

EIRGENIX INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2024 AND 2023

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of EirGenix Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of EirGenix Inc. and subsidiaries (the “Group”) as at September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of EirGenix Inc. and subsidiaries as at September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Yu, Shu-Fen

Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

November 12, 2024

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

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

EIRGENIX INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan dollars)

Assets			September 30, 2024		December 31, 2023		September 30, 2023				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current assets											
1100	Cash and cash equivalents	6(1)	\$	4,023,182	37	\$	5,053,183	45	\$	2,864,966	26
1136	Current financial assets at	6(3)									
	amortised cost			1,100,000	10		500,000	5		3,200,000	28
1140	Current contract assets	6(18) and 7		298,907	3		293,694	3		206,855	2
1150	Notes receivable, net	6(4)		36	-		19	-		-	-
1170	Accounts receivable, net	6(4)		72,417	1		253,390	2		35,878	-
1180	Accounts receivable, net-	7									
	related parties			315	-		2,636	-		1,802	-
1200	Other receivables			10,957	-		20,497	-		15,054	-
1220	Current income tax assets			23,389	-		17,648	-		13,923	-
130X	Inventories	6(5)		536,480	5		680,637	6		895,480	8
1410	Prepayments	6(6)		261,073	3		93,802	1		136,157	1
11XX	Total current assets			6,326,756	59		6,915,506	62		7,370,115	65
Non-current assets											
1510	Non-current financial assets at	6(2)									
	fair value through profit or loss			99,307	1		80,298	1		83,663	1
1517	Non-current financial assets at	6(7)									
	fair value through other										
	comprehensive income			269,732	2		325,887	3		292,635	3
1535	Non-current financial assets at	6(3) and 8									
	amortised cost			88,098	1		40,720	-		40,734	-
1600	Property, plant and equipment,	6(8) and 8									
	net			3,547,227	33		3,337,685	30		3,048,981	27
1755	Right-of-use assets	6(9)		325,299	3		329,236	3		337,028	3
1780	Intangible assets	6(10)		23,194	-		28,269	-		27,009	-
1990	Other non-current assets	6(8) and 8		94,622	1		104,958	1		81,202	1
15XX	Total non-current assets			4,447,479	41		4,247,053	38		3,911,252	35
1XXX	Total assets		\$	10,774,235	100	\$	11,162,559	100	\$	11,281,367	100

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EIRGENIX INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	September 30, 2024		December 31, 2023		September 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2130	Current contract liabilities	6(18) and 7	\$ 37,248	-	\$ 56,766	-	\$ 43,595	-
2170	Accounts payable		38,789	1	79,556	1	63,154	1
2180	Accounts payable - related parties	7	86	-	-	-	-	-
2200	Other payables	6(11)	349,929	3	530,299	5	398,408	4
2220	Other payables - related parties	7	6,140	-	7,993	-	2,405	-
2230	Current tax liabilities		821	-	992	-	1,139	-
2280	Current lease liabilities		28,659	-	28,622	-	28,851	-
2320	Long-term liabilities, current portion	6(12) and 8	143,940	1	-	-	-	-
2399	Other current liabilities		3,547	-	2,937	-	3,014	-
21XX	Total current liabilities		<u>609,159</u>	<u>5</u>	<u>707,165</u>	<u>6</u>	<u>540,566</u>	<u>5</u>
Non-current liabilities								
2540	Long-term borrowings	6(12) and 8	421,407	4	120,460	1	120,460	1
2570	Deferred tax liabilities		1,798	-	1,380	-	1,249	-
2580	Non-current lease liabilities		313,119	3	316,085	3	323,250	3
2600	Other non-current liabilities		-	-	6	-	-	-
25XX	Total non-current liabilities		<u>736,324</u>	<u>7</u>	<u>437,931</u>	<u>4</u>	<u>444,959</u>	<u>4</u>
2XXX	Total liabilities		<u>1,345,483</u>	<u>12</u>	<u>1,145,096</u>	<u>10</u>	<u>985,525</u>	<u>9</u>
Equity								
	Capital	6(15)						
3110	Common stock		3,057,112	28	3,060,516	28	3,048,997	27
3140	Advance receipts for share capital		1,047	-	-	-	-	-
	Capital reserve	6(16)						
3200	Capital surplus		6,938,300	65	7,830,216	70	7,700,097	68
	Accumulated deficit	6(17)						
3350	Accumulated deficit		(580,750)	(5)	(915,208)	(8)	(509,265)	(5)
	Other equity interest							
3400	Other equity interest		13,043	-	41,939	-	56,013	1
3XXX	Total equity		<u>9,428,752</u>	<u>88</u>	<u>10,017,463</u>	<u>90</u>	<u>10,295,842</u>	<u>91</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 10,774,235</u>	<u>100</u>	<u>\$ 11,162,559</u>	<u>100</u>	<u>\$ 11,281,367</u>	<u>100</u>

