

**FORESEE PHARMACEUTICALS CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REVIEW REPORT
THEREON
MARCH 31, 2025 AND 2024**

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

Independent Auditors' Review Report

To the Board of Directors and Shareholders of Foresee Pharmaceuticals Co., Ltd.

Introduction

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

Scope of review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Tsai, Pei-Hua

Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

May 7, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the review of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ review report are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the consolidated financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FORESEE PHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	March 31, 2025		December 31, 2024		March 31, 2024		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 977,359	57	\$ 1,367,299	63	\$ 1,090,096	65
1136	Financial assets at amortised cost	6(1)(3) and 8						
	- current		75,000	4	75,000	3	100,000	6
1170	Accounts receivable, net	6(4)	59,668	4	32,328	2	85,289	5
1200	Other receivables		4,875	-	3,810	-	9,535	1
1220	Current income tax assets		7,277	1	9,948	-	8,597	-
130X	Inventories	6(5)	169,950	10	183,874	9	103,390	6
1410	Prepayments	6(2) and 7	86,602	5	145,273	7	30,022	2
11XX	Total current assets		<u>1,380,731</u>	<u>81</u>	<u>1,817,532</u>	<u>84</u>	<u>1,426,929</u>	<u>85</u>
Non-current assets								
1600	Property, plant and equipment	6(6) and 8	194,438	11	205,951	10	104,684	6
1755	Right-of-use assets	6(7)	8,601	1	11,668	1	24,168	2
1780	Intangible assets	6(8)	116,541	7	117,791	5	123,277	7
1840	Deferred income tax assets		1,324	-	1,307	-	1,276	-
1915	Prepayments for business facilities		2,986	-	3,305	-	2,102	-
1920	Guarantee deposits paid		1,520	-	1,598	-	3,091	-
15XX	Total non-current assets		<u>325,410</u>	<u>19</u>	<u>341,620</u>	<u>16</u>	<u>258,598</u>	<u>15</u>
1XXX	Total assets		<u>\$ 1,706,141</u>	<u>100</u>	<u>\$ 2,159,152</u>	<u>100</u>	<u>\$ 1,685,527</u>	<u>100</u>

(Continued)

FORESEE PHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity	Notes	March 31, 2025		December 31, 2024		March 31, 2024		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term loans	6(9)	\$ 50,000	3	\$ 150,000	7	\$ 200,000	12
2130	Contract liabilities - current	6(17)	47,940	3	50,030	2	105,480	6
2170	Accounts payable		30,477	2	64,418	3	17,536	1
2200	Other payables	6(10)	51,281	3	87,574	4	40,261	2
2220	Other payables - related parties	7	8,937	-	5,370	-	3,713	-
2230	Current income tax liabilities		8,735	-	8,822	-	9,604	1
2280	Lease liabilities - current		9,173	1	12,408	1	15,836	1
2320	Long-term liabilities - current portion	6(11)	5,000	-	5,000	-	-	-
2398	Other current liabilities		301	-	9,587	1	369	-
21XX	Total current liabilities		<u>211,844</u>	<u>12</u>	<u>393,209</u>	<u>18</u>	<u>392,799</u>	<u>23</u>
Non-current liabilities								
2527	Contract liabilities - non-current	6(17)	72,620	4	72,620	4	131,666	8
2540	Long-term borrowings	6(11)	91,667	6	92,917	4	-	-
2570	Deferred income tax liabilities		1,424	-	1,406	-	1,373	-
2580	Lease liabilities - non-current		-	-	-	-	9,798	1
25XX	Total non-current liabilities		<u>165,711</u>	<u>10</u>	<u>166,943</u>	<u>8</u>	<u>142,837</u>	<u>9</u>
2XXX	Total liabilities		<u>377,555</u>	<u>22</u>	<u>560,152</u>	<u>26</u>	<u>535,636</u>	<u>32</u>
Equity								
	Share capital	6(14)						
3110	Common shares		1,548,487	91	1,547,878	72	1,359,262	81
	Capital surplus	6(15)						
3200	Capital surplus		5,916,970	347	5,906,317	274	4,635,845	275
	Accumulated deficit	6(16)						
3350	Deficit yet to be compensated		(6,103,733)	(358)	(5,810,639)	(269)	(4,849,113)	(288)
	Other equity interest							
3400	Other equity interest		(33,138)	(2)	(44,556)	(3)	3,897	-
31XX	Equity attributable to shareholders of the parent		<u>1,328,586</u>	<u>78</u>	<u>1,599,000</u>	<u>74</u>	<u>1,149,891</u>	<u>68</u>
3XXX	Total equity		<u>1,328,586</u>	<u>78</u>	<u>1,599,000</u>	<u>74</u>	<u>1,149,891</u>	<u>68</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 1,706,141</u>	<u>100</u>	<u>\$ 2,159,152</u>	<u>100</u>	<u>\$ 1,685,527</u>	<u>100</u>

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

FORESEE PHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSS PER SHARE DATA)

	Items	Notes	For the three-month periods ended March 31,			
			2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	6(17)	\$ 110,462	100	\$ 103,856	100
5000	Operating costs	6(5)(6)(8)(21) (22)	(37,310)	(33)	(62,867)	(61)
5900	Net operating margin		<u>73,152</u>	<u>67</u>	<u>40,989</u>	<u>39</u>
	Operating expenses	6(6)(7)(8)(12) (13)(21)(22) and 7				
6100	Selling expenses		(9,621)	(9)	(4,400)	(4)
6200	General and administrative expenses		(31,771)	(29)	(31,301)	(30)
6300	Research and development expenses		(317,545)	(287)	(139,968)	(135)
6000	Total operating expenses		<u>(358,937)</u>	<u>(325)</u>	<u>(175,669)</u>	<u>(169)</u>
6900	Operating loss		<u>(285,785)</u>	<u>(258)</u>	<u>(134,680)</u>	<u>(130)</u>
	Non-operating income and expenses					
7100	Interest income	6(3)(18)	5,257	5	8,654	8
7010	Other income		7	-	-	-
7020	Other gains and losses	6(19)	3,646	3	19,573	19
7050	Finance costs	6(7)(9)(11)(20)	(899)	(1)	(1,405)	(1)
7000	Total non-operating income and expenses		<u>8,011</u>	<u>7</u>	<u>26,822</u>	<u>26</u>
7900	Loss before income tax		<u>(277,774)</u>	<u>(251)</u>	<u>(107,858)</u>	<u>(104)</u>
7950	Income tax expense	6(23)	(15,320)	(14)	(11,688)	(11)
8200	Loss for the period		<u>(\$ 293,094)</u>	<u>(265)</u>	<u>(\$ 119,546)</u>	<u>(115)</u>
	Other comprehensive loss					
	Components of other comprehensive loss that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		<u>\$ 3,677</u>	<u>3</u>	<u>\$ 5,387</u>	<u>5</u>
8300	Other comprehensive income for the period		<u>\$ 3,677</u>	<u>3</u>	<u>\$ 5,387</u>	<u>5</u>
8500	Total comprehensive loss for the period		<u>(\$ 289,417)</u>	<u>(262)</u>	<u>(\$ 114,159)</u>	<u>(110)</u>
	Loss attributable to:					
8610	Shareholders of the parent		<u>(\$ 293,094)</u>	<u>(265)</u>	<u>(\$ 119,546)</u>	<u>(115)</u>
	Comprehensive loss attributable to:					
8710	Shareholders of the parent		<u>(\$ 289,417)</u>	<u>(262)</u>	<u>(\$ 114,159)</u>	<u>(110)</u>
	Basic loss per share	6(24)				
9750	Loss per share		<u>(\$ 1.90)</u>		<u>(\$ 0.88)</u>	
	Diluted loss per share	6(24)				
9850	Loss per share		<u>(\$ 1.90)</u>		<u>(\$ 0.88)</u>	

