

**TSH BIOPHARM CORPORATION LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE SIX MONTHS ENDED
JUNE 30, 2026 AND 2025**

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

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INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors of TSH Biopharm Corporation Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of TSH Biopharm Corporation Ltd. and its subsidiaries (the "Group") as of June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and notes to the consolidated financial statements, including a summary of material 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 the International Accounting Standard (IAS) No.34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the 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 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 conducted in accordance with the Standards on Auditing of the Republic of China 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 of June 30, 2026 and 2025, its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, as well as its consolidated cash flows for the six months ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG

Taipei, Taiwan (Republic of China)

August 4, 2026

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

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Balance Sheets
June 30, 2026, December 31, 2025 and June 30, 2025
(Expressed in thousands of New Taiwan Dollars)

Assets	30-Jun-26		31-Dec-25		30-Jun -25		Liabilities and Equity	30-Jun-26		31-Dec-25		30-Jun -25	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets:							Current liabilities:						
1100 Cash and cash equivalents (notes 6(1) and (19))	\$ 618,684	30	464,539	24	544,176	29	2130 Contract liabilities-current (note 6(16))	\$ 2,793	-	3,242	-	3,950	-
1120 Current financial assets at fair value through other comprehensive income (notes 6(2) 、(19) and 13)	15,885	1	30,743	2	45,131	3	2150 Notes payable (note 6(19))	687	-	7,796	-	11,409	1
1150 Notes receivable, net (notes 6(3) 、(16) and (19))	12,943	1	13,173	1	12,975	1	2170 Accounts payable (note 6(19))	32,919	2	14,978	1	22,275	1
1170 Accounts receivable, net ((notes 6(3) 、(16) and (19))	183,614	9	291,805	15	179,014	10	2180 Accounts payable to related parties (notes 6(19) and 7)	22,369	1	25,851	1	24,471	1
1180 Accounts receivable from related parties (notes 6(3) 、(16) 、(19) and 7)	646	-	7,365	-	2,845	-	2200 Other payables (notes 6(10) 、(19) and 7)	217,358	11	108,062	6	160,706	8
1220 Current income tax assets	383	-	372	-	289	-	2230 Current income tax liabilities	29,015	1	26,676	1	28,560	2
1200 Other receivables (note 6(19))	3,200	-	1,978	-	2,762	-	2280 Current lease liabilities (notes 6(11) 、(19) 、(22) and 7)	10,066	1	11,945	1	10,806	1
130x Inventories (note 6(4))	146,106	7	155,741	8	165,376	9	2300 Other current liabilities	28,409	1	28,541	1	1,966	-
1410 Prepayments	35,881	2	18,536	1	17,635	1		343,616	17	227,091	11	264,143	14
1476 Other financial assets-current (notes 6(1) 、(9) 、(19) and 8)	437,000	21	437,000	22	332,000	18	Non-current liabilities:						
1479 Other current assets –other (notes 6(9))	34,154	2	1,768	-	2,996	-	2580 Non-current lease liabilities (notes 6(11) 、(19) 、(22) and 7)	5,043	-	6,695	-	9,401	1
	1,488,496	73	1,423,020	73	1,305,199	71	Total liabilities	348,659	17	233,786	11	273,544	15
Non-current assets:							Equity (note 6(14)) :						
1517 Non-current financial assets at fair value through other comprehensive income (notes 6(2) 、(19) and 13)	181,967	9	179,145	9	192,011	10	3100 Capital stock	383,981	19	383,981	20	383,981	21
1600 Property, plant and equipment (note 6(6))	15,619	1	17,218	1	19,186	1	3200 Capital surplus	459,685	22	459,613	24	459,613	25
1755 Right-of-use assets (note 6(7))	14,818	1	18,426	1	20,135	1	Retained earnings :						
1780 Intangible assets (note 6(8))	289,796	15	289,477	15	294,691	16	3310 Legal reserve	176,392	9	158,200	8	158,200	8
1840 Deferred income tax assets (notes 6(13))	2,668	-	2,668	-	4,015	-	3350 Unappropriated retained earnings	389,152	19	423,000	22	297,687	16
1915 Prepayment for equipment	7,491	-	7,192	-	6,012	-	3400 Other equity	5,779	-	17,815	1	41,688	2
1920 Refundable deposits paid (notes 6(9) 、(19) and 7)	8,426	-	9,609	1	8,630	1	Equity attributable to owners of the parent company	1,414,989	69	1,442,609	75	1,341,169	72
1995 Other non-current assets (notes 6(9) and 9)	16,679	1	4,699	-	2,069	-	36xx Non-controlling interest (note 6(5))	262,312	14	275,059	14	237,235	13
	537,464	27	528,434	27	546,749	29	Total equity	1,677,301	83	1,717,668	89	1,578,404	85
Total assets	\$ 2,025,960	100	1,951,454	100	1,851,948	100	Total liabilities and equity	\$ 2,025,960	100	1,951,454	100	1,851,948	100

See accompanying notes to financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Three and Six Months Ended June 30, 2026 and 2025
(Expressed in thousands of New Taiwan dollars, except for Earnings Per Share)

		Three Months Ended June 30				Six Months Ended June 30			
		2026		2025		2026		2025	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue (notes 6(16) and 7)	\$ 330,688	100	269,296	100	616,505	100	556,414	100
5000	Operating costs (notes 6(4) 、(12)and 7)	147,196	45	120,418	45	276,491	45	257,213	46
	Gross profit	183,492	55	148,878	55	340,014	55	299,201	54
6000	Operating expenses (notes 6(3) 、(11) 、(12) 、(17) 、7 and 12):								
6100	Selling expenses	76,815	23	66,707	24	149,554	24	141,323	25
6200	Administrative expenses	26,661	8	29,001	11	51,008	8	54,575	10
6300	Research and development expenses	6,838	2	4,884	2	14,570	2	12,133	2
6450	Expected credit losses (gain on reversal)	(161)	-	(425)	-	(1,433)	-	(424)	-
		110,153	33	100,167	37	213,699	34	207,607	37
	Operating income	73,339	22	48,711	18	126,315	21	91,594	17
	Non-operating income and expenses (notes 6(11) 、(18) and 7):								
7100	Interest income	3,686	1	3,140	1	5,575	-	4,359	-
7010	Other income	54	-	98	-	230	-	257	-
7020	Other gains and losses	(383)	-	(815)	-	19	-	295	-
7050	Finance costs	(189)	-	(205)	-	(410)	-	(401)	-
		3,168	1	2,218	1	5,414	-	4,510	-
	Profit before tax	76,507	23	50,929	19	131,729	21	96,104	17
7950	Less : Income tax expense (note 6(13))	(20,297)	(6)	(19,356)	(7)	(33,416)	(5)	(28,755)	(5)
	Profit for the year	56,210	17	31,573	12	98,313	16	67,349	12
8300	Other comprehensive income								
8310	Components of other comprehensive income that will not be reclassified to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	(5,831)	(2)	(7,928)	(3)	(12,036)	(2)	(26,086)	(5)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(5,831)	(2)	(7,928)	(3)	(12,036)	(2)	(26,086)	(5)
8360	Components of other comprehensive income that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	-	-	-	-	-	-	-	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
8300	Other comprehensive income (after tax)	(5,831)	(2)	(7,928)	(3)	(12,036)	(2)	(26,086)	(5)
8500	Total comprehensive income	\$ 50,379	15	23,645	9	86,277	14	41,263	7
	Profit attributable to:								
8610	Equity holders of the parent company	\$ 45,846	14	26,200	10	84,563	14	56,613	10
8620	Non-controlling interest	10,364	3	5,373	2	13,750	2	10,736	2
		\$ 56,210	17	31,573	12	98,313	16	67,349	12
	Total comprehensive income attributable to:								
8710	Equity holders of the parent company	\$ 40,015	12	18,272	7	72,527	12	30,527	5
8720	Non-controlling interest	10,364	3	5,373	2	13,750	2	10,736	2
		\$ 50,379	15	23,645	9	86,277	14	41,263	7
	Earnings per share (note 6(15))								
9750	Basic earnings per share	\$ 1.19		0.68		2.20		1.47	
9850	Diluted earnings per share	\$ 1.19		0.68		2.20		1.47	