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

EIRGENIX INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

	Items	Notes	Three months ended September 30				Nine months ended September 30			
			2024		2023		2024		2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating Revenue	6(18) and 7	\$ 248,223	100	\$ 211,451	100	\$ 714,319	100	\$ 566,086	100
5000	Operating Costs	6(5)(10)(23) and 7	(169,432)	(68)	(155,926)	(74)	(595,420)	(83)	(489,782)	(86)
5900	Gross Profit		78,791	32	55,525	26	118,899	17	76,304	14
	Operating Expenses	6(10)(23) and 7								
6100	Sales and marketing expenses		(20,597)	(8)	(16,761)	(8)	(55,153)	(8)	(46,097)	(8)
6200	General and administrative expenses		(48,630)	(20)	(57,750)	(27)	(174,545)	(25)	(175,658)	(31)
6300	Research and development expenses		(211,019)	(85)	(180,394)	(85)	(567,224)	(79)	(530,315)	(94)
6450	Expected credit impairment loss	12(2)	(44,406)	(18)	-	-	(64,894)	(9)	-	-
6000	Total operating expenses		(324,652)	(131)	(254,905)	(120)	(861,816)	(121)	(752,070)	(133)
6900	Operating Loss		(245,861)	(99)	(199,380)	(94)	(742,917)	(104)	(675,766)	(119)
	Non-operating Income and Expenses									
7100	Interest income	6(3)(4)(19)	34,510	14	34,675	16	104,674	15	98,745	17
7010	Other income	6(20)	480	-	112	-	1,841	-	270	-
7020	Other gains and losses	6(2)(9)(21)	(43,239)	(17)	55,927	26	61,804	9	76,418	13
7050	Finance costs	6(8)(9)(22)	(1,586)	(1)	(2,642)	(1)	(4,859)	(1)	(7,805)	(1)
7000	Total non-operating income and expenses		(9,835)	(4)	88,072	41	163,460	23	167,628	29
7900	Loss before Income Tax		(255,696)	(103)	(111,308)	(53)	(579,457)	(81)	(508,138)	(90)
7950	Income tax	6(24)	(422)	-	(413)	-	(1,293)	-	(1,127)	-
8200	Net Loss		(\$ 256,118)	(103)	(\$ 111,721)	(53)	(\$ 580,750)	(81)	(\$ 509,265)	(90)
	Other Comprehensive Income Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealised gains or losses from investments in equity instruments measured at fair value through other comprehensive income	6(7)	(\$ 29,840)	(12)	\$ 7,110	4	(\$ 86,155)	(12)	\$ 12,687	2
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		(29,840)	(12)	7,110	4	(86,155)	(12)	12,687	2
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Exchange differences on translation of foreign financial statements		205	-	11	-	359	-	209	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(24)	(36)	-	(2)	-	(71)	-	(38)	-
8360	Other comprehensive income that will be reclassified to profit or loss		169	-	9	-	288	-	171	-
8300	Other Comprehensive Income (Loss)		(\$ 29,671)	(12)	\$ 7,119	4	(\$ 85,867)	(12)	\$ 12,858	2
8500	Total Comprehensive Loss		(\$ 285,789)	(115)	(\$ 104,602)	(49)	(\$ 666,617)	(93)	(\$ 496,407)	(88)
	Loss per share (in dollars)	6(25)								
9750	Basic loss per share		(\$ 0.84)		(\$ 0.37)		(\$ 1.90)		(\$ 1.67)	