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

FORESEE PHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to shareholders of the parent										
	Notes	Capital Surplus						Other Equity Interest			Total equity
		Common shares	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Employee stock options	Employee restricted stocks	Others	Deficit yet to be compensated	Financial statements translation differences of foreign operations	Unearned employee compensation	
For the three-month period ended March 31, 2024											
Balance at January 1, 2024		\$ 1,358,173	\$ 4,453,783	\$ 21,984	\$ 135,197	\$ -	\$ 6,432	(\$ 4,729,567)	(\$ 1,490)	\$ -	\$ 1,244,512
Loss for the period		-	-	-	-	-	-	(119,546)	-	-	(119,546)
Other comprehensive income for the period		-	-	-	-	-	-	-	5,387	-	5,387
Total comprehensive (loss) income for the period		-	-	-	-	-	-	(119,546)	5,387	-	(114,159)
Compensation cost of employee stock options	6(13)(22)	-	-	-	11,631	-	-	-	-	-	11,631
Employee stock options exercised	6(13)(14)	1,089	8,537	-	(1,719)	-	-	-	-	-	7,907
Balance at March 31, 2024		<u>\$ 1,359,262</u>	<u>\$ 4,462,320</u>	<u>\$ 21,984</u>	<u>\$ 145,109</u>	<u>\$ -</u>	<u>\$ 6,432</u>	<u>(\$ 4,849,113)</u>	<u>\$ 3,897</u>	<u>\$ -</u>	<u>\$ 1,149,891</u>
For the three-month period ended March 31, 2025											
Balance at January 1, 2025		\$ 1,547,878	\$ 5,653,536	\$ 21,984	\$ 157,260	\$ 58,789	\$ 14,748	(\$ 5,810,639)	\$ 6,618	(\$ 51,174)	\$ 1,599,000
Loss for the period		-	-	-	-	-	-	(293,094)	-	-	(293,094)
Other comprehensive income for the period		-	-	-	-	-	-	-	3,677	-	3,677
Total comprehensive (loss) income for the period		-	-	-	-	-	-	(293,094)	3,677	-	(289,417)
Compensation cost of employee stock options	6(13)(22)	-	-	-	7,570	-	-	-	-	-	7,570
Employee stock options exercised	6(13)(14)	609	3,767	-	(684)	-	-	-	-	-	3,692
Employee stock options expired		-	-	-	(1,067)	-	1,067	-	-	-	-
Compensation cost of employee restricted stocks	6(13)(22)	-	-	-	-	-	-	-	-	7,714	7,741
Balance at March 31, 2025		<u>\$ 1,548,487</u>	<u>\$ 5,657,303</u>	<u>\$ 21,984</u>	<u>\$ 163,079</u>	<u>\$ 58,789</u>	<u>\$ 15,815</u>	<u>(\$ 6,103,733)</u>	<u>\$ 10,295</u>	<u>(\$ 43,433)</u>	<u>\$ 1,328,586</u>

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

FORESEE PHARMACEUTICALS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	For the three-month periods ended	
		March 31,	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before income tax		(\$ 277,774)	(\$ 107,858)
Reconciling items			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(21)	15,703	16,711
Amortisation	6(8)(21)	4,805	3,536
Interest expense	6(20)	899	1,405
Interest income	6(18)	(5,257)	(8,654)
Compensation cost of share-based payment	6(13)(22)	15,311	11,631
Loss on disposal of property, plant and equipment	6(19)	-	30
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Accounts receivable, net		(27,340)	(19,377)
Other receivables		(1,497)	(8,524)
Inventories		13,924	23,409
Prepayments		62,547	6,627
Changes in liabilities relating to operating activities			
Contract liabilities		(2,090)	-
Accounts payable		(33,941)	5,403
Other payables		(39,374)	(68,933)
Other payables - related parties		3,567	(11,706)
Other current liabilities		(9,286)	132
Cash outflow generated from operations		(279,803)	(156,168)
Receipt of interest		5,689	9,037
Payment of interest		(1,018)	(1,227)
Payment of income tax		(16,612)	(13,647)
Net cash flows used in operating activities		(291,744)	(162,005)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost - current		-	(50,000)
Proceeds from disposal of financial assets at amortised cost - current		-	292,500
Acquisition of property, plant and equipment	6(25)	(198)	(9,543)
Acquisition of intangible assets	6(25)	(830)	-
Increase in prepayments for equipment		-	(180)
Decrease in refundable deposits		78	250
Net cash flows (used in) from investing activities		(950)	233,027
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(26)	(100,000)	-
Repayment of long-term borrowings	6(26)	(1,250)	-
Repayment of lease liabilities	6(26)	(3,316)	(4,179)
Employee stock options exercised		3,692	7,907
Net cash flows (used in) from financing activities		(100,874)	3,728
Effects due to changes in exchange rate		3,628	5,667
Net (decrease) increase in cash and cash equivalents		(389,940)	80,417
Cash and cash equivalents at beginning of period		1,367,299	1,009,679
Cash and cash equivalents at end of period		<u>\$ 977,359</u>	<u>\$ 1,090,096</u>

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

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

1. HISTORY AND ORGANISATION

(1) Foresee Pharmaceuticals Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on February 8, 2013. The main activity of the Company and its subsidiaries (the “Group”) is applying for stabilised injectable formulation (SIF) platform technology in order to produce the products for anticancer and treatment of chronic diseases.

The Company obtained 100% shares of Foresee Pharmaceuticals USA, Inc. due to the organisation restructuring under common control of the Group which the Company originally belonged to in March 2015.

(2) Starting from June 29, 2018, the Company’s stocks were listed on the Taiwan Over-The-Counter Securities Exchange.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on May 7, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

follows:

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, ‘Presentation and disclosure in financial statements’

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

- A. These consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations as endorsed by the FSC ("IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
The basis for preparation of consolidated financial statements is consistent with the basis used in the 2024 consolidated financial statements.
- B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		
			March 31, 2025	December 31, 2024	March 31, 2024
The Company	Foresee Pharmaceuticals USA, Inc.	Research and development of pharmaceuticals	100	100	100
The Company	Foresee Pharmaceuticals Canada, Inc.	Business development	100	100	100
The Company	Foresee Pharmaceuticals Australia Pty Ltd.	Research and development of pharmaceuticals	100	100	100

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Income tax

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

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

There have been no significant changes as of March 31, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Petty cash	\$ 30	\$ 30	\$ 30
Checking accounts	235,029	43,274	115,312
Demand deposits	110,955	193,140	115,154
Time deposits	<u>631,345</u>	<u>1,130,855</u>	<u>859,600</u>
	<u>\$ 977,359</u>	<u>\$ 1,367,299</u>	<u>\$ 1,090,096</u>

A. The Group transacts with the financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The Group's maximum exposure to credit risk at the balance sheet date is the carrying amount of all cash and cash equivalents.

B. On March 31, 2025, December 31, 2024 and March 31, 2024, time deposits amounting to \$25,000, \$75,000 and \$100,000, respectively were pledged to others as collateral for short-term bank borrowings, respectively and were classified as financial assets at amortised cost - current. Refer to Notes 6(3) and 8.