See accompanying notes to financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the six Months Ended June 30, 2026 and 2025
(Expressed in thousands of New Taiwan Dollars)

	Retained Earnings				Other Equity Interest				
	Ordinary share capital	Capital surplus	Legal reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain(loss) on financial assets at fair value through other comprehensive income	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
Balance at January 1, 2025	<u>\$ 383,981</u>	<u>459,554</u>	<u>126,073</u>	<u>354,605</u>	<u>(195)</u>	<u>67,774</u>	<u>1,391,792</u>	<u>231,176</u>	<u>1,622,968</u>
Net income for the period	-	-	-	56,613	-	-	56,613	10,736	67,349
Other comprehensive income for the period	-	-	-	-	-	(26,086)	(26,086)	-	(26,086)
Total comprehensive income for the period	-	-	-	56,613	-	(26,086)	30,527	10,736	41,263
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	32,127	(32,127)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(81,404)	-	-	(81,404)	-	(81,404)
Other changes in capital surplus	-	59	-	-	-	-	59	-	59
Disposal of subsidiaries	-	-	-	-	195	-	195	183	378
Decrease in non-controlling interest	-	-	-	-	-	-	-	(4,860)	(4,860)
Balance at June 30, 2025	<u>\$ 383,981</u>	<u>459,613</u>	<u>158,200</u>	<u>297,687</u>	<u>-</u>	<u>41,688</u>	<u>1,341,169</u>	<u>237,235</u>	<u>1,578,404</u>
Balance at January 1, 2026	<u>\$ 383,981</u>	<u>459,554</u>	<u>158,200</u>	<u>423,000</u>	<u>-</u>	<u>17,815</u>	<u>1,442,609</u>	<u>275,059</u>	<u>1,717,668</u>
Net income for the period	-	-	-	84,563	-	-	84,563	13,750	98,313
Other comprehensive income for the period	-	-	-	-	-	(12,036)	(12,036)	-	(12,036)
Total comprehensive income for the period	-	-	-	84,563	-	(12,036)	72,527	13,750	86,277
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	18,192	(18,192)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(100,219)	-	-	(100,219)	-	(100,219)
Other changes in capital surplus	-	72	-	-	-	-	72	-	72
Decrease in non-controlling interest	-	-	-	-	-	-	-	(26,497)	(26,497)
Balance at June 30, 2026	<u>\$ 383,981</u>	<u>459,685</u>	<u>176,392</u>	<u>389,152</u>	<u>-</u>	<u>5,779</u>	<u>1,414,989</u>	<u>262,312</u>	<u>1,677,301</u>

See accompanying notes to financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2026 and 2025
(Expressed in thousands of New Taiwan Dollars)

	<u>Six Months Ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Cash flows from operating activities:		
Profit before tax	\$ 131,729	\$ 96,104
Adjustments:		
Adjustments to reconcile profit		
Depreciation	8,081	8,284
Amortization	5,801	4,854
Expected credit losses (gain on reversal)	(1,433)	(424)
Interest expense	410	401
Interest income	(5,575)	(4,359)
Gain on disposal of subsidiaries	-	(1,113)
Total adjustment to reconcile profit	<u>7,284</u>	<u>7,643</u>
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	230	(1,952)
Decrease in accounts receivable (including related parties)	116,343	19,225
Decrease (increase) in other receivables (including related parties)	(2)	491
Decrease in inventories	9,635	10,699
Increase in prepayments	(17,345)	(2,624)
Increase in other current assets	(234)	(2,584)
Increase (decrease) in contract liabilities	(449)	2,920
Decrease in notes payable	(7,109)	(5,123)
Decrease (increase) in accounts payable(including related parties)	14,459	(8,077)
Decrease in other payables	(17,263)	(16,228)
Decrease in other current liabilities	(217)	(1,435)
Total changes in operating assets and liabilities	<u>98,048</u>	<u>(4,688)</u>
Total adjustments	<u>105,332</u>	<u>2,955</u>
Cash flows from operations	237,061	99,059
Interest received	4,355	3,288
Interest paid	(410)	(401)
Income tax paid	(31,088)	(32,511)
Net cash flows from operating activities	<u>209,918</u>	<u>69,435</u>

(Continued)

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2026 and 2025
(Expressed in thousands of New Taiwan Dollars)

	<u>Six Months Ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Cash flows from (used in) investing activities:		
Disposal of subsidiaries	-	1,471
Acquisition of property, plant and equipment	-	(1,357)
Acquisition of intangible assets	(4,346)	(5,771)
Decrease in guarantee deposits paid	1,183	120
Increase in other financial assets - current	-	(100,000)
Increase in other non-current assets	(13,754)	-
Increase in prepayment for equipment	(299)	(1,982)
Net cash flows from (used in) investing activities	<u>(17,216)</u>	<u>(107,519)</u>
Cash flows used in financing activities:		
Increase in other current assets –other	(32,152)	-
Payments of lease liabilities	(6,405)	(6,082)
Net cash flows used in financing activities	<u>(38,557)</u>	<u>(6,082)</u>
Net increase (decrease) in cash and cash equivalents	154,145	(44,166)
Cash and cash equivalents at beginning of period	<u>464,539</u>	<u>588,342</u>
Cash and cash equivalents at end of period	<u>\$ 618,684</u>	<u>544,176</u>

See accompanying notes to financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

TSH BIOPHARM CORPORATION LTD. and Subsidiaries

Notes to the Consolidated Financial Statements

For the Six Months Ended June 30, 2026 and 2025

(Expressed in thousands of New Taiwan Dollars, unless otherwise specified)

1. History and organization

TSH Biopharm Corporation Ltd. (the “Company”) was incorporated on September 21, 2010. The Company's registered office address is 3F.-1, No. 3-1, Park St., Nangang Dist., Taipei City 115, Taiwan (R.O.C.). The shares of the Company have been listed on the Taipei Exchange (“TPEX”) since April 2012. The main activity of the Company and its subsidiaries (the “Group”) is in sale of a variety of pharmaceuticals, chemical drugs and engaged in biotechnology services.

2. Approval date and procedures of the financial statements

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on August 4, 2026.

3. Application of new standards, amendments and interpretations

- (1) Impact of adoption of new, revised or amended standards and interpretations endorsed by the Financial Supervisory Commission, ROC (“FSC”).

The Group assesses that the adoption of the following IFRSs from January 1, 2026 would not have any material impact on its consolidated financial statements.

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

- (2) The impact of IFRS endorsed by the FSC which have not been adopted.

The Group assesses that the adoption of the following IFRS, effective from January 1, 2027, will not have any material impact on its consolidated financial statements.

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

The Group expects to apply the following newly amended IFRSs from January 1, 2028:

A. IFRS 18 “Presentation and Disclosure in Financial Statements”

The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.

- A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.
- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

IAS 7, “Statement of Cash Flows,” has been amended in conjunction with the new Standard, requiring entities that present cash flows from operating activities using the indirect method to use the newly defined subtotal “operating profit or loss” as the starting point. As a result of using the new starting point, certain reconciling items will change. In addition, these consequential amendments provide specific guidance on the classification of cash flows from interest and dividends paid and received.

The Group is currently assessing the impact of the initial adoption of the Standard on its consolidated financial statements.

B. IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”

The Group has assessed that the adoption of this amended standard will not have a material impact on the consolidated financial statements..

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group anticipates that the following additional yet to be endorsed new releases and amendments will not have a significant impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 20 “Regulatory Assets and Regulatory Liabilities”

4. Summary of significant accounting policies

(1) Statement of compliance

The accompanying 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 endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to as “IFRSs endorsed by FSC”).