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

EIRGENIX INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent								
		Capital Reserves					Other Equity Interest			
							Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	Total equity
Notes	Common stock	Additional paid-in capital	Employee stock options	Restricted stock to employees	Capital surplus, others	Accumulated deficit				
	\$ 3,043,358	\$ 7,532,828	\$ 95,289	\$ 105,148	\$ 876	(\$ 115,540)	(\$ 17)	\$ 64,922	(\$ 43,986)	\$ 10,682,878
	-	-	-	-	-	(509,265)	-	-	-	(509,265)
6(7)	-	-	-	-	-	-	171	12,687	-	12,858
	-	-	-	-	-	(509,265)	171	12,687	-	(496,407)
6(17)	-	(114,664)	-	-	(876)	115,540	-	-	-	-
6(14)	-	-	66,651	-	-	-	-	-	22,897	89,548
6(14)(15)	6,370	22,741	(9,288)	-	-	-	-	-	-	19,823
6(14)(15)	59	-	-	602	-	-	-	-	(661)	-
6(14)(15)	(790)	-	-	790	-	-	-	-	-	-
	-	15,027	-	(15,027)	-	-	-	-	-	-
	\$ 3,048,997	\$ 7,455,932	\$ 152,652	\$ 91,513	\$ -	(\$ 509,265)	\$ 154	\$ 77,609	(\$ 21,750)	\$ 10,295,842
	\$ 3,060,516	\$ 7,515,052	\$ 167,500	\$ 145,854	\$ 1,810	(\$ 915,208)	\$ 162	\$ 110,861	(\$ 69,084)	\$ 10,017,463
	-	-	-	-	-	(580,750)	-	-	-	(580,750)
6(7)	-	-	-	-	-	-	288	(86,155)	-	(85,867)
	-	-	-	-	-	(580,750)	288	(86,155)	-	(666,617)
6(17)	-	(913,398)	-	-	(1,810)	915,208	-	-	-	-
6(14)	-	-	45,931	-	-	-	-	-	15,771	61,702
6(14)(15)	4,747	19,203	(7,746)	-	-	-	-	-	-	16,204
6(14)	-	-	(8,448)	-	8,448	-	-	-	-	-
6(14)(15)	(7,104)	-	-	(34,096)	-	-	-	-	41,200	-
	-	31,626	-	(31,626)	-	-	-	-	-	-
	\$ 3,058,159	\$ 6,652,483	\$ 197,237	\$ 80,132	\$ 8,448	(\$ 580,750)	\$ 450	\$ 24,706	(\$ 12,113)	\$ 9,428,752

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

EIRGENIX INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(\$ 579,457)	(\$ 508,138)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(23)	216,410	163,753
Amortization	6(10)(23)	6,470	9,357
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(21)	(4,009)	(2,243)
Interest expense	6(22)	4,859	7,805
Interest income	6(19)	(104,674)	(98,745)
Dividend income	6(20)	(246)	-
Compensation costs of share-based payments	6(14)(23)	61,702	89,548
Expected credit impairment loss	12(2)	64,894	-
(Gain) loss on lease modification	6(9)(21)	(4)	383
Gain on disposal of property, plant and equipment	6(21)	(1)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		(19,286)	27,544
Notes receivable, net		(17)	-
Accounts receivable, net		130,152	(3,096)
Accounts receivable, net - related parties		2,321	(1,802)
Other receivables		8,926	14,093
Inventories		144,157	(156,017)
Prepayments		(167,271)	(12,715)
Changes in operating liabilities			
Contract liabilities		(19,518)	(106,880)
Accounts payable		(40,767)	(71,453)
Accounts payable - related parties		86	-
Other payables		(14,925)	(15,943)
Other payables - related parties		(1,853)	(5,327)
Other current liabilities		190	(96)
Cash outflow generated from operations		(311,861)	(669,972)
Interest received		105,685	94,931
Interest paid		(11,003)	(7,801)
Dividends received		246	-
Income tax received		4,834	1,128
Income tax paid		(11,729)	(9,543)
Net cash flows used in operating activities		(223,828)	(591,257)