(2) Prepayments

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Net input VAT	\$ 10,732	\$ 12,795	\$ 10,207
Prepaid experiment expenses	62,353	116,088	8,464
Prepaid service expenses	7,387	9,764	7,109
Others	<u>6,130</u>	<u>6,626</u>	<u>4,242</u>
	<u>\$ 86,602</u>	<u>\$ 145,273</u>	<u>\$ 30,022</u>

(3) Financial assets at amortised cost

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current items:			
Time deposits with maturity over 3 months	\$ 50,000	\$ -	\$ -
Pledged time deposits	<u>25,000</u>	<u>75,000</u>	<u>100,000</u>
	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 100,000</u>

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

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Interest income	<u>\$ 222</u>	<u>\$ 592</u>

B. As at March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$75,000, \$75,000 and \$100,000, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable	<u>\$ 59,668</u>	<u>\$ 32,328</u>	<u>\$ 85,289</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Not past due	<u>\$ 59,668</u>	<u>\$ 32,328</u>	<u>\$ 85,289</u>

The above ageing analysis was based on past due date.

B. As of March 31, 2025, December 31, 2024, March 31, 2024 and January 1, 2024, the balances of receivables from contracts with customers amounted to \$59,668, \$32,328, \$85,289 and \$65,912, respectively.

C. The Group has no accounts receivable pledged to others as collateral.

D. As at March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was \$59,668, \$32,328 and \$85,289, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

March 31, 2025		
Cost	Allowance for valuation loss	Book value
Raw materials	\$ 52,918	\$ 52,918
Work in progress	116,829	116,829
Finished goods	203	203
	<u>\$ 169,950</u>	<u>\$ 169,950</u>
December 31, 2024		
Cost	Allowance for valuation loss	Book value
Raw materials	\$ 64,761	\$ 64,761
Work in progress	118,904	118,904
Finished goods	209	209
	<u>\$ 183,874</u>	<u>\$ 183,874</u>
March 31, 2024		
Cost	Allowance for valuation loss	Book value
Raw materials	\$ 43,752	\$ 43,752
Work in progress	59,394	59,394
Finished goods	244	244
	<u>\$ 103,390</u>	<u>\$ 103,390</u>

A. The abovementioned inventories were not pledged to others.

B. The cost of inventories recognised as expense for the period:

	For the three-month periods ended March 31,	
	2025	2024
Cost of goods sold	<u>\$ 24,223</u>	<u>\$ 60,433</u>

(6) Property, plant and equipment

2025

	Land	Buildings and structures	Machinery and equipment	Computer and telecommunication equipment	Office equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1								
Cost	\$ 123,068	\$ 9,959	\$ 172,065	\$ 50,475	\$ 4,051	\$ 30,444	\$ -	\$ 390,062
Accumulated depreciation and impairment	-	(199)	(120,911)	(37,709)	(2,696)	(22,596)	-	(184,111)
	<u>\$ 123,068</u>	<u>\$ 9,760</u>	<u>\$ 51,154</u>	<u>\$ 12,766</u>	<u>\$ 1,355</u>	<u>\$ 7,848</u>	<u>\$ -</u>	<u>\$ 205,951</u>
At January 1	\$ 123,068	\$ 9,760	\$ 51,154	\$ 12,766	\$ 1,355	\$ 7,848	\$ -	\$ 205,951
Additions	-	-	537	-	136	-	-	673
Reclassifications (Note)	-	-	230	-	-	-	89	319
Depreciation	-	(100)	(7,628)	(2,759)	(110)	(1,961)	-	(12,558)
Net exchange differences	-	-	50	-	3	-	-	53
At March 31	<u>\$ 123,068</u>	<u>\$ 9,660</u>	<u>\$ 44,343</u>	<u>\$ 10,007</u>	<u>\$ 1,384</u>	<u>\$ 5,887</u>	<u>\$ 89</u>	<u>\$ 194,438</u>
At March 31								
Cost	\$ 123,068	\$ 9,959	\$ 171,326	\$ 50,475	\$ 4,112	\$ 30,444	\$ 89	\$ 389,473
Accumulated depreciation and impairment	-	(299)	(126,983)	(40,468)	(2,728)	(24,557)	-	(195,035)
	<u>\$ 123,068</u>	<u>\$ 9,660</u>	<u>\$ 44,343</u>	<u>\$ 10,007</u>	<u>\$ 1,384</u>	<u>\$ 5,887</u>	<u>\$ 89</u>	<u>\$ 194,438</u>

Note: It refers to prepayments for business facilities reclassified into property, plant and equipment.

2024

	Machinery and equipment	Computer and telecommunication equipment	Office equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1						
Cost	\$ 154,260	\$ 50,934	\$ 4,253	\$ 30,444	\$ 4,904	\$ 244,795
Accumulated depreciation and impairment	(93,245)	(26,393)	(2,591)	(14,750)	-	(136,979)
	<u>\$ 61,015</u>	<u>\$ 24,541</u>	<u>\$ 1,662</u>	<u>\$ 15,694</u>	<u>\$ 4,904</u>	<u>\$ 107,816</u>
At January 1	\$ 61,015	\$ 24,541	\$ 1,662	\$ 15,694	\$ 4,904	\$ 107,816
Additions	1,724	-	-	-	4,829	6,553
Reclassifications (Note)	7,351	-	-	-	(4,937)	2,414
Disposals	-	(24)	(6)	-	-	(30)
Depreciation	(7,172)	(2,899)	(102)	(1,962)	-	(12,135)
Net exchange differences	62	-	4	-	-	66
At March 31	<u>\$ 62,980</u>	<u>\$ 21,618</u>	<u>\$ 1,558</u>	<u>\$ 13,732</u>	<u>\$ 4,796</u>	<u>\$ 104,684</u>
At March 31						
Cost	\$ 160,763	\$ 50,720	\$ 3,923	\$ 30,444	\$ 4,796	\$ 250,646
Accumulated depreciation and impairment	(97,783)	(29,102)	(2,365)	(16,712)	-	(145,962)
	<u>\$ 62,980</u>	<u>\$ 21,618</u>	<u>\$ 1,558</u>	<u>\$ 13,732</u>	<u>\$ 4,796</u>	<u>\$ 104,684</u>

Note: It refers to prepayments for business facilities and guarantee deposits paid reclassified into property, plant and equipment.

A. Information relating to collaterals for the property, plant and equipment is provided in Note 8.

B. No borrowing costs were capitalised as part of property, plant and equipment.

(7) Leasing arrangements - lessee

- A. The Group leases various assets including buildings and business vehicles, etc. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The Group's short-term leases with terms of less than 12 months and low-value assets pertain to the lease of business printers.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 8,500	\$ 11,507	\$ 23,826
Other equipment	101	161	342
	<u>\$ 8,601</u>	<u>\$ 11,668</u>	<u>\$ 24,168</u>

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 3,085	\$ 4,516
Other equipment	60	60
	<u>\$ 3,145</u>	<u>\$ 4,576</u>

- D. For the three-month periods ended March 31, 2025 and 2024, there were no additions to right-of-use assets.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 72	\$ 175
Expense on short-term lease contracts	479	1,013
Expense on leases of low-value assets	67	41

- F. For the three-month periods ended March 31, 2025 and 2024, the Group's total cash outflow for leases were \$3,934 and \$5,408, respectively.