Excepted for the accounting policies mentioned below, the significant accounting policies adopted in the interim financial statements is the same as those in the financial statements for the year ended December 31, 2025. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of consolidation

A. Subsidiaries included in the consolidated financial statements:

<u>Name of Investor</u>	<u>Name of subsidiary</u>	<u>Main Business Activities</u>	<u>Percentage of Ownership</u>			<u>Note</u>
			<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>	
TSH Biopharm Corporation Ltd.	Chuang Yi Biotech Co. Ltd.	Selling of health food	51.60%	51.60%	51.60%	
TSH Biopharm Corporation Ltd.	Top Pharma Medical-wares Co., Ltd.	Selling of medicine and dietary supplement	51.00%	51.00%	51.00%	

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

(3) Income taxes

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

Income tax expense for the period is best estimated by multiplying pre-tax income of the interim period by a projected annual effective tax rate, and is recognized as current tax expense.

Income taxes that are recognized directly in equity or other comprehensive income are measured in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases at the tax rates that are expected to be applied in the year in which the asset is realized or the liability is settled.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34, “Interim Financial Reporting,” as endorsed and issued into effect by the FSC requires management to make judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following disclosure, in preparing the consolidated financial statements, critical accounting judgments and key sources of estimations and assumptions uncertainty used by management in the application of accounting policies are consistent with those described in Note 5 of the financial statements for the year ended December 31, 2025.

6. Explanation of significant accounts

Except as described below, the description of significant accounts in the accompanying consolidated financial statements is not materially different from those described in Note 6 of the consolidated financial statements for the year ended December 31, 2025.

(1) Cash and cash equivalents

	<u>June, 30 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Petty cash	\$ 180	180	170
Cash in banks	618,504	464,359	544,006
	<u>\$ 618,684</u>	<u>464,539</u>	<u>544,176</u>

A. The above cash and cash equivalents were not pledged as collateral.

B. Time deposits which do not meet the definition of cash equivalents are accounted for under other

financial assets-current. As of June 30, 2026, December 31, 2025 and June 30, 2025, the amount of time deposits were \$427,000 thousand, \$427,000 thousand and \$327,000 thousand, respectively.

C. Please refer to note 6(19) for the foreign currency risk and sensitivity analysis of the financial assets of the Group.

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

	June 30, 2026	December 31, 2025	June 30, 2025
Equity instruments at fair value through other comprehensive income :			
Current	\$ 15,885	30,743	45,131
Non - current	181,967	179,145	192,011
	<u><u>\$ 197,852</u></u>	<u><u>209,888</u></u>	<u><u>237,142</u></u>

A. Equity instruments at fair value through other comprehensive income

The Group holds such equity investments as long-term strategic investment that is not held for trading purposes; thus, they are designated as equity investment measured at fair value through other comprehensive income.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the six-month periods ended June 30, 2025 and 2026.

B. Please refer to note 6(19) for credit and market risk information.

C. The above financial assets were not pledged as collateral.

(3) Notes receivable and accounts receivable (including related parties)

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	\$ 12,980	13,208	13,011
Accounts receivable-measured at amortized cost	186,219	302,564	183,932
Less: Allowance for expected credit losses (	(1,996)	(3,429)	(2,109)
	<u><u>\$ 197,203</u></u>	<u><u>312,343</u></u>	<u><u>194,834</u></u>

The Group applies the simplified approach to provide for its expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as forward looking information. The loss allowance provision was determined as follows:

	Gross carrying amount	June 30, 2026 Weighted-average loss rate	Loss allowance provision
Not past due	\$ 197,776	0.18%~1.13%	1,977
Past due 1~60 days	1,422	1%~2.2%	19
Past due 61~120 days	1	1%	-
	<u><u>\$ 199,199</u></u>		<u><u>1,996</u></u>

	December 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not past due	\$ 311,640	0.94%~1.45%	3,194
Past due 1~60 days	4,110	1%~12.53%	235
Past due 61~120 days	13	1%	-
Past due 121~180 days	9	2%	-
	\$ 315,772		3,429

	June 30, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not past due	\$ 196,759	0.98%~1%	2,107
Past due 1~60 days	184	1%	2
	\$ 196,943		2,109

The movement in the allowance for notes and accounts receivable was as follows:

	Six Months Ended June 30,	
	2026	2025
Balance at the beginning of the period	\$ 3,429	2,533
Impairment losses reversed	(1,433)	(424)
Balance at the end of the period	\$ 1,996	2,109

The aforementioned notes and account receivables of the Group had not been pledged as collateral as of June 30, 2026, December 31, 2025 and June 30, 2025.

(4) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Merchandise	\$ 57,711	60,916	79,375
Work in progress and finished goods	49,812	56,898	54,525
Raw materials and supplies	44,730	41,614	49,396
Less: Allowance for inventory market decline and obsolescence	(6,147)	(3,687)	(17,920)
	\$ 146,106	155,741	165,376

The details of cost of goods sold were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Reclassification of inventory sold	\$ 145,776	119,508	274,007	258,243
Loss for market price decline (gain on reversal) and obsolescence of inventory	1,397	910	2,461	(1,030)
Loss on disposal	23	-	23	-
	\$ 147,196	120,418	276,491	257,213

A. The reversal of previously recognized inventory write-downs for the period from January 1 to June 30, 2025, was due to an increase in the net realizable value of inventories, primarily resulting

from heightened consumer market demand that helped absorb existing inventory.

- B. As at June 30, 2026, December 31, 2025 and June 30, 2025, the Group had not pledged any inventories as collateral.

(5) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operation place	Percentage of non- controlling interests		
		June 30, 2026	December 31, 2025	June 30, 2025
Chuang Yi Biotech Co. Ltd.	Taiwan	48.40%	48.40%	48.40%
Top Pharma Medical-wares Co., Ltd.	"	49.00%	49.00%	49.00%

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

A. Chuang Yi Biotech Co. Ltd.'s collective financial information

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	\$ 412,916	402,654	336,531
Non-current assets	31,758	32,816	37,066
Current liabilities	(82,023)	(51,505)	(38,775)
Non- current liabilities	-	-	(875)
Net assets	<u>\$ 362,651</u>	<u>383,965</u>	<u>333,947</u>
Net assets attributed to non-controlling interests	<u>\$ 175,523</u>	<u>185,839</u>	<u>161,631</u>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Sales revenue	<u>\$ 56,752</u>	<u>34,252</u>	<u>96,876</u>	<u>108,340</u>
Net income	\$ 10,455	(203)	10,838	4,458
Other comprehensive income	-	-	-	378
Comprehensive income	<u>\$ 10,455</u>	<u>(203)</u>	<u>10,838</u>	<u>4,836</u>
Gain (loss) attributable to non-controlling interests	<u>\$ 5,061</u>	<u>(98)</u>	<u>5,246</u>	<u>2,158</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>183</u>

	Six Months Ended June 30,	
	2026	2025
Net cash flows from operating activities	\$ 105,333	23,737
Net cash flows from investing activities	(53,469)	(96,516)
Net cash flows from financing activities	(868)	(852)
Net decrease in cash and cash equivalents	<u>\$ 50,996</u>	<u>(73,631)</u>

B. Top Pharma Medical-wares Co., Ltd.'s collective financial information

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	\$ 250,055	230,753	208,964
Non-current assets	267,252	268,646	269,841
Current liabilities	(87,245)	(62,725)	(69,712)
Non- current liabilities	(5,043)	(6,695)	(6,900)
Net assets	<u>\$ 425,019</u>	<u>429,979</u>	<u>402,193</u>
Net assets attributed to non-controlling interests	<u>\$ 86,789</u>	<u>89,220</u>	<u>75,604</u>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Sales revenue	<u>\$ 97,180</u>	<u>87,750</u>	<u>171,538</u>	<u>160,042</u>
Net income	\$ 10,822	11,164	17,355	17,506
Other comprehensive income	-	-	-	-
Comprehensive income	<u>\$ 10,822</u>	<u>11,164</u>	<u>17,355</u>	<u>17,506</u>
Gain (loss) attributable to non-controlling interests	<u>\$ 5,303</u>	<u>5,470</u>	<u>8,504</u>	<u>8,578</u>

