	Shuimu Development Limited	—	Financial assets at fair value through profit or loss - non-current	—	16,874	33.00%	16,874
Centerlab Investment Holding Limited	GL JKP Holding L.P.	—	Financial assets at fair value through profit or loss - non-current	—	398,897	8.00%	398,897

Name of Company Held	Type and Name of Securities	Relationship with Securities Issuer	Financial Statement Account	Ending Balance			
				Shares	Carrying Amount	Shareholding ratio	Fair Value
Centerlab Investment Holding Limited	Qingdao Chengwei Guoji Equity Investment Partnership (Limited Partnership)	—	Financial assets at fair value through profit or loss - non-current	—	436,376	10.00%	436,376
Centerlab Investment Holding Limited	UAC Technology (Jiaxing) Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	—	124,956	16.20%	124,956
Centerlab Investment Holding Limited	Bioflag Nutrition Corporation (KY)	—	Financial assets at fair value through profit or loss - non-current	5,038,672	180,067	10.26%	180,067
Center Laboratories Limited (HK)	Shanghai Bao Pharmaceutical Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	7,981,066	2,468,393	14.59%	2,468,393
Center Biotherapeutics, Inc.	GenEditBio Limited (Cayman)	—	Financial assets at fair value through profit or loss - non-current	4,322,881	71,579	2.86%	71,579
Center Venture Holding I Limited (HK)	Jacobio (CAY) Pharmaceuticals Co., Ltd.	—	Financial assets at fair value through profit or loss - current	635,300	10,439	0.08%	10,439
Center Venture Holding I Limited (HK)	Jacobio (CAY) Pharmaceuticals Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	78,801,300	1,294,847	9.95%	1,294,847
Center Venture Holding II Limited	Guangzhou Hybot Technology Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	—	461,675	8.33%	461,675
BioEngine Technology Development Inc.	Jacobio (CAY) Pharmaceuticals Co., Ltd.	—	Financial assets at fair value through profit or loss - current	4,361,400	71,666	0.55%	71,666
BioEngine Technology Development Inc.	Adimmune Corporation	—	Financial assets at fair value through profit or loss - non-current	17,936,000	360,514	4.18%	360,514

Table 2

Information on investees:(excluding information on investments in mainland china)

In Thousands of New Taiwan Dollars, Except for Shares

Investor Company	Investee Company	Address	Main Business	Original Investment Amount		Balance as of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss) of Investee	Note
				March 31, 2025	December 31, 2024	Shares	Percentage	Carrying Amount			
Center Laboratories, Inc.	Fangyuan Growth SPC PCJ Healthcare Fund SP	Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands	Investment	211,653	280,021	—	33.33%	323,981	90,156	30,049	—
Center Laboratories, Inc.	PCJ Capital Management Limited	Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands	Management consultant	—	—	—	25%	—	—	—	—
Center Laboratories, Inc.	Center Biotherapeutics Inc.	Sea Meadow House, Blackburne Highway, PO Box 116, Road Town, Tortola, British Virgin Islands	Investment	66,152	66,152	2,228,283	100.00%	93,760	(20,157)	(20,157)	Subsidiary
Center Laboratories, Inc.	BioEngine Technology Development Inc.	7F., No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Investment management consultant	428,777	428,777	98,437,500	100.00%	672,162	47,827	47,827	Subsidiary
Center Laboratories, Inc.	Mycenax Biotech Inc.	7F., No. 66, Shengyi 2nd Rd., Zhubei City, Hsinchu County, Taiwan (R.O.C.), Hsinchu Science Park	Manufacturing and sales of biopharmaceuticals	1,003,282	1,003,282	41,974,314	20.27%	392,787	(129,137)	(26,185)	The Company's legal representative is the chairman of this Company
Center Laboratories, Inc.	TOT BIOPHARM International Company Limited	15/F MAY MAY BUILDING, 683-685 NATHAN ROAD KOWLOON, HONG KONG	Investment	2,433,620	2,433,620	213,311,700	27.60%	2,901,597	9,444	(1,373)	—
Center Laboratories, Inc.	Centerlab Investment Holding Limited (HK)	FLAT/RM 1204, Yu Sung Boon Bldg., 107-111 Des Voeux Road, Central, Hong Kong	Investment	427,347	1,194,127	14,081,409	100.00%	1,172,706	18,260	18,260	Subsidiary
Center Laboratories, Inc.	Center Laboratories Limited (HK)	FLAT/RM 1204, Yu Sung Boon Bldg., 107-111 Des Voeux Road, Central, Hong Kong	Investment	1,188,313	1,188,313	39,871,908	100.00%	2,468,379	22,687	22,687	Subsidiary