(8) Intangible assets

	2025			
	<u>Patent rights</u>	<u>Computer software</u>	<u>Internally generated intangible assets</u>	<u>Total</u>
At January 1				
Cost	\$ 48,872	\$ 12,976	\$ 166,007	\$ 227,855
Accumulated amortisation	(41,577)	(7,934)	(60,553)	(110,064)
	<u>\$ 7,295</u>	<u>\$ 5,042</u>	<u>\$ 105,454</u>	<u>\$ 117,791</u>
At January 1	\$ 7,295	\$ 5,042	\$ 105,454	\$ 117,791
Additions	-	3,555	-	3,555
Amortisation	(1,057)	(1,314)	(2,434)	(4,805)
At March 31	<u>\$ 6,238</u>	<u>\$ 7,283</u>	<u>\$ 103,020</u>	<u>\$ 116,541</u>
At March 31				
Cost	\$ 48,872	\$ 16,531	\$ 166,007	\$ 231,410
Accumulated amortisation	(42,634)	(9,248)	(62,987)	(114,869)
	<u>\$ 6,238</u>	<u>\$ 7,283</u>	<u>\$ 103,020</u>	<u>\$ 116,541</u>
	2024			
	<u>Patent rights</u>	<u>Computer software</u>	<u>Internally generated intangible assets</u>	<u>Total</u>
At January 1				
Cost	\$ 48,872	\$ 6,619	\$ 166,007	\$ 221,498
Accumulated amortisation	(37,349)	(6,517)	(50,819)	(94,685)
	<u>\$ 11,523</u>	<u>\$ 102</u>	<u>\$ 115,188</u>	<u>\$ 126,813</u>
At January 1	\$ 11,523	\$ 102	\$ 115,188	\$ 126,813
Amortisation	(1,058)	(44)	(2,434)	(3,536)
At March 31	<u>\$ 10,465</u>	<u>\$ 58</u>	<u>\$ 112,754</u>	<u>\$ 123,277</u>
At March 31				
Cost	\$ 48,872	\$ 6,619	\$ 166,007	\$ 221,498
Accumulated amortisation	(38,407)	(6,561)	(53,253)	(98,221)
	<u>\$ 10,465</u>	<u>\$ 58</u>	<u>\$ 112,754</u>	<u>\$ 123,277</u>

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

	For the three-month periods ended March 31,	
	2025	2024
Operating costs	\$ 2,434	\$ 2,434
General and administrative expenses	493	44
Research and development expenses	1,878	1,058
	<u>\$ 4,805</u>	<u>\$ 3,536</u>

B. The Group has no intangible assets pledged to others.

(9) Short-term borrowings

Type of borrowings	March 31, 2025	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	<u>\$ 50,000</u>	2.5%	Time deposits
Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	<u>\$ 150,000</u>	2.485%~2.5%	Time deposits
Type of borrowings	March 31, 2024	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	<u>\$ 200,000</u>	2.49%~2.54%	Time deposits

Interest expense recognised in profit or loss amounted to \$347 and \$1,230 for the three-month periods ended March 31, 2025 and 2024, respectively.

(10) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Research and experiment expense payable	\$ 28,953	\$ 43,324	\$ 16,266
Services payable	1,393	2,669	4,570
Wages and salaries payable	14,762	34,203	12,929
Payable on equipment	564	89	-
Payables for intangible assets	2,725	-	-
Others	2,884	7,289	6,496
	<u>\$ 51,281</u>	<u>\$ 87,574</u>	<u>\$ 40,261</u>

(11) Long-term borrowings

Type of borrowings	Borrowing period	Interest rate	Collateral	March 31, 2025
Secured borrowings (Note)	2024.07.16~ 2044.07.15	2%	Land, Buildings and structures	\$ 96,667
Less: Current portion				(5,000)
				<u>\$ 91,667</u>

Type of borrowings	Borrowing period	Interest rate	Collateral	December 31, 2024
Secured borrowings (Note)	2024.07.16~ 2044.07.15	2%	Land, Buildings and structures	\$ 97,917
Less: Current portion				(5,000)
				<u>\$ 92,917</u>

- A. As of March 31, 2024, the Group had no long-term borrowings.
- B. The Group's interest expense recognised in profit or loss amounted to \$480 and \$0 for the three-month periods ended March 31, 2025 and 2024, respectively.
- C. Information relating to collaterals for the long-term borrowings is provided in Note 8.

Note: (a) The Company entered into a long-term borrowing agreement for 20 years with a financial institution. The principal shall be repaid in equal monthly installments starting from August 2024.

(b) The interest rate is the index interest rate plus 0.28% from the borrowing day.

(12) Pensions

- A. The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. The overseas subsidiary has a defined contribution pension plan. Contributions are based on a certain percentage of the employees' monthly salaries and wages. Other than the contribution, the Company's subsidiary has no further obligations.
- C. The pension costs under the defined contribution pension plan of the Group for the three-month periods ended March 31, 2025 and 2024 were \$1,390 and \$1,585, respectively.

(13) Share-based payment

A. As of March 31, 2025, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in shares)	Contract period	Vesting conditions
Employee stock options	2017/08/01	1,484,000	8 years	Note 1
Employee stock options	2018/06/26	516,000	8 years	Note 1
Employee stock options	2018/11/13	828,000	8 years	Note 1
Employee stock options	2019/10/03	897,000	8 years	Note 1
Employee stock options	2019/12/12	200,000	8 years	Note 1
Employee stock options	2020/03/09	200,000	8 years	Note 1
Employee stock options	2020/09/30	1,600,000	8 years	Note 1
Employee stock options	2021/03/09	200,000	8 years	Note 1
Employee stock options	2021/05/03	40,000	8 years	Note 1
Employee stock options	2021/05/19	100,000	8 years	Note 1
Employee stock options	2021/05/24	75,000	8 years	Note 1
Employee stock options	2021/09/30	965,000	8 years	Note 1
Employee stock options	2021/11/29	40,000	8 years	Note 1
Employee stock options	2021/12/20	40,000	8 years	Note 1
Employee stock options	2022/02/07	240,000	8 years	Note 1
Employee stock options	2022/09/30	1,760,000	8 years	Note 1
Employee stock options	2023/03/31	190,000	8 years	Note 1
Cash capital increase reserved for employee preemption	2023/06/09	505,999	NA	Vested immediately
Employee stock options	2023/09/28	566,000	8 years	Note 1
Restricted stocks to employees	2024/07/01	790,000	4 years	Note 2
Restricted stocks to employees	2024/10/07	30,000	4 years	Note 2
Cash capital increase reserved for employee preemption	2024/11/05	207,578	NA	Vested immediately
Employee stock options	2024/11/29	650,000	8 years	Note 1

Note 1: Stock options are vested based on the following timetable:

Accumulated ratio of exercisable stock options, 40% vested after 2 years, 65% vested after 3 years and 100% vested after 4 years.

Note 2: For the employees who are currently working in the Company since the allocation of restricted stocks, they could acquire shares in several times when the Company achieve the operating target performance.

The above share-based payment arrangements are all settled by equity.