	Six Months Ended June 30,	
	2026	2025
Net cash flows from operating activities	\$ 30,033	4,692
Net cash flows from investing activities	(876)	5,762
Net cash flows from financing activities	(3,925)	(3,646)
Net increase in cash and cash equivalents	<u>\$ 25,232</u>	<u>6,808</u>

(6) Property, plant and equipment

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
Book value :						
Balance on January 1, 2026	\$ <u>5,846</u>	<u>3,046</u>	<u>3,907</u>	<u>660</u>	<u>3,759</u>	<u>17,218</u>
Balance on June 30, 2026	\$ <u>5,846</u>	<u>2,850</u>	<u>3,147</u>	<u>443</u>	<u>3,333</u>	<u>15,619</u>
Balance on January 1, 2025	\$ <u>5,846</u>	<u>3,439</u>	<u>5,851</u>	<u>1,112</u>	<u>3,741</u>	<u>19,989</u>
Balance on June 30, 2025	\$ <u>5,846</u>	<u>3,243</u>	<u>4,977</u>	<u>920</u>	<u>4,200</u>	<u>19,186</u>

During the six-month periods ended June 30, 2026 and 2025, there was no significant change of addition, disposal, impairment loss and subsequent reversal in the Group's property, plant and equipment. Please refer to Note12(1) for the depreciation amount, and Note 6(7) of the consolidated financial statements for the year ended December 31, 2025 for further details.

(7) Right-of-use assets

The details of changes in the cost and depreciation of leased buildings and transportation-related costs of the Group are as follows:

	<u>Building and construction</u>	<u>Transportation Equipment</u>	<u>Total</u>
Cost :			
Balance on January 1, 2026	\$ 15,961	16,251	32,212
Additions	770	2,104	2,874
Decrease	(393)	(2,279)	(2,672)
Balance on June 30, 2026	<u>\$ 16,338</u>	<u>16,076</u>	<u>32,414</u>
Balance on January 1, 2025	\$ 14,928	15,291	30,219
Additions	3,286	2,572	5,858
Decrease	(1,503)	(562)	(2,065)
Balance on June 30, 2025	<u>\$ 16,711</u>	<u>17,301</u>	<u>34,012</u>
Accumulated depreciation :			
Balance on January 1, 2026	\$ 6,141	7,645	13,786
Depreciation	3,845	2,637	6,482
Disposals	(393)	(2,279)	(2,672)
Balance on June 30, 2026	<u>\$ 9,593</u>	<u>8,003</u>	<u>17,596</u>
Balance on January 1, 2025	\$ 4,068	5,726	9,794
Depreciation	3,481	2,667	6,148
Disposals	(1,503)	(562)	(2,065)
Balance on June 30, 2025	<u>\$ 6,046</u>	<u>7,831</u>	<u>13,877</u>

	Building and construction	Transportation Equipment	Total
Book value :			
Balance on January 1, 2026	<u>\$ 9,820</u>	<u>8,606</u>	<u>18,426</u>
Balance on June 30, 2026	<u>\$ 6,745</u>	<u>8,073</u>	<u>14,818</u>
Balance on January 1, 2025	<u>\$ 10,860</u>	<u>9,565</u>	<u>20,425</u>
Balance on June 30, 2025	<u>\$ 10,665</u>	<u>9,470</u>	<u>20,135</u>

(8) Intangible assets

The details of changes in the cost, amortization, and impairment losses of intangible assets of the Group are as follows:

	Computer software	Patent and drug permit license	Drug distributio n license	Goodwill	Others	Total
Cost :						
Balance on January 1, 2026	\$ 8,965	24,020	70,000	247,898	77	350,960
Additions	849	3,470	-	-	27	4,346
Reclassification	-	1,774	-	-	-	1,774
Disposals	(3,436)	-	-	-	(77)	(3,513)
Balance on June 30, 2026	<u>\$ 6,378</u>	<u>29,264</u>	<u>70,000</u>	<u>247,898</u>	<u>27</u>	<u>353,567</u>
Balance on January 1, 2025	\$ 6,880	14,600	70,000	247,898	77	339,455
Additions	2,474	3,297	-	-	-	5,771
Reclassification	-	6,122	-	-	-	6,122
Disposals	(476)	-	-	-	-	(476)
Balance on June 30, 2025	<u>\$ 8,878</u>	<u>24,019</u>	<u>70,000</u>	<u>247,898</u>	<u>77</u>	<u>350,872</u>
Accumulated depreciation and impairment losses:						
Balance on January 1, 2026	\$ 5,694	14,249	41,465	-	75	61,483
Amortisation	623	2,004	3,171	-	3	5,801
Disposals	(3,436)	-	-	-	(77)	(3,513)
Balance on June 30, 2026	<u>\$ 2,881</u>	<u>16,253</u>	<u>44,636</u>	<u>-</u>	<u>1</u>	<u>63,771</u>
Balance on January 1, 2025	\$ 4,916	11,696	35,124	-	67	51,803
Amortisation	696	984	3,170	-	4	4,854
Disposals	(476)	-	-	-	-	(476)
Balance on June 30, 2025	<u>\$ 5,136</u>	<u>12,680</u>	<u>38,294</u>	<u>-</u>	<u>71</u>	<u>56,181</u>
Book value :						
Balance on January 1, 2026	<u>\$ 3,271</u>	<u>9,771</u>	<u>28,535</u>	<u>247,898</u>	<u>2</u>	<u>289,477</u>
Balance on June 30, 2026	<u>\$ 3,497</u>	<u>13,011</u>	<u>25,364</u>	<u>247,898</u>	<u>26</u>	<u>289,796</u>
Balance on January 1, 2025	<u>\$ 1,964</u>	<u>2,904</u>	<u>34,876</u>	<u>247,898</u>	<u>10</u>	<u>287,652</u>
Balance on June 30, 2025	<u>\$ 3,742</u>	<u>11,339</u>	<u>31,706</u>	<u>247,898</u>	<u>6</u>	<u>294,691</u>

According to International Accounting Standard No. 36, goodwill acquired in a business combination should be tested for impairment at least annually. Based on the results of the impairment test performed by the Group as of December 31, 2025, no impairment loss on goodwill was recognized. Please refer to Note 6(9) to the 2025 consolidated financial statements for further details. As of June 30, 2026, the Group evaluated whether there were any indicators of impairment for the relevant cash-generating units by assessing their operating revenue and operating net profit performance for the second quarter of 2026. Based on the assessment, no impairment indicators were identified.

(9) Other current assets and other non-current assets

The details of other current assets and other non-current assets were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Other current financial assets	\$ 437,000	437,000	332,000
Other current assets	34,154	1,768	2,996
Long-term prepayments	16,679	4,699	2,069
Refundable deposits	8,426	9,609	8,630
	\$ 496,259	453,076	345,695

A. Other current financial assets were time deposits which did not meet the definition of cash equivalents. For further credit and market risk information, please refer to note 6(19).

B. The long-term prepayments primarily serve to acquire intangible assets, representing payments made before the intangible assets are ready for use. Please refer to Note 9 for detailed explanations regarding related unrecognized contractual commitments.

(10) Other payables

The details of other payables were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Salaries and compensation of employees and directors	\$ 47,589	64,740	37,094
Research expenses	3,147	1,426	3,541
Commission	1,593	1,705	1,399
Dividends	126,558	-	86,264
Others	38,471	40,191	32,408
	\$ 217,358	108,062	160,706

(11) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	\$ 10,066	11,945	10,806
Non-current	\$ 5,043	6,695	9,401

For the maturity analysis, please refer to note 6(19) financial instruments .