Investor Company	Investee Company	Address	Main Business	Original Investment Amount		Balance as of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss) of Investee	Note
				March 31, 2025	December 31, 2024	Shares	Percentage	Carrying Amount			
Center Laboratories, Inc.	Lumosa Therapeutics Co., Ltd.	4F-1, No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Drug development	1,847,567	1,841,579	57,806,874	34.23%	622,229	(104,186)	(35,643)	—
Center Laboratories, Inc.	Medeon Biodesign, Inc.	5F., No. 116, Hougang St., Shilin Dist., Taipei City, Taiwan (R.O.C.)	Medical device development	770,495	770,495	27,411,028	29.75%	399,668	(177,993)	(52,950)	—
Center Laboratories, Inc.	BioGend Therapeutics Co., Ltd.	4F, No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Development of orthopedic medical devices	512,676	512,676	37,580,008	30.24%	271,298	(33,286)	(10,951)	—
Center Laboratories, Inc.	A2 + Healthcare Venture Fund L.P.	6F., No. 135, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.)	Venture capital	250,000	250,000	—	49.50%	267,741	(4,307)	(2,132)	—
Center Laboratories, Inc.	Anya Biopharm Inc.	6F., No. 378, Changchun Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	Drug development	16,277	16,277	8,276,369	16.86%	92,119	1,829	(1,024)	—
Center Laboratories, Inc.	Center Venture Holding I Limited	FLAT/RM 1204, Yu Sung Boon Bldg., 107-111 Des Voeux Road, Central, Hong Kong	Investment	1,913,443	1,913,443	1	100%	1,305,312	879,352	879,352	Subsidiary
Center Laboratories, Inc.	Center Venture Holding II Limited	FLAT/RM 1204, Yu Sung Boon Bldg., 107-111 Des Voeux Road, Central, Hong Kong	Investment	451,032	451,032	13,929,351	100%	461,707	(23,951)	(23,951)	Subsidiary
Center Laboratories, Inc.	Center Venture Holding III Limited	Level 2, Lotemau Centre Building, Vaea Street, Apia, Samoa	Investment	—	—	1	100%	—	—	—	Subsidiary
Center Laboratories, Inc.	Cytoengine Co., Ltd.	4F., No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Drug development	50,000	50,000	5,000,000	40%	14,620	(3,039)	(1,215)	—
Center Laboratories, Inc.	KriSan Biotech Co., Ltd.	5F., No. 28, Ln. 31, Sec. 1, Huan dong Rd., Xinshi Dist., Tainan City, Taiwan (R.O.C.)	Western pharmaceutical manufacturing industry	201,500	201,500	10,075,000	19.29%	172,679	(27,232)	(6,256)	—
Center Laboratories, Inc.	Bioflag International Corporation	4 th Floor, Harbour Place, 103 South church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands	Investment	2,210,039	1,388,476	66,654,539	100%	1,453,446	7,167	(4,709)	Subsidiary