(Continued)

EIRGENIX INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30 2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income	12(3)	(\$ 30,000)	(\$ 623)
Acquisition of financial assets at amortised cost		(648,142)	(2,200,000)
Acquisition of property, plant and equipment	6(8)(26)	(514,934)	(456,090)
Proceeds from disposal of property, plant and equipment		15	-
Acquisition of intangible assets	6(10)(26)	(4,856)	(11,553)
(Increase) decrease in refundable deposits (shown as other non-current assets)		(633)	56,450
Decrease in prepayments for investments (shown as other non-current assets)		31,270	-
Increase in prepayments for business facilities (shown as other non-current assets)	6(8)	(78,322)	-
Decrease (increase) in other non-current assets		44	(56,887)
Net cash flows used in investing activities		(1,245,558)	(2,668,703)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from long-term borrowings	6(27)	444,887	-
Repayments of lease principal	6(27)	(23,582)	(21,717)
Increase in guarantee deposits received (shown as other non-current liabilities)		414	-
Decrease in guarantee deposits received (shown as other non-current liabilities)	6(27)	-	(288)
Employee stock options exercised		16,204	19,823
Net cash flows from (used in) financing activities		437,923	(2,182)
Effect of exchange rate		1,462	223
Net decrease in cash and cash equivalents		(1,030,001)	(3,261,919)
Cash and cash equivalents at beginning of period		5,053,183	6,126,885
Cash and cash equivalents at end of period		\$ 4,023,182	\$ 2,864,966

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

EIRGENIX INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

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

1. History and Organization

(1) EirGenix, Inc. (hereinafter referred to as 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.) in December 2012. In April 2013, the Company obtained all key technologies from the biopharmaceutical pilot plant originally owned by the Development Center for Biotechnology, including its complete core competencies. The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are primarily engaged in the research and development of biosimilars and new drugs, as well as biopharmaceutical contract development and manufacturing services, which included cell line construction platforms, process development platforms, analytical science and protein identification. Furthermore, the Group has two PIC/S GMP facilities certified by the Taiwan Food and Drug Administration (TFDA), one for mammalian cells and one for microbial, to provide clinical trial drug and commercial drug production.

(2) The shares of the Company have been listed on the Taipei Exchange since June 28, 2019.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on November 12, 2024.

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 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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
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.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	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.

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, 2023, except for the compliance statement, basis of preparation and basis of consolidation 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, 2023.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		
			September 30, 2024	December 31, 2023	September 30, 2023
The Company	EirGenix Europe GmbH	Biopharmaceutical research and development as well as business development	100	100	100
The Company	EirGenix USA Inc. (Note)	Biopharmaceutical commissioned development, manufacturing services and consulting	100	100	-

Note: EirGenix USA Inc. is a subsidiary that was established in November 2023.