B. Details of the share-based payment arrangements – employee stock options plan are as follows:

(a) Employee stock options

	2025		2024	
	Number of options (shares in thousands)	Weighted average exercise price (in dollars)	Number of options (shares in thousands)	Weighted average exercise price (in dollars)
Options outstanding at January 1	6,834	\$ 80.9	7,164	\$ 81.4
Options exercised	(61)	60.7	(109)	72.8
Options forfeited	(215)	65.3	(63)	80.3
Options outstanding at March 31	<u>6,558</u>	81.6	<u>6,992</u>	81.5
Options exercisable at March 31	<u>3,870</u>	74.4	<u>3,705</u>	73.9

(b) Restricted stocks

	2025	2024
	Options (shares in thousands)	Options (shares in thousands)
At January 1 and December 31	<u>790</u>	<u>-</u>

C. The weighted-average stock price of stock options at exercise dates for the three-month periods ended March 31, 2025 and 2024 were \$81.96 and \$100.96 (in dollars), respectively.

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

Issue date approved	Expiry date	March 31, 2025		December 31, 2024		March 31, 2024	
		Number of shares (Shares in thousands)	Exercise price (in dollars)	Number of shares (Shares in thousands)	Exercise price (in dollars)	Number of shares (Shares in thousands)	Exercise price (in dollars)
2016.07.22	2024.07.21	-	\$ -	-	\$ -	556	\$ 77.9
2017.02.22	2025.02.21	-	-	200	64.4	200	64.5
2017.08.01	2025.07.31	231	61.3	284	61.3	284	61.4
2018.06.26	2026.06.25	192	61.5	192	61.5	192	61.6
2018.11.13	2026.11.12	390	54.8	395	54.8	407	54.9
2019.10.03	2027.10.02	349	59.3	352	59.3	362	59.4
2019.12.12	2027.12.11	190	58.3	190	58.3	190	58.4
2020.09.30	2028.09.29	1,058	84.0	1,058	84.0	1,095	84.2
2021.03.09	2029.03.08	200	103.8	200	103.8	200	104.0
2021.05.03	2029.05.02	40	89.4	40	89.4	40	89.6
2021.05.19	2029.05.18	100	85.1	100	85.1	100	85.3
2021.05.24	2029.05.23	75	90.5	75	90.5	75	90.7
2021.09.30	2029.09.29	836	75.4	836	75.4	858	75.6
2021.12.20	2029.12.19	40	123.4	40	123.4	40	123.6
2022.02.07	2030.02.06	-	-	-	-	40	112.8
2022.09.30	2030.09.29	1,604	81.0	1,604	81.0	1,660	81.2

Issue date approved	Expiry date	March 31, 2025		December 31, 2024		March 31, 2024	
		Number of shares (Shares in thousands)	Exercise price (in dollars)	Number of shares (Shares in thousands)	Exercise price (in dollars)	Number of shares (Shares in thousands)	Exercise price (in dollars)
2023.03.31	2031.03.30	115	\$ 118.5	115	\$ 118.5	190	\$ 118.7
2023.09.28	2031.09.27	503	80.1	503	80.1	503	80.3
2024.11.29	2032.11.28	635	76.8	650	76.8	-	-

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

Agreement type	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends rate	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	2016/07/22	\$ 56.59	\$ 77.9	34.37%	5~6 years	0%	0.53%	\$10.1000
							~0.58%	~11.8000
Employee stock options	2017/02/22	43.01	64.4	29.96%	5~6 years	0%	0.72%	4.8000
							~0.80%	~5.9000
Employee stock options	2017/08/01	42.48	61.3	38.16%	5~6 years	0%	0.76%	8.6000
							~0.80%	~10.1000
Employee stock options	2018/06/26	44.79	61.5	34.66%	5~6 years	0%	0.65%	8.2000
							~0.72%	~9.7000
Employee stock options	2018/11/13	58.30	54.8	0.726%~0.758%	5~6 years	0%	0.60%	27.4000
								~29.7000
Employee stock options	2019/10/03	61.60	59.3	25.74%	5~6 years	0%	0.61%	14.6000
							~0.62%	~16.1000
Employee stock options	2019/12/12	60.50	58.3	39.00%	5~6 years	0%	0.58%	20.9834
							~0.61%	~22.9125
Employee stock options	2020/09/30	87.10	84.0	45.31%	5~6 years	0%	0.29%	34.1428
							~0.33%	~37.1737
Employee stock options	2021/03/09	106.0	103.8	45.31%~45.94%	5~6 years	0%	0.36%	41.6644
							~0.40%	~45.9221
Employee stock options	2021/05/03	91.3	89.4	45.88%	5~6 years	0%	0.29%	35.9330
								~39.5389
Employee stock options	2021/05/19	87.0	85.1	46.11%	5~6 years	0%	0.30%	34.4895
								~37.8028
Employee stock options	2021/05/24	92.5	90.5	46.18%	5~6 years	0%	0.33%	36.7889
								~40.2682
Employee stock options	2021/09/30	77.1	75.4	46.25%	5~6 years	0%	0.34%	31.2316
								~33.4342
Employee stock options	2021/12/20	126.0	123.4	47.08%	5~6 years	0%	0.47%	52.1545
							~0.51%	~55.4536
Employee stock options	2022/02/07	115.0	112.6	45.98%~48.08%	5~6 years	0%	0.62%	48.1025
							~0.67%	~50.3923
Employee stock options	2022/09/30	82.8	81.0	46.42%~49.25%	5~6 years	0%	1.51%	36.4424
							~1.53%	~37.7988
Employee stock options	2023/03/31	121.0	118.5	47.04%~50.09%	5~6 years	0%	1.14%	53.3561
							~1.15%	~55.0502
Cash capital increase reserved for employee preemption	2023/06/09	86.5	75.0	34.09%	0.03 years	0%	1.09%	11.5444
Employee stock options	2023/09/28	80.3	80.1	45.92%~48.96%	5~6 years	0%	1.17%	34.4438
							~1.19%	~36.1514

Agreement type	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends rate	Risk-free interest rate	Fair value per unit (in dollars)
Restricted stocks to employees	2024/07/01	\$ 84.5	\$ -	0.00%	4 years	0%	0%	Note
Restricted stocks to employees	2024/10/07	82.3	-	0.00%	4 years	0%	0%	Note
Cash capital increase reserved for employee preemption	2024/11/05	76.7	76.0	26.65%	0.07 years	0%	1.22%	2.4936
Employee stock options	2024/11/29	77.0	76.8	44.59% ~45.32%	5~6 years	0%	1.49%	31.5881 ~34.4245

Note: The par value of employee restricted stocks issued by the Group was \$10 (in dollars) per share with the issuance price of NT\$0 (in dollars) per share (without consideration), and the fair value of employee restricted stocks was measured at the closing price on the grant date.

F. For the three-month periods ended March 31, 2025 and 2024, the Group recognised compensation cost arising from share-based payment transactions amounting to \$15,311 and \$11,631, respectively.

(14) Share capital

A. As of March 31, 2025, the Company's authorised capital was \$3,000,000, consisting of 300 million shares of ordinary stock (including 24 million shares reserved for employee stock options issued by the Company), with a par value of \$10 (in dollars) per share, and the outstanding common shares amounted to \$1,548,487 (154,848,666 shares). All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2025	2024
	Number of shares (shares)	Number of shares (shares)
At January 1	154,787,818	135,817,285
Employee stock options exercised (Note)	60,848	108,933
At March 31	<u>154,848,666</u>	<u>135,926,218</u>

Note: There were 60,848 shares of stock options exercised by employees during the three-month period ended March 31, 2025. In accordance with the regulations, the registration of stock options exercised can be done after the new shares are issued. As of March 31, 2025, 60,848 shares of exercised stock options have not yet been registered.