Investor Company	Investee Company	Address	Main Business	Original Investment Amount		Balance as of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss) of Investee	Note
				March 31, 2025	December 31, 2024	Shares	Percentage	Carrying Amount			
Centerlab Investment Holding Limited(HK)	ASEAN Bio & Medical Platform Investment L.P.	25F, City Air Tower, 159-9, Samsung-dong, Gangnam-gu, Seoul, Korea	Investment	53,945	53,945	—	30.00%	14,515	—	—	—
Bioflag International Corporation	Bioflag Co., Ltd.	Sea Meadow House, Blackburne Highway, Road Town, British Virgin Islands	Investment	1,836,445	1,836,445	66,625,374	100.00%	1,698,932	7,233	7,233	Sub-subsidiary
Bioflag Co., Ltd.	Glac Biotech Co., Ltd.	4F-2, No. 17, Guoji Rd., Xinshi Dist., Tainan City, Taiwan (R.O.C.)	Manufacturing and sales of functional probiotics	1,704,696	1,704,696	72,171,000	100.00%	1,692,813	7,238	7,238	Sub-subsidiary
Glac Biotech Co., Ltd.	OmniPro Biotech Co., Ltd.	No. 10, Xincheng St., Minxiong Township, Chiayi County, Taiwan (R.O.C.)	General food manufacturing	15,000	15,000	1,500,000	100.00%	2,102	(99)	(99)	Sub-subsidiary
Glac Biotech Co., Ltd.	Ezadd Co., Ltd.	7F., No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Functional probiotics sales	1,990	1,990	199,000	99.50%	1,233	(1)	(1)	Sub-subsidiary
BioEngine Technology Development Inc.	Lumosa Therapeutics Co., Ltd.	4F-1, No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Drug development	31,683	31,683	1,053,218	0.62%	20,919	(104,186)	(650)	—
BioEngine Technology Development Inc.	TOT BIOPHARM International Company Limited	15/F MAY MAY BUILDING, 683-685 NATHAN ROAD KOWLOON, HONG KONG	Investment	84,468	84,468	7,646,300	0.99%	106,248	9,444	(49)	—
BioEngine Technology Development Inc.	BioEngine Development I Limited	FLAT/RM 1204, YU SUNG BOON BLDG., 107-111 DES VOEUX ROAD, CENTRAL, HONG KONG	Investment	22,890	22,890	1,000,000	100.00%	20,079	(378)	(378)	Sub-subsidiary
BioEngine Technology Development Inc.	A2+ Biotech Consulting Co., Ltd.	6F., No. 135, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.)	Management consultant	4,000	4,000	400,000	33.33%	6,192	1,687	562	—
BioEngine Technology Development Inc.	Anya Biopharm Inc.	6F., No. 378, Changchun Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	Drug development	68,400	68,400	2,340,000	4.77%	25,981	1,829	(289)	—
BioEngine Technology Development Inc.	Mycenax Biotech Inc.	7F., No. 66, Shengyi 2nd Rd., Zhubei City, Hsinchu County, Taiwan (R.O.C.), Hsinchu Science Park	Manufacturing and sales of biopharmaceuticals	32,370	32,370	780,000	0.38%	7,144	(129,137)	(487)	—

Table 3 Information on Investment in Mainland China:

In Thousands of New Taiwan Dollars

Investee Company	Main Businesses	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee Company	Percentage of Ownership	Share of Profits (Losses) (Note 2)	Carrying Amount as of March 31, 2025	Accumulated Inward Remittance of Earnings as of March 31, 2025
					Outflow	Inflow						
TOT BIOPHARM Co., Ltd.	Production, research and development of anti-cancer capsules and liposome injection	USD 222,450 thousand	(2)TOT BIOPHARM International Company Limited (Hong Kong)	698,807	—	—	698,807	27,226	27.60%	6,686	861,964	—
Jiang Su Tung Yang Biopharm Tech Co., Ltd.	Sales, research and development of western medicine	USD 2,000 thousand	(2)TOT BIOPHARM International Company Limited (Hong Kong)	13,684	—	—	13,684	(32)	27.60%	(9)	7,863	—
Dongyuan Biotech (Shanghai) Co., Ltd.	Pharmaceutical research and development	USD 3,730 thousand	(2)TOT BIOPHARM International Company Limited (Hong Kong)	24,956	—	—	24,956	(30)	27.60%	(8)	4,160	—
Shanghai Bao Pharmaceutical Co., Ltd.	Company specializing in the development of recombinant proteins and antibody drugs	RMB 46,860 thousand	(2)Center Laboratories Limited(HK)	1,188,191	—	—	1,188,191	—	14.59%	—	2,468,393	—
Beijing Jinkangpu Food Science & Technology Co., Ltd.	Sub-packaging and production of food additives and compound food additives	RMB 10,000 thousand	(2)Centerlab Investment Holding Limited	198,471	—	—	198,471	—	5.00%	—	359,008	—
Beijing Kangpuni Detection Technology Co., Ltd.	Technology of Detection	RMB 1,000 thousand	(2)Centerlab Investment Holding Limited	22,053	—	—	22,053	—	5.00%	—	39,889	—
Scindy Pharmaceutical (Suzhou)	Medical Research and Experimental Development	RMB 15,833 thousand	(2)Center Biotherapeutics Inc.	66,120	—	—	66,120	—	15.79%	—	14,315	—