- 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) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Income tax

A. 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.

B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There was no significant change in the reporting period. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash on hand and petty cash	\$ 61	\$ 61	\$ 61
Demand deposits	377,996	448,160	249,865
Time deposits	<u>3,645,125</u>	<u>4,604,962</u>	<u>2,615,040</u>
	<u>\$ 4,023,182</u>	<u>\$ 5,053,183</u>	<u>\$ 2,864,966</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

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

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Profit-sharing investment in new drug development	\$ 58,390	\$ 58,390	\$ 58,390
Limited partnership venture capital	35,000	20,000	20,000
	93,390	78,390	78,390
Valuation adjustment	5,917	1,908	5,273
	<u>\$ 99,307</u>	<u>\$ 80,298</u>	<u>\$ 83,663</u>

A. The Group recognised net gains amounting to (\$904), \$2,061, \$4,009 and \$2,243 on financial assets at fair value through profit or loss for the three months and nine months ended September 30, 2024 and 2023, respectively.

B. On April 18, 2022, the Group entered into a new drug development profit-sharing agreement for TSY-0110 (EG12043) (the “Product”) with FORMOSA PHARMACEUTICALS, INC. to replace the original development and manufacturing related cooperation agreement. Raw materials for the product development stage were provided by the Group at a reasonable market price, and FORMOSA PHARMACEUTICALS, INC. was responsible for the research and development of the product, and the implementation of the production and manufacturing of the product after completing the development of the product. Either party may commercialize the product in the global market, and each party is entitled to receive 50% licensing interest in any future revenue or interest derived from the development and commercialization of the product. Under the agreement, the Group paid a consideration amounting to US\$30,000 thousand for the licensing interest, which will be paid in accordance with the agreement and the development schedule. As of September 30, 2024, the Group has paid US\$2,000 thousand.

(3) Financial assets at amortised cost

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
Time deposits (Note)	<u>\$ 1,100,000</u>	<u>\$ 500,000</u>	<u>\$ 3,200,000</u>
Non-current items:			
Government bonds	\$ 31,533	\$ 31,930	\$ 32,063
Pledged time deposits	9,090	8,790	8,671
Private placement corporate bonds	<u>47,475</u>	<u>-</u>	<u>-</u>
	<u>\$ 88,098</u>	<u>\$ 40,720</u>	<u>\$ 40,734</u>

Note: The time deposits have a maturity ranging from three months to one year.

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

	<u>Three months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Interest income	<u>\$ 3,978</u>	<u>\$ 11,042</u>
	<u>Nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Interest income	<u>\$ 7,795</u>	<u>\$ 19,329</u>

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

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits and government bonds are financial institutions and governments with high credit quality, and the issuers and the guarantors of the private placement corporate bonds are international financial groups with optimal credit ratings. Thus, the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes receivable	\$ 36	\$ 19	\$ -
Less: Allowance for uncollectible accounts	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 36</u>	<u>\$ 19</u>	<u>\$ -</u>
Accounts receivable	\$ 123,238	\$ 253,687	\$ 36,175
Less: Allowance for uncollectible accounts	<u>(50,821)</u>	<u>(297)</u>	<u>(297)</u>
	<u>\$ 72,417</u>	<u>\$ 253,390</u>	<u>\$ 35,878</u>

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

	<u>September 30, 2024</u>		<u>December 31, 2023</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 36	\$ 32,036	\$ 19	\$ 176,990
Up to 30 days past due	-	60,449	-	76,400
31 to 90 days past due	-	4,696	-	-
91 to 180 days past due	-	26,057	-	-
Over 181 days past due	<u>-</u>	<u>-</u>	<u>-</u>	<u>297</u>
	<u>\$ 36</u>	<u>\$ 123,238</u>	<u>\$ 19</u>	<u>\$ 253,687</u>

	<u>September 30, 2023</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not past due	\$ -	\$ 26,261
Up to 30 days past due	-	5,158
31 to 90 days past due	-	4,459
91 to 180 days past due	-	-
Over 181 days past due	<u>-</u>	<u>297</u>
	<u>\$ -</u>	<u>\$ 36,175</u>

The above ageing analysis was based on past due date.

B. As of September 30, 2024, December 31, 2023 and September 30, 2023, notes receivable and accounts receivable (including related parties) were all from contracts with customers. Also, as of January