The amounts recognized in profit or loss were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Interest on lease liabilities	<u>\$ 189</u>	<u>205</u>	<u>388</u>	<u>401</u>
Expenses of short-term leases	<u>\$ 463</u>	<u>393</u>	<u>849</u>	<u>787</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 53</u>	<u>38</u>	<u>80</u>	<u>61</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	Six Months Ended June 30,	
	2026	2025
Total cash outflow for leases	<u>\$ 7,722</u>	<u>7,331</u>

A. Real estate and transportation equipment leases

The Group leased buildings for its office and plant with lease term of 2 to 13.5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The lease payment of the plant contract is calculated on basis of the purchase quantity of the plant leased by the Group during the lease period. It is a variable lease payment that is not included in the measurement of the lease liability. Therefore, the Group will pay the relevant lease payment during the lease period to recognize the expense.

B. Other leases

The Group lease office equipment with lease term of 0.5 to 5 years, these leases are leases of short-term or low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(12) Employee benefits

Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension expenses of the Group under the defined contribution plan are as follows and have been contributed to the Bureau of Labor Insurance.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cost of goods sold	\$ 111	96	211	189
Selling expenses	1,868	1,814	4,049	3,645
Administrative expenses	542	474	1,078	1,004
Research and development expenses	153	107	274	217
	\$ 2,674	2,491	5,612	5,055

(14) Income taxes

A. Income tax expense

Details of the Group's income tax expenses are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Current income tax expense				
Current period	\$ 11,500	8,930	24,619	18,329
Adjustments to prior periods	4,204	39	4,204	39
Surtax on undistributed earnings	4,593	10,387	4,593	10,387
Income tax expenses	\$ 20,297	19,356	33,416	28,755

B. Status of income tax assessment

The Group's tax returns for the years through 2024 were assessed by the Taipei National Tax Administration.

(15) Capital and other equity

As of June 30, 2026, December 31, 2025, and June 30, 2025, the authorized capital of the Group amounted to \$1,000,000 thousand, with par value of \$10 per share, which consisting of 100,000 thousand shares of stock. The paid-in capital was \$383,981 thousand which consisting of 38,398 thousand shares. All proceeds from shares issued have been collected.

A. Capital surplus

The balances of capital surplus were as following:

	June 30, 2026	December 31, 2025	June 30, 2025
Share Capital	\$ 458,977	458,977	458,977
Others	708	636	636
	\$ 459,685	459,613	459,613

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the

Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

B. Retained earnings

The Group's article of incorporation stipulates that Group's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, until the accumulated legal reserve equals the Group's paid-in capital. In addition, a special reserve in accordance with applicable laws and regulations shall also be set aside. Then, any remaining profit, together with any undistributed retained earnings, shall be distributed according to the proposal by the Board of Directors and submitted to the stockholders' meeting for approval.

To enhance the Group's financial structure and maintain investors' equity, the Group adopts a stable dividends policy in which earnings distribution cannot be less than 50% of distributable earnings, and cash dividends payment has to be over than 50% of the distribution.

To maintain stability in the Group's dividend policy, if the Group has no earnings available for distribution in a given year, or if its earnings are significantly lower than the earnings actually distributed in the preceding year, the Group may distribute all or a portion of its reserves or prior years' unappropriated earnings in accordance with applicable laws and regulations or the requirements of the competent authorities. Furthermore, if the Group disposes of real estate, equity investments or intangible assets during the year, or receives proceeds from litigation or commercial disputes, it may retain all or a portion of the difference between the disposal proceeds and acquisition costs or such proceeds, without being subject to the aforementioned distribution ratio.

(A) Legal reserve

When a Group incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(B) Special reserve

The Group has set aside the same amount of special surplus reserve in accordance with the requirements of the Financial Supervisory Commission's Order No. 1010012865 dated April 6, 2012. When distributing the distributable surplus, the Group will record the deduction for other shareholders' equity that occurred in the current year. The difference between the net amount of the item and the special surplus reserve balance mentioned in the previous paragraph shall be included in the special surplus reserve from the profit and loss of the current period and the undistributed surplus of the previous period. The special surplus reserve shall not be distributed. If the amount of deductions from other shareholders' equity is subsequently reversed, the reversed portion of the earnings may be distributed.

(C) Earnings distribution

The company resolved at the shareholders' annual meetings on May 27, 2026, and May 28, 2025, to distribute the profits for the fiscal years 2025 and 2024. The dividend amounts to be distributed to shareholders are as follows:

	2025		2024	
	Amount per share (dollars)	Total amount	Amount per share (dollars)	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 2.61	<u>100,219</u>	2.12	<u>81,404</u>

C. Other equity interests

	Exchange differences on translation of foreign financial statements	Unrealized gains on financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2026	\$ -	17,815	17,815
Unrealized gains on financial assets measured at fair value through other comprehensive income	-	(12,036)	(12,036)
Balance on June 30, 2026	<u>\$ -</u>	<u>5,779</u>	<u>5,779</u>
Balance on January 1, 2025	(\$ 195)	67,774	67,579
Disposal of subsidiaries	195	-	195
Unrealized gains on financial assets measured at fair value through other comprehensive income	-	(26,086)	(26,086)
Balance on June 30, 2025	<u>\$ -</u>	<u>41,688</u>	<u>41,688</u>

D. Non-controlling interests

	Six Months Ended June 30,	
	2026	2025
Begininig balance	\$ 275,059	231,176
Attributable to non-controlling interests:		
Net income	13,750	10,736
Disposal of subsidiaries	-	183
Dividends distributed by subsidiaries to non-controlling interests	(26,497)	(4,860)
Ending balance	<u>\$ 262,312</u>	<u>237,235</u>

(16) Earnings per share

The calculation of basic earnings per share and diluted earnings per share were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Basic earnings per share				
Net income attributable to ordinary shareholders	<u>\$ 45,846</u>	<u>26,200</u>	<u>84,563</u>	<u>56,613</u>
Weighted-average number of ordinary shares	<u>38,398</u>	<u>38,398</u>	<u>38,398</u>	<u>38,398</u>
	<u>\$ 1.19</u>	<u>0.68</u>	<u>2.20</u>	<u>1.47</u>
Diluted earnings per share				
Net income attributable to ordinary shareholders (after adjustment of dilutive potential ordinary shares)	<u>\$ 45,846</u>	<u>26,200</u>	<u>84,563</u>	<u>56,613</u>
Weighted-average number of ordinary shares	<u>38,398</u>	<u>38,398</u>	<u>38,398</u>	<u>38,398</u>
Effect of dilutive potential ordinary shares				
Effect of employee share bonus	<u>25</u>	<u>35</u>	<u>70</u>	<u>49</u>
Weighted-average number of ordinary shares (after adjustment of dilutive potential ordinary shares)	<u>38,423</u>	<u>38,433</u>	<u>38,468</u>	<u>38,447</u>
	<u>\$ 1.19</u>	<u>0.68</u>	<u>2.20</u>	<u>1.47</u>

(17) Revenue from contracts with customers

A. Disaggregation of revenue

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Major products/service lines:				
Pharmaceuticals	\$ 313,204	253,455	581,089	485,919
Vaccine	-	-	(3)	38,141
Test	16,266	14,747	31,900	27,646
Services	<u>1,218</u>	<u>1,094</u>	<u>3,519</u>	<u>4,708</u>
	<u>\$ 330,688</u>	<u>269,296</u>	<u>616,505</u>	<u>556,414</u>

B. Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	\$ 12,980	13,208	13,011
Accounts receivable (included related parties)	186,219	302,564	183,932
Less: Allowance for expected credit losses	(1,996)	(3,429)	(2,109)
Total	\$ 197,203	312,343	194,834
Contract liabilities	\$ 2,793	3,242	3,950

For details on notes receivable, accounts receivable and allowance for expected credit losses, please refer to note 6(3).

The amount of revenue recognized for the six months periods ended June 30, 2026 and 2025 that were included in the contract liability balance at the beginning of the period were \$3,242 thousand and \$1,039 thousand, respectively.