B. The Company completed the payment of the ordinary shares raised through the private placement with a par value of NT\$10 (in dollars) per share on July 28, 2020. There were 1,200,000 shares issued at a subscription price of NT\$75 (in dollars) per share totalling \$90,000. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject

to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and met the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

(15) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(16) Accumulated deficit

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve when such legal reserve amounts to the total authorised capital, the Company shall not be subject to this requirement. The Company may then appropriate or reserve a certain amount as special reserve according to the demand for the relevant regulations. After the distribution of earnings, the remaining earnings and prior years' undistributed earnings may be appropriated according to a resolution of the Board of Directors adopted in the shareholders' meeting.
- B. The dividend policy of the Company should be consistent with the current and future development of the Company, the investment environment, needs for funding and competition domestic and abroad, and the protection of shareholders. The Company may distribute bonuses to shareholders from the remaining profit of the relevant financial year. The bonus to shareholders may be distributed in cash or stock dividends and the dividends (including cash or in the form of shares) shall be no less than 10% of the after tax earnings. The cash dividends shall comprise no less than 10% of the aggregate of the cash and stock dividends declared in such year.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The Company had an accumulated deficit as of March 31, 2025 and 2024 and thus had no distributable earnings.

(17) Operating revenue

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Revenue from licensing intellectual property	\$ 74,234	\$ 32,015
Revenue from commissioned service	2,090	-
Sales revenue	34,053	71,841
Other revenue	85	-
	<u>\$ 110,462</u>	<u>\$ 103,856</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the completion of services and the exclusive licensing for research and development of new drugs over time and at a point in time in the following major regions:

For the three-month period ended March 31, 2025

	<u>USA</u>	<u>China</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 61,262</u>	<u>\$ 49,200</u>	<u>\$ 110,462</u>
Timing of revenue recognition			
At a point in time	\$ 59,172	\$ 49,200	\$ 108,372
Over time	2,090	-	2,090
	<u>\$ 61,262</u>	<u>\$ 49,200</u>	<u>\$ 110,462</u>

For the three-month period ended March 31, 2024

	<u>USA</u>	<u>China</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 103,327</u>	<u>\$ 529</u>	<u>\$ 103,856</u>
Timing of revenue recognition			
At a point in time	<u>\$ 103,327</u>	<u>\$ 529</u>	<u>\$ 103,856</u>

B. Contract liabilities

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	<u>January 1, 2024</u>
- Exclusive licensing and commissioned service contract - current	\$ 47,940	\$ 50,030	\$ 105,480	\$ 105,480
- Exclusive licensing and commissioned service contract - non-current	72,620	72,620	131,666	131,666
	<u>\$ 120,560</u>	<u>\$ 122,650</u>	<u>\$ 237,146</u>	<u>\$ 237,146</u>

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

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Exclusive licensing and commissioned service contract	\$ <u>2,090</u>	\$ <u>-</u>

C. Details on revenue, mainly for intellectual property of drugs and commissioned service granted to the pharmaceutical company, are as follows:

- (a) On February 11, 2019, the Group entered into an exclusive license agreement for the commercialization in the territory of FP-001 program, which is the new depot injection of Leuprolide prostate cancer (“Camcevi”), with Accord Healthcare Ltd. (“Accord”), and the license agreement will cover the global market with the exception of the USA, China, Japan, Taiwan, Israel, Turkey and certain Middle East countries. Under the terms of this agreement, the Group will receive a combination of upfront payment, product development milestone and sales milestone payments totaling up to US\$86 million in addition to a significant share of the product revenue in the territory. The Group also entered into a manufacturing and supply agreement for the related products with Accord. No revenue was recognised by the Group for the three-month periods ended March 31, 2025 and 2024. As of March 31, 2025, the cumulative revenue recognised since the contract was signed amounted to \$153,517.
- (b) On November 17, 2020, the Group entered into an exclusive license agreement for the commercialization in the territory of Camcevi, with GeneScience Pharmaceuticals Co., Ltd. (“GeneScience”). GeneScience will be responsible for the product research, development, manufacture and sales of Camcevi in Mainland China market. Under the terms of this agreement, the Group will receive a combination of upfront payment by US\$8 million, and based on achievement of the milestones will receive product development and regulatory milestone, technology transfer milestone and sales milestone payments totaling up to US\$123.85 million in addition to a significant share of the revenue after Camcevi receive the marketing authorization. The Group also entered into a manufacturing and supply agreement for the related products with GeneScience. Revenue recognised by the Group for the three-month periods ended March 31, 2025 and 2024 amounted to \$49,200 and \$529, respectively. As of March 31, 2025, cumulative revenue recognised since the contract was signed amounted to \$348,778.
- (c) On March 4, 2021, the Group entered into an exclusive license agreement with Intas Pharmaceuticals Ltd. (“Intas”) for the commercialization of Camcevi in the U.S market. Intas will be responsible for the sales and commercialization costs of Camcevi in the U.S market.

Under the terms of the agreement, the Group received upfront payment of US\$10 million, and based on achievement of the milestones, the Group will receive product development milestone and sales milestone payments totaling up to US\$207 million in addition to a significant share of the revenue after the marketing authorization for Camcevi is received. The Group also entered into a manufacturing and supply agreement for the related products with Intas. Revenue recognised by the Group for the three-month periods ended March 31, 2025 and 2024 amounted to \$61,262 and \$103,327, respectively. As of March 31, 2025, cumulative revenue recognised since the contract was signed amounted to \$1,055,066.

(18) Interest income

	For the three-month periods ended March 31,	
	2025	2024
Interest income from bank deposits	\$ 5,017	\$ 8,035
Interest income from financial assets measured at amortised cost	222	592
Other interest income	18	27
	<u>\$ 5,257</u>	<u>\$ 8,654</u>

(19) Other gains and losses

	For the three-month periods ended March 31,	
	2025	2024
Loss on disposal of property, plant and equipment	\$ -	(\$ 30)
Net currency exchange gains	3,646	19,603
	<u>\$ 3,646</u>	<u>\$ 19,573</u>

(20) Finance costs

	For the three-month periods ended March 31,	
	2025	2024
Interest expense:		
Lease liabilities	\$ 72	\$ 175
Interest on borrowings	827	1,230
	<u>\$ 899</u>	<u>\$ 1,405</u>

(21) Expenses by nature

	For the three-month periods ended March 31,	
	2025	2024
Employee benefit expense	\$ 110,545	\$ 80,675
Depreciation (Note)	15,703	16,711
Amortisation charges	4,805	3,536

Note: Includes the depreciation charge on right-of-use assets.