Investee Company	Main Businesses	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee Company	Percentage of Ownership	Share of Profits (Losses) (Note 2)	Carrying Amount as of March 31, 2025	Accumulated Inward Remittance of Earnings as of March 31, 2025
					Outflow	Inflow						
Qingdao Chengwei Guoji Equity Investment Partnership (Limited Partnership)	Venture capital	RMB 660,000 thousand	(2)Centerlab Investment Holding Limited	391,214	—	—	391,214	—	10.00%	—	436,376	—
UAC Technology (Jiaxing) Co., Ltd.	Manufacture and Design of Specialized Equipment	EUR 23,045 thousand	(2)Centerlab Investment Holding Limited	174,143	—	—	174,143	—	16.20%	—	124,956	—
Bioflag Co., Ltd.	Biological health product research and development and related technical consultation	RMB 109,218 thousand	(2) Centerlab Investment Holdings Limited Transfer of Investment to Bioflag	—	—	—	—	—	10.26%	—	180,067	—
Bioflag (Anhui) Co., Ltd.	Research and development, production, and sales of probiotics and other microorganisms and related products	RMB 36,242 thousand	(2) Centerlab Investment Holdings Limited Transfer of Investment to Bioflag	—	—	—	—	—	10.26%	—		—
Beijing Shundu Pharmaceutical Research Institute Co., Ltd.	Pharmaceutical technology development and consulting	RMB 6,123 thousand	(2)BioEngine Development I Limited	—	—	—	—	(378)	100%	(378)	11,489	—
Guangzhou Hybot Technology Co., Ltd.	Sales of new energy vehicles	RMB 300,000 thousand	(2)Center Venture Holding II Limited	451,000	—	—	451,000	—	8.33%	—	461,675	—

Company name	Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Company's Investments in Mainland China
			Net worth* 60%
Center Laboratories, Inc.	NT\$2,808,735 thousand	USD 80,373 thousand RMB 664,475 thousand EUR 5,500 thousand	11,176,641

Note 1: Method of investment can be divided into three types as follows:

- (1) Direct investment in Mainland China.
- (2) Investment in Mainland China through a company in a third area (Please indicate the invested company in a third area).
- (3) Other methods.

Note 2: The recognition of investment gains and losses for the current period is based on unaudited financial statements.

Table 4 Parent-Subsidiary Company Business Relation and Important Transactions - For the First Quarter of 2025

In Thousands of New Taiwan Dollars

No. (Note 1)	Name of Company	Name of Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions between Company and Subsidiaries				
				Financial Statement Account		Amount	Transaction Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	Center Laboratories, Inc.	Glac Biotech Co., Ltd.	1	Other receivables	Other payables	431	Based on contracts signed between both parties	—
		Glac Biotech Co., Ltd.	1	Guarantee deposits	Refundable deposits	1,105	Based on contracts signed between both parties	—
		Glac Biotech Co., Ltd.	1	Lease income/Investment loss	Depreciation/Interest expenses	2,984	Based on contracts signed between both parties	0.79%
		Glac Biotech Co., Ltd.	1	Other receivables/ Long-term investment	Lease liabilities	4,337	Based on contracts signed between both parties	0.02%
					Right-of-use assets/ Lease liabilities	82,965	Based on contracts signed between both parties	0.32%
		Glac Biotech Co., Ltd.	1	Lease income	Rental expenses	234	Based on contracts signed between both parties	—
		Glac Biotech Co., Ltd.	1	Other income	Other expenses	1,106	Based on terms of the transaction as per mutual agreement	0.29%
	Center Laboratories, Inc.	BioEngine Technology Development Inc.	1	Other income	Entrusted management fee	4	Based on terms of the transaction as per mutual agreement	—
	Glac Biotech Co., Ltd.	OmniPro Biotech Co., Ltd.	1	Accounts receivable	Accounts payable	754	Based on terms of the transaction as per mutual agreement	—

Note 1: The business transaction information between the parent company and its subsidiaries should be indicated in the serial number column, respectively. The method of filling in the serial number is as follows:

- (1) For the parent, please indicate “0” in the code column.
- (2) For investees, please indicate “1” in the code column and arrange the investees by company type.