(17) Remuneration to employees and directors

On May 28, 2025, the shareholders' meeting resolved to amend the Articles of Incorporation. According to the amended provisions, if the Group has profits in a given fiscal year, 2% to 8% shall be allocated as employee compensation (among which, compensation to grassroots employees shall not be less than 0.05%), and up to 2% may be allocated as remuneration for directors and supervisors. However, if the Group has accumulated losses, such losses must be covered before any allocation is made. The recipients of employee compensation, whether in stock or cash, may include employees of subsidiaries who meet certain criteria. Under the previous version of the Articles, if the Group had profits in a given fiscal year, 2% to 8% was to be allocated as employee compensation, to be distributed in stock or cash as resolved by the board of directors. The recipients could include employees of controlling or subsidiary companies who met certain criteria. The Group could also allocate up to 2% of such profits as directors' remuneration, which could only be distributed in cash. The distribution plans for employee compensation and directors' remuneration were to be reported to the shareholders' meeting. However, if there were accumulated losses, such losses must first be covered before allocating employee compensation and directors' remuneration according to the aforementioned percentages.

For the three months and six months periods ended June 30, 2026 and 2025, the Group estimated its employee compensation and directors' remuneration amounting to \$1,290 thousand, \$892 thousand, \$2,336 thousand and \$1,688 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Group's articles of incorporation. These compensation and remunerations recognized as operating expenses during the period.

If there is a difference between the actual distribution amount and the estimated amount in the following year, it will be accounted for as an adjustment according to accounting estimates, and such difference will be recognized in the profit or loss for the following year. In the event that the board of directors decides to issue stock as employee compensation, the basis for calculating the number of shares for stock-based compensation is determined based on the closing price of common shares on the day before the board of directors' decision, taking into account any adjustments for dividends and rights issues.

For the fiscal year 2025, the Group accrued \$3,609 thousand as employee compensation and \$1,985

thousand as directors' remuneration. For the fiscal year 2024, the Group accrued \$2,902 thousand as employee compensation and \$1,814 thousand as directors' remuneration. The amounts are identical to those of the actual distributions. Related information is available on the Market Observation Post System website.

(18) Non-operating income and expenses

A. Interest income

The details of interest income were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Interest income from bank deposits	<u>\$ 3,686</u>	<u>3,140</u>	<u>5,575</u>	<u>4,359</u>

B. Other income

The details of other income were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Rent income	\$ 41	35	82	71
Other income-other	13	63	148	186
	<u>\$ 54</u>	<u>98</u>	<u>230</u>	<u>257</u>

C. Other gains and losses

The details of other gains and losses were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Foreign exchange gains (losses)	(\$ 240)	(592)	351	(348)
Gain on disposal of investments	-	-	-	1,113
Others	(143)	(223)	(332)	(470)
Other gains and losses(net)	<u>(\$ 383)</u>	<u>(815)</u>	<u>19</u>	<u>295</u>

D. Finance costs

The details of finance costs were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Interest expenses – Lease Liabilities	\$ 189	205	388	401
Other finance costs – Interest expenses	-	-	22	-
	<u>\$ 189</u>	<u>205</u>	<u>410</u>	<u>401</u>

(19) Financial instruments

Except as described below, there were no significant changes in the fair value of financial instruments and the exposure to credit risk, liquidity risk, and market risk arising from financial

instruments of the Group. Please refer to Note 6(20) of the consolidated financial statements for 2025 for relevant information.

A. Credit risk

(A) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(B) Concentration of credit risk

The Group has a customer base that includes hospitals, medical centers, pharmacies, and clinics, which results in the Group having no significant concentration of credit risk. The Group regularly assesses the likelihood of accounts receivable collection and recognize allowance for doubtful accounts, and the impairment losses are always within management's expectations.

(C) Credit risk of accounts receivables and debt securities

For credit risk exposure of notes and accounts receivables, please refer to note 6 (3).

Other financial assets at amortized cost includes other receivables and time deposits. All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4 (7). There were no recognition and reversal of impairment losses for the six months periods ended June 30, 2026 and 2025. The balance as of June 30, 2026 and 2025 are both zero.

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>2~3 years</u>	<u>4~5 years</u>
June 30, 2026					
Non-derivative financial liabilities					
Notes and accounts payable (including related parties)	\$ 273,333	273,333	273,333	-	-
Lease liabilities	15,109	15,746	10,563	5,183	-
	<u>\$ 288,442</u>	<u>289,079</u>	<u>283,896</u>	<u>5,183</u>	<u>-</u>
December 31, 2025					
Non-derivative financial liabilities					
Notes and accounts payable (including related parties)	\$ 156,687	156,687	156,687	-	-
Lease liabilities	18,640	19,455	12,544	6,911	-
	<u>\$ 175,327</u>	<u>176,142</u>	<u>169,231</u>	<u>6,911</u>	<u>-</u>
June 30, 2025					
Non-derivative financial liabilities					
Notes and accounts payable (including related parties)	\$ 218,861	218,861	218,861	-	-
Lease liabilities	20,207	21,025	11,326	9,699	-
	<u>\$ 239,068</u>	<u>239,886</u>	<u>230,187</u>	<u>9,699</u>	<u>-</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

C. Currency risk

(A) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk were as follows:

	June 30, 2026				December 31, 2025			June 30, 2025		
	Foreign currency	Exchange rate		TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	1,708	31.850	54,401	116	31.430	3,644	1,032	29,300	30,229
HKD		-	-	-	343	4.038	1,385	343	3.732	1,280

(B) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that is denominated in foreign currency. A strengthening (weakening) 1% of the TWD against the USD, CNY, and HKD as of June 30, 2026 and 2025 would have decreased the net profit after tax by \$435 thousand and \$252 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

(C) Foreign exchange gain and loss on monetary items

Due to the variety of functional currencies in the Group, exchange gain or loss information on monetary items is disclosed on an aggregated basis. For the three months periods ended June 30 in 2026 and 2025, as well as for the six months ended June 30 in 2026 and 2025, the foreign exchange gains and losses (including both realized and unrealized) were losses of \$240 thousand, losses of \$592 thousand, gains of \$351 thousand and losses of \$348 thousand, respectively.

(D) Interest rate risk : None.

(E) Other market price risk

For the six months periods ended June 30, 2026 and 2025, the sensitivity analysis for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss with all other variable factors remaining constant as illustrated below:

	Six Months Ended June 30,			
	2026		2025	
Prices of securities at the reporting date	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 10%	\$ 19,785	-	23,714	-
Decreasing 10%	(\$ 19,785)	-	(23,714)	-

D. Fair value of financial instruments

(A) Categories of financial instruments and fair value hierarchy

The fair value of financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial

assets and liabilities, including the information on fair value hierarchy, were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

June 30, 2026					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	\$ 181,967	181,967	-	-	181,967
Domestic OTC stocks	15,885	15,885	-	-	15,885
Foreign unlisted stocks	-	-	-	-	-
Subtotal	<u>197,852</u>	<u>197,852</u>	<u>-</u>	<u>-</u>	<u>197,852</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 618,684	-	-	-	-
Notes and accounts receivable (including related parties)	197,203	-	-	-	-
Other receivables	3,200	-	-	-	-
Other financial assets	437,000	-	-	-	-
Refundable deposits	8,426	-	-	-	-
Subtotal	<u>1,264,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,462,365</u>	<u>197,852</u>	<u>-</u>	<u>-</u>	<u>197,852</u>
Financial liabilities at amortized cost					
Notes and accounts payable (including related parties)	\$ 55,975	-	-	-	-
Other payables (including related parties)	217,358	-	-	-	-
Lease liabilities	15,109	-	-	-	-
Total	<u>\$ 288,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2025					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	\$ 179,145	179,145	-	-	179,145
Domestic OTC stocks	30,743	30,743	-	-	30,743
Foreign unlisted stocks	-	-	-	-	-
Subtotal	<u>209,888</u>	<u>209,888</u>	<u>-</u>	<u>-</u>	<u>209,888</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 464,539	-	-	-	-
Notes and accounts receivable (including related parties)	312,343	-	-	-	-
Other receivables	1,978	-	-	-	-
Other financial assets	437,000	-	-	-	-
Refundable deposits	9,609	-	-	-	-
Subtotal	<u>1,225,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,435,357</u>	<u>209,888</u>	<u>-</u>	<u>-</u>	<u>209,888</u>