(22) Employee benefit expense

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Wages and salaries	\$ 89,880	\$ 64,186
Share-based payment	15,311	11,631
Labour and health insurance fees	3,116	2,515
Pension costs	1,390	1,585
Other personnel expenses	848	758
	<u>\$ 110,545</u>	<u>\$ 80,675</u>

- A. According to the Articles of Incorporation of the Company, when there are earnings for distribution in a given financial year, at least 1% up to 10% and not more than 2% of the pre-tax income before distribution of employees' compensation and directors' remuneration shall be distributed as employees' compensation and directors' remuneration, respectively. The employees' compensation may be distributed in cash or in the form of shares. The aforesaid employees include the employees of certain affiliates of the Company, who are qualified to receive such compensation. The distribution of the employees' compensation and directors' remuneration shall be approved by the Board of Directors and be reported during the shareholders' meeting. If the Company has incurred losses from previous years, the Company shall first offset such losses and then set aside compensation for employees and remuneration for directors pursuant to the preceding paragraph.
- B. Due to the loss incurred for the three-month periods ended March 31, 2025 and 2024, the Company did not accrue employees' compensation and directors' remuneration. As the Company had an accumulated deficit as of December 31, 2024, the Company did not accrue and distribute employees' compensation and directors' remuneration.
- C. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

- A. Components of income tax expense:

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Current income tax expense	<u>\$ 15,320</u>	<u>\$ 11,688</u>

- B. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(24) Loss per share

<u>For the three-month period ended March 31, 2025</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Loss per share (in dollars)</u>
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 293,094)	154,020	(\$ 1.90)
<u>Diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 293,094)	154,020	(\$ 1.90)

<u>For the three-month period ended March 31, 2024</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Loss per share (in dollars)</u>
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 119,546)	135,863	(\$ 0.88)
<u>Diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 119,546)	135,863	(\$ 0.88)

Due to the loss incurred for the three-month periods ended March 31, 2025 and 2024, the assumed conversion of dilutive potential ordinary shares will generate anti-dilutive effect, so the calculation of diluted loss per share did not include the effect of conversion of dilutive potential ordinary shares.

(25) Supplemental cash flow information

Investing activities with partial cash payments:

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Purchase of property, plant and equipment	\$ 673	\$ 6,553
Add: Opening balance of payable on equipment	89	2,990
Less: Ending balance of payable on equipment	(564)	-
Cash paid during the period	<u>\$ 198</u>	<u>\$ 9,543</u>

	<u>For the three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Purchase of intangible assets	\$ 3,555	\$ -
Add: Ending balance of payables for intangible assets	(2,725)	-
Cash paid during the period	<u>\$ 830</u>	<u>\$ -</u>

(26) Changes in liabilities from financing activities

	2025			
	Short-term borrowings	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 150,000	\$ 97,917	\$ 12,408	\$ 260,325
Changes in cash flow from financing activities	(100,000)	(1,250)	(3,316)	(104,566)
Impact of changes in foreign exchange rate	-	-	81	81
At March 31	<u>\$ 50,000</u>	<u>\$ 96,667</u>	<u>\$ 9,173</u>	<u>\$ 155,840</u>

	2024		
	Long-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 200,000	\$ 28,257	\$ 228,257
Changes in cash flow from financing activities	-	(4,179)	(4,179)
Changes in other non-cash items			
Others	-	988	988
Impact of changes in foreign exchange rate	-	568	568
At March 31	<u>\$ 200,000</u>	<u>\$ 25,634</u>	<u>\$ 225,634</u>

Note: Including current portion of liabilities.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company was originally controlled by Foresee Pharmaceuticals, Inc. who held 100% shares of the Company. Foresee Pharmaceuticals, Inc.'s shareholding ratio decreased to 36.68% after the organisation restructuring, and the share transfer and settlement was on July 16, 2015. However, Foresee Pharmaceuticals, Inc. still holds more than half of the members of the Board of Directors and has substantial control over the Company.

After the election of additional directors and supervisor in the extraordinary shareholders' meeting on March 31, 2016, Foresee Pharmaceuticals, Inc. did not hold more than half of the seats in the Board of Directors, but still has significant influence over the Company.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Ming-Ta Chien	Chairman

Names of related parties	Relationship with the Group
QPS, LLC	The Company shares the same chairman with the related party
QPS Austria GmbH	The Company shares the same chairman with the related party
QPS Netherland B.V.	The Company shares the same chairman with the related party
Quest Pharmaceutical Services, Taiwan	The Company shares the same chairman with the related party
QPS-Qualitix Clinical Research Co., Ltd.	The Company shares the same chairman with the related party

(3) Significant related party transactions

A. Research and experiment expenses

	For the three-month periods ended March 31,	
	2025	2024
QPS, LLC	\$ 60,945	\$ 6,432
Other related party	1,503	6,037
	<u>\$ 62,448</u>	<u>\$ 12,469</u>

The research and experiment expenses arise from clinical trial services provided by related parties. The transaction price is based on the mutual agreement.

B. Prepayments

	March 31, 2025	December 31, 2024	March 31, 2024
OPS, LLC	\$ 38,925	\$ 80,538	\$ -

The prepayments arise from clinical trial services provided by the related party.

C. Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
OPS, LLC	\$ 8,828	\$ 5,236	\$ 2,176
Other related party	109	134	1,537
	<u>\$ 8,937</u>	<u>\$ 5,370</u>	<u>\$ 3,713</u>

The payables arise from clinical trial services, research and experiment services provided by related party, without interest. The terms of transactions are based on the mutual agreement.

(4) Key management compensation

	For the three-month periods ended March 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 66,054	\$ 44,197
Post-employment benefits	914	835
Share-based payments	10,434	6,121
	<u>\$ 77,402</u>	<u>\$ 51,153</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	March 31, 2025	December 31, 2024	March 31, 2024	
Financial assets at amortised costs - current				
- Time deposits	\$ 25,000	\$ 75,000	\$ 100,000	Secured borrowings
Property, plant and equipment				
- Land	\$ 123,068	\$ 123,068	\$ -	Secured borrowings
- Buildings and structures	\$ 9,660	\$ 9,760	\$ -	Secured borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. The total contract signed for clinical trial services and unrecognised expenses is \$1,256,197.

B. The Company entered into an exclusive license contract with Aviv Therapeutics, Inc. ("Aviv"). Aviv agreed to license the technology in relation to ALDH2 activator to the Company. Based on the contract, the Company shall additionally pay the maintenance fee of US\$100 thousand to Aviv if the progress of the licensed technology does not go into clinical trials by December 31, 2019. The Company is not liable for the additional maintenance fee as the progress of the licensed technology went to clinical trials before the agreed deadline. In addition, the maximum agreed milestone payment amounted to US\$2,150 thousand. The royalty is paid based on the percentage of the net sales revenue or sub-license revenue when the products are successfully sold in the market or the license is sub-licensed in the future.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On April 25, 2025, the Company received a notice from the licensing partner, Accord Healthcare ("Accord"), for completing the submission of a New Drug Application for marketing authorization of the 3-month version of CAMCEVI (3-month depot formulation of leuprolide mesylate in patients with prostate cancer) to Health Canada.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a

going concern in order to provide stable returns for shareholders after turning into profit in the future operations and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or raise additional cash through issued shares to reduce debts or substantiate operating capital. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less cash and cash equivalents. Total capital is calculated as ‘equity’ as shown in the consolidated balance sheet.

During 2025, the Group’s strategy, which was the same with 2024 was to maintain the reasonable ratio.