Note 2: There are five types of relationship with the trader. Just indicate the type:

- (1) The parent to the subsidiary.
- (2) Subsidiary to the parent.
- (3) Between subsidiaries.

Note 3: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets. If it is an asset-liability account, it is calculated as the ending balance of the consolidated total assets; if it is a profit and loss account, the cumulative amount in the period accounts for the total consolidated total. It is calculated by the method of receipt.

Table 4 Parent-Subsidiary Company Business Relation and Important Transactions - For the First Quarter of 2024

In Thousands of New Taiwan Dollars

No. (Note 1)	Name of Company	Name of Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions				Percentage of Consolidated Net Revenue or Total Assets (Note 3)
				Financial Statement Account		Amount	Transaction Terms	
0	Center Laboratories, Inc.	Glac Biotech Co., Ltd.	1	Other receivables	Other payables	994	Based on contracts signed between both parties	—
		Glac Biotech Co., Ltd.	1	Advance receipts	Prepaid expenses	623	Based on contracts signed between both parties	—
		Glac Biotech Co., Ltd.	1	Guarantee deposits	Refundable deposits	1,105	Based on contracts signed between both parties	—
		Glac Biotech Co., Ltd.	1	Lease income/ Investment loss	Depreciation/ Interest expenses	1,817	Based on contracts signed between both parties	0.50%
		Glac Biotech Co., Ltd.	1	Lease income	Rental expenses	266	Based on contracts signed between both parties	0.07%
		Glac Biotech Co., Ltd.	1	Other income	Other expenses	1,065	Based on contracts signed between both parties	0.29%
		Glac Biotech Co., Ltd.	1	Other receivables/ Long-term investment	Lease liabilities/ Right-of-use assets	2,625	Based on contracts signed between both parties	—
		Bioflag International Corporation	1	Financial assets at amortized cost – non-current	Bonds payable	200,000	Based on contracts signed between both parties	0.74%
		Bioflag International Corporation	1	Other receivables	Other payables	11,775	Based on contracts signed between both parties	0.04%
		Bioflag International Corporation	1	Interest income	Interest expenses	2,000	Based on contracts signed between both parties	0.55%
		Center Biotherapeutics Inc.	1	Interest expenses	Interest income	59	Based on contracts signed between both parties	0.02%
	Bioflag International Corporation	Bioflag Co., Ltd.	1	Other receivables	Other payables	256,000	Based on contracts signed between both parties	0.94%
	Genlac Biotech Inc.	Bioflag Co., Ltd.	2	Other receivables	Other payables	155,151	Based on contracts signed between both parties	0.57%
	Glac Biotech Co., Ltd.	OmniPro Biotech Co., Ltd.	1	Accounts receivable	Accounts payable	1,565	Based on contracts signed between both parties	—
		OmniPro Biotech Co., Ltd.	1	Sales revenue	Cost of goods sold	122	Based on contracts signed between both parties	0.03%

Note 1: The business transaction information between the parent company and its subsidiaries should be indicated in the serial number column, respectively. The method of filling in the serial number is as follows:

- (1) For the parent, please indicate “0” in the code column.
- (2) For investees, please indicate “1” in the code column and arrange the investees by company type.

Note 2: There are five types of relationship with the trader. Just indicate the type:

- (1) The parent to the subsidiary.
- (2) Subsidiary to the parent.
- (3) Between subsidiaries.

Note 3: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets. If it is an asset-liability account, it is calculated as the ending balance of the consolidated total assets; if it is a profit and loss account, the cumulative amount in the period accounts for the total consolidated total. It is calculated by the method of receipt.