December 31, 2025					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at amortized cost					
Notes and accounts payable (including related parties)	\$ 48,625	-	-	-	-
Other payables(including related parties)	108,062	-	-	-	-
Lease liabilities	18,640				
Total	<u>\$ 175,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2025					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	\$ 181,532	181,532	-	-	181,532
Domestic OTC stocks	45,131	45,131	-	-	45,131
Foreign unlisted stocks	10,479	-	-	10,479	10,479
Subtotal	<u>237,142</u>	<u>226,663</u>	<u>-</u>	<u>10,479</u>	<u>237,142</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 544,176	-	-	-	-
Notes and accounts receivable (including related parties)	194,834	-	-	-	-
Other receivables	2,762	-	-	-	-
Other financial assets	332,000	-	-	-	-
Refundable deposits	8,630	-	-	-	-
Subtotal	<u>1,082,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,319,544</u>	<u>226,663</u>	<u>-</u>	<u>10,479</u>	<u>237,142</u>
Financial liabilities at amortized cost					
Notes and accounts payable (including related parties)	\$ 58,155	-	-	-	-
Other payables (including related parties)	160,706	-	-	-	-
Lease liabilities	20,207	-	-	-	-
Total	<u>\$ 239,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(B) Fair value hierarchy

The table below analyzes financial instruments carried at fair value by the levels in the fair value hierarchy. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(C) Valuation techniques for financial instruments not measured at fair value

The Group estimates its financial instruments, that are not measured at fair value, by methods and assumption as follows:

Cash and cash equivalents, accounts receivables, other financial assets, notes payable and

accounts payable are either close to their expiry date, or their future receivable or payable are close to their carrying value; thus, their fair value are estimated from the book value of the balance sheet date.

(D) Valuation techniques for financial instruments measured at fair value

(D.1) Non-derivative financial instruments

Financial instruments traded in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities, and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accordance with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

The fair value of the financial instruments held by the Group are determined by reference to the market quotation.

If the financial instruments held by the Group have no active market, their fair values are listed as follows according to their categories and attributes:

- Equity instruments without public quotation: The fair value is measured by using the transaction prices of the stocks of companies engaged in the same or similar businesses in the active market, the value multipliers implied by these prices, and related transaction information to determine the value of the financial instruments, as well as adjusted for considering liquidity discount.

(E) Transfer between levels

There was no change in valuation techniques for financial instruments measured at fair value for the six months periods ended June 30, 2026 and 2025, so there was no transfer between levels.

(F) Reconciliation of level 3 fair values:

	Fair value through other comprehensive income
	Equity instruments without quoted price
Balance as of January 1, 2026	\$ -
Balance as of June 30, 2026	\$ -
Balance as of January 1, 2025	\$ 10,479
Balance as of June 30, 2025	\$ 10,479

(G) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include financial assets at fair value through other comprehensive income - equity investments.

The majority of fair values of the Group are classified as Level 3, with only a single significant

unobservable input, while equity investments without active market are characterized by multiple significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are individually, and there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income – equity investments without an active market	Comparable companies method	Discount for lack of market liquidity (as of June 30, 2026, December 31, 2025 and June 30, 2025, the rate were 30%, 41.4% and 30%)	The estimated fair value would decrease if the discount for lack of market liquidity was higher.

(H) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable. However, use of different valuation models or assumptions may lead to different results. The following is the effect on other comprehensive income from financial assets categorized within Level 3 if the inputs used to valuation models have changed:

			Recognized in other comprehensive income	
	Input value	Degree of variation	Favourable change	Unfavourable change
June 30, 2026				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Market liquidity discount rate	1%	-	-
December 31, 2025				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Market liquidity discount rate	1%	-	-
June 30, 2025				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Market liquidity discount rate	1%	105 (	105)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis

above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(20) Financial risk management

There have been no significant changes to the financial risk management objectives and policies of the Group as disclosed in Note 6(21) of the financial statements for the year ended December 31, 2025.

(21) Capital management

The capital management objectives, policies, and procedures of the consolidated company remain consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2025. Additionally, there have been no significant changes to the aggregated quantitative data for items related to capital management as disclosed in the consolidated financial statements for the year ended December 31, 2025. Please refer to Note 6(22) of the consolidated financial statements for the year ended December 31, 2025 for relevant information.

(22) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the six months periods ended June 30, 2026 and 2025, were as follows:

A. Acquisition of right-of-use assets under leases, please refer to note 6(7).

B. Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2026	Cash flow	Non-cash changes Others	June 30, 2026
Lease liabilities	\$ 18,640	(6,405)	2,874	15,109

	January 1, 2025	Cash flow	Non-cash changes Others	June 30, 2025
Lease liabilities	\$ 20,431	(6,082)	5,858	20,207

7. Related-party transactions

(1) Parent company and ultimate controlling company

TTY Biopharm Company Limited is both the parent company and the ultimate controlling party of the Group. It owns 56.48% of all shares outstanding of the Group, and has issued the consolidated financial statements available for public use.

(2) Names and relationship with related parties

The followings are entities that have transactions with related party during the periods covered in the financial statements.

Name of related parties	Relationship with the Group
TTY Biopharm Company Limited	Parent company
American Taiwan Biopharm(Thailand)	Other related party

(3) Significant related-party transactions

A. Operating revenue

The amounts of significant sales by the Group to its related parties were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Parent company- TTY Biopharm Company Limited	\$ 2,038	2,847	4,339	7,030
Other related parties	-	2,077	2,157	4,683
	<u>\$ 2,038</u>	<u>4,924</u>	<u>6,496</u>	<u>11,713</u>

The selling price and payment terms to related parties were not significantly different from those of sales to third parties. The collection terms for sales to related parties were month-end 60-90 days, or 14 days after the date of shipment. The collection terms for commission were month-end 30 and 90 days.

B. Purchases

The amounts of significant purchases by the Group from related parties were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Parent company - TTY Biopharm Company Limited	\$ <u>35,175</u>	<u>38,291</u>	<u>63,007</u>	<u>98,510</u>

The pricing and payment terms with related parties were not materially different from those of purchases with third parties. The payment terms for purchases from related parties were month-end 30-90 days.

C. Receivables from related parties

The amounts of receivables from related parties were as follows:

Items	Related Party Categories	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	Parent company	\$ 646	7,365	768
Accounts receivable	Other related party	-	-	2,077
Other receivable	Parent company	-	433	-
		<u>\$ 646</u>	<u>7,798</u>	<u>2,845</u>

D. Payables to related parties

The amounts of payables to related parties were as follows:

Items	Related Party Categories	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable	Parent company	\$ 22,369	25,851	24,471
Other payables	Parent company	64,568	3,046	47,832
		<u>\$ 86,937</u>	<u>28,897</u>	<u>72,303</u>

E. Lease

The Group leases offices and equipments from the parent company, and the details were as follows:

Items	June 30, 2026	December 31, 2025	June 30, 2025
Guarantee deposits paid	\$ <u>838</u>	<u>838</u>	<u>838</u>
Lease liabilities	\$ <u>2,502</u>	<u>4,982</u>	<u>7,439</u>
	Three Months Ended June 30, 2026 2025		Six Months Ended June 30, 2026 2025
Interest paid	\$ <u>15</u>	\$ <u>37</u>	<u>35</u> <u>79</u>

F. Others

The operating expenses paid by the Group to the parent company due to the operating and business transactions were as follows:

Items	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating expenses	\$ <u>1,392</u>	<u>1,566</u>	<u>3,204</u>	<u>3,143</u>