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Financial assets at amortised cost			
Cash and cash equivalents	\$ 977,359	\$ 1,367,299	\$ 1,090,096
Financial assets at amortised cost	75,000	75,000	100,000
Accounts receivable	59,668	32,328	85,289
Other receivables	4,875	3,810	9,535
Guarantee deposits paid	1,520	1,598	3,091
	<u>\$ 1,118,422</u>	<u>\$ 1,480,035</u>	<u>\$ 1,288,011</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 50,000	\$ 150,000	\$ 200,000
Accounts payable	30,477	64,418	17,536
Other payables (including related parties)	60,218	92,944	43,974
Long-term borrowings (including current portion)	96,667	97,917	-
Other current liabilities	301	9,587	369
	<u>\$ 237,663</u>	<u>\$ 414,866</u>	<u>\$ 261,879</u>
Lease liabilities	<u>\$ 9,173</u>	<u>\$ 12,408</u>	<u>\$ 25,634</u>

B. Financial risk management policies

- (a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (“Group treasury”) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group’s operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.
- ii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; the subsidiary's functional currency: USD, CAD and AUD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2025							
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis			
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD:NTD	\$ 11,370	33.205	\$ 377,537	1.70%	\$ 6,418	\$	-
<u>Non-Monetary items</u>							
USD:NTD	8,173	33.205	271,397	-	-	-	-
CAD:NTD	692	23.160	16,021	-	-	-	-
AUD:NTD	820	20.810	17,062	-	-	-	-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:NTD	1,805	33.205	59,929	1.70%	1,019	-	-
EUR:NTD	1,143	35.970	41,123	0.27%	111	-	-

December 31, 2024

	Foreign currency		Sensitivity analysis			
	amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 4,557	32.785	\$ 149,410	3.07%	\$ 4,587	\$ -
<u>Non-Monetary items</u>						
USD:NTD	3,366	32.785	92,319	-	-	-
CAD:NTD	687	22.820	15,682	-	-	-
AUD:NTD	1,064	20.390	21,696	-	-	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	2,701	32.785	88,478	3.07%	2,716	-
EUR:NTD	869	34.140	29,676	3.09%	917	-
CHF:NTD	128	32.265	4,703	5.11%	240	-
CAD:NTD	57	22.820	1,311	1.53%	20	-

March 31, 2024

	Foreign currency		Sensitivity analysis			
	amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 15,893	32.000	\$ 508,561	1%	\$ 5,086	\$ -
<u>Non-Monetary items</u>						
USD:NTD	4,297	32.000	137,508	-	-	-
CAD:NTD	586	23.620	13,848	-	-	-
AUD:NTD	779	20.820	16,216	-	-	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	1,163	32.000	37,226	1%	372	-
EUR:NTD	756	34.460	26,042	1%	260	-
CAD:NTD	46	23.620	1,095	1%	11	-
CHF:NTD	25	35.475	900	1%	9	-

- iii. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2025 and 2024 amounted to \$3,646 and \$19,603, respectively.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the three-month periods ended March 31, 2025 and 2024, the Group's borrowings at variable rate were denominated in New Taiwan dollars.
- ii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 1% with all other variables held constant, profit before tax for the three-month periods ended March 31, 2025 and 2024 would have decreased/increased by \$384 and \$500, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only optimised credit rating are accepted. According to the Group's internal credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;

- (iii) Default or delinquency in interest or principal repayments;
- (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the modified approach based on the loss rate methodology to estimate the expected credit loss.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As at March 31, 2025, December 31, 2024 and March 31, 2024, the Group has no written-off financial assets that are still under recourse procedures.
- viii. The counterparties of the Group's accounts receivable all have good credit quality and are grouped into the same category. The Group used the forecastability to adjust historical and timely information to establish a loss rate for estimating the loss allowance for accounts receivable. However, the expected credit impairment loss was assessed to be insignificant, and thus the Group did not recognise provision for loss allowance.

(c) Liquidity risk

- i. Cash flow forecasting is performed by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational research and development needs.
- ii. Surplus cash held by the Group over and above balance required for working capital management are transferred to investing surplus cash in interest bearing current accounts, time deposits or beneficiary certificates, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.
- iii. The Group has the following undrawn borrowing facilities:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Floating rate			
Expiring within one year	\$ <u>200,000</u>	\$ <u>100,000</u>	\$ <u>50,000</u>

- iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

March 31, 2025	Less than 1 year	Less than 1~2 years	Less than 2~5 years	Over 5 years
Short-term borrowings	\$ 50,000	\$ -	\$ -	\$ -
Accounts payable	30,477	-	-	-
Other payables (including related parties)	60,218	-	-	-
Lease liabilities	9,263	-	-	-
Long-term borrowings (including current portion)	6,888	6,788	19,768	82,009
Other current liabilities	301	-	-	-
December 31, 2024	Less than 1 year	Less than 1~2 years	Less than 2~5 years	Over 5 years
Short-term borrowings	\$ 150,000	\$ -	\$ -	\$ -
Accounts payable	64,418	-	-	-
Other payables (including related parties)	92,944	-	-	-
Lease liabilities	12,570	-	-	-
Long-term borrowings (including current portion)	6,912	6,813	19,842	83,617
Other current liabilities	9,587	-	-	-
March 31, 2024	Less than 1 year	Less than 1~2 years	Less than 2~5 years	Over 5 years
Short-term borrowings	\$ 200,000	\$ -	\$ -	\$ -
Accounts payable	17,536	-	-	-
Other payables (including related parties)	43,974	-	-	-
Lease liabilities	16,342	9,892	-	-
Other current liabilities	369	-	-	-

(3) Fair value information

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

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

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

- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. Significant inter-company transactions during the reporting periods: Refer to table 1.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 2.

(3) Information on investments in Mainland China

None.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry of new drug development. The chief operating decision-maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The significant accounting policies and estimates of the operating segment and the accounting policies, estimates and assumptions described in Note 4 of the consolidated financial statements are the same. The chief operating decision-maker evaluates the performance of the operating segments based on income (loss) after tax.

(3) Reconciliation for segment income (loss)

The segment information of assets, liabilities and income (loss) after tax provided to the chief operating decision-maker is measured in a manner consistent with that in the consolidated balance sheet and consolidated statement of comprehensive income and do not need to be reconciled.

Foresee Pharmaceuticals Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
For the three-month period ended March 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceutitionals USA, Inc.	1	Service expenses	\$ 64,417	Mutual agreement	58.32%
0	Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceutitionals USA, Inc.	1	Other payables - related parties	46,489	Mutual agreement	2.72%
0	Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceutitionals USA, Inc.	1	Revenue from commissioned service	9,882	Mutual agreement	8.95%
0	Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceutitionals USA, Inc.	1	Accounts receivable - related parties	3,412	Mutual agreement	0.20%
0	Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceuticals Canada Inc.	1	Service expenses	1,527	Mutual agreement	1.38%
1	Foresee Pharmaceuticals USA, Inc.	Foresee Pharmaceuticals Canada Inc.	3	Service expenses	3,537	Mutual agreement	3.20%
1	Foresee Pharmaceuticals USA, Inc.	Foresee Pharmaceuticals Canada Inc.	3	Other payables - related parties	1,314	Mutual agreement	0.08%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

Foresee Pharmaceuticals Co., Ltd. and Subsidiaries
Information on investees (excluding information on investments in Mainland China)
For the three-month period ended March 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three-month period ended March 31, 2025	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2025	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceuticals USA, Inc.	USA	Research and development of pharmaceuticals	\$ 1,231,108	\$ 963,718	893,266	100	\$ 271,397	(\$ 112,633)	(\$ 101,413)	Note 1
Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceuticals Canada, Inc.	Canada	Business development	4,776	4,776	1,500	100	16,021	(873)	(873)	Note 2
Foresee Pharmaceuticals Co., Ltd.	Foresee Pharmaceuticals Australia Pty Ltd	Australia	Research and development of pharmaceuticals	106,239	106,239	5,000,100	100	17,062	(5,042)	(5,042)	Note 3

Note 1: Initial investment amount was USD 38,326,611 (in dollars).

Note 2: Initial investment amount was CAD 200,000 (in dollars).

Note 3: Initial investment amount was ADU 5,000,100 (in dollars).