(4) Key management personnel compensation

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Short-term employee benefits	\$ 10,206	9,212	23,639	22,065
Post-employment benefits	305	263	605	545
	\$ <u>10,511</u>	<u>9,475</u>	<u>24,244</u>	<u>22,610</u>

8. Pledged assets:

The details of the book value of assets pledged as collateral by the Group are as follows:

Items	Pledged Collateral	June 30, 2026	December 31, 2025	June 30, 2025
Other financial assets- current	Agency distribution payment	\$ <u>10,000</u>	<u>10,000</u>	<u>5,000</u>

9. Significant commitments and contingencies

As of June 30, 2026, December 31, 2025 and June 30, 2025, the unrecognized contractual commitments of the Group were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Contract with other units for research and development	\$ <u>17,042</u>	<u>21,038</u>	<u>18,587</u>
Acquisition of intangible assets	\$ <u>28,827</u>	<u>6,392</u>	<u>7,130</u>

10. Losses due to major disasters: None.

11. Subsequent events: None.

12. Others

(1) The followings are the summary of employee benefits, depreciation, and amortization by function :

By function By item	Three Months Ended June 30,					
	2026			2025		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salary	1,892	58,110	60,002	1,803	54,967	56,770
Labor and health insurance	214	4,362	4,576	190	4,047	4,237
Pension	111	2,563	2,674	96	2,395	2,491
Others	82	1,810	1,892	68	1,602	1,670
Depreciation	754	3,248	4,002	849	3,402	4,251
Amortization	-	2,993	2,993	-	2,448	2,448

By function By item	Six Months Ended June 30,					
	2026			2025		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salary	3,867	110,170	114,037	4,330	106,624	110,954
Labor and health insurance	407	8,558	8,965	376	8,286	8,662
Pension	211	5,401	5,612	189	4,866	5,055
Others	174	3,936	4,110	342	4,447	4,789
Depreciation	1,519	6,562	8,081	1,567	6,717	8,284
Amortization	-	5,801	5,801	-	4,854	4,854

(2) Others:

The Group donated \$4,094 thousand, \$2,347 thousand, \$6,751 thousand and \$6,112 thousand to related medical foundation and associations to support non-profit organizations developing drugs, promoting disease prevention and correct dosages for the three months and six months ended June 30, 2026 and 2025, respectively.

(3) Seasonality of operations

The operations of the Group are not affected by seasonal or cyclical factors.

13. Other disclosures

(1) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group

A. Loans to other parties: None.

B. Guarantees and endorsements for other parties: None.

C. Securities held as of June 30, 2026 (excluding those investments in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/Thousands shares)

Name of holder	Category and name of security	Relationship with Group	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
TSH Biopharm Corporation Ltd.	Lumosa Therapeutics Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	158	15,885	0.09 %	15,885	
"	Fubon Financial Holding Co., Ltd. Preferred stock B	-	Non-current financial assets at fair value through other comprehensive income	2,500	157,250	0.38 %	157,250	
"	Union Bank of Taiwan Preferred stock A	-	"	400	21,720	0.20 %	21,720	
	Fubon Financial Holding Co., Ltd. Preferred stock C	-	"	58	2,997	0.02%	2,997	
"	CellMax Ltd.	-	"	1,593	-	-%	-	

D. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.

E. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.

F. Business relationships and significant intercompany transactions:

Number	Trader's name	Counterparty	Relationship with the trader	Transaction details			
				Account title	Amount	Transaction conditions	Ratio of combined total revenue or total assets
0	TSH Biopharm Corporation Ltd	Top Pharma Medical-ware Co., Ltd.	1	Sales revenue	44,151	According to the contract terms	7.16%
0	TSH Biopharm Corporation Ltd	Top Pharma Medical-ware Co., Ltd.	1	Accounts receivable	16,551	"	0.81%
0	TSH Biopharm Corporation Ltd	Top Pharma Medical-ware Co., Ltd.	1	Other receivable	11,486	"	0.57%

Note 1 、The numbering format is as follows :

- 0 Representing the parent company.
- Subsidiaries numbered sequentially starting from Arabic numeral 1.

Note 2 、Types of relationships with the trader are indicated as follows:

- Parent company to subsidiary.
- Subsidiary to parent company
- Subsidiary to subsidiary

Note 3 、When preparing consolidated financial statements, all amounts have been fully offset.

Note 4 、Individual amounts not exceeding \$1,000 thousand will not be disclosed, and their corresponding transactions will no longer be disclosed.

(2) Information on investees:

Information on the Group's investees for the six months ended June 30, 2026, is as follows:

(In Thousands of New Taiwan Dollars/Thousands shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2026			Net Income (losses) of the investee	The amount of investment gain or loss recognized in the current period.	Footnote
				June 30, 2026	December 31, 2025	Shares	Percentage of Ownership	Carrying Value			
TSH Biopharm Corporation Ltd.	Chuang Yi Biotech Co. Ltd.	Taiwan	Selling of health food	200,262	200,262	16,590	51.60%	187,128	10,838	5,592	
TSH Biopharm Corporation Ltd.	Top Pharma Medical-ware Co., Ltd.	Taiwan	Selling of medicine and dietary supplement	301,451	301,451	4,173	51.00%	336,504	17,355	8,851	

Note 1 : The aforementioned transactions were eliminated in the preparation of consolidated financial statements.

Note 2 : For changes in subsidiaries included in the consolidated financial statements, please refer to Note 4(2).

(3) Information on investment in mainland China : None.

14. Segment information

(1) General information

The Group's operating segments required to be disclosed are categorized as Domestic Cardiovascular Business Unit, Gastrointestinal Drugs Business Unit, and Investment Business Unit, etc.

The segments' profit is measured at profit before tax. The Group assesses performance of the segments based on the segments' profit. The operating segments' accounting policies are similar to those described in Note 4 "significant accounting policies"

(2) Information about reportable segments and their measurement and reconciliations

The Group's operating segment information and reconciliation are as follows:

Three Months Ended June 30, 2026	Domestic Cardiovascular and Gastrointestinal Drugs	Investment	Adjustment and elimination	Total
Revenue				
Revenue from external customer	\$ 176,781	153,907	-	330,688
Interest revenue	24,841	25	(24,866)	-
Total	<u>\$ 201,622</u>	<u>153,932</u>	<u>(24,866)</u>	<u>330,688</u>
Reportable segment profit or loss	<u>\$ 50,317</u>	<u>26,190</u>	<u>-</u>	<u>76,507</u>

Three Months Ended June 30, 2025	Domestic Cardiovascular and Gastrointestinal Drugs	Investment	Adjustment and elimination	Total
Revenue				
Revenue from external customer	\$ 147,309	121,987	-	269,296
Interest revenue	22,310	15	(22,325)	-
Total	\$ 169,619	122,002	(22,325)	269,296
Reportable segment profit or loss	\$ 36,343	14,586	-	50,929

Six Months Ended June 30, 2026	Domestic Cardiovascular and Gastrointestinal Drugs	Investment	Adjustment and elimination	Total
Revenue				
Revenue from external customer	\$ 348,130	268,375	-	616,505
Interest revenue	44,151	39	(44,190)	-
Total	\$ 392,281	268,414	(44,190)	616,505
Reportable segment profit or loss	\$ 95,989	35,740	-	131,729

Six Months Ended June 30, 2025	Domestic Cardiovascular and Gastrointestinal Drugs	Investment	Adjustment and elimination	Total
Revenue				
Revenue from external customer	\$ 288,065	268,349	-	556,414
Interest revenue	41,747	33	(41,780)	-
Total	\$ 329,812	268,382	(41,780)	556,414
Reportable segment profit or loss	\$ 68,295	27,809	-	96,104

Reportable segment assets

June 30, 2026	\$ 1,590,426	959,166	(523,632)	2,025,960
December 31, 2025	\$ 1,557,349	932,307	(538,202)	1,951,454
June 30, 2025	\$ 1,501,130	848,102	(497,284)	1,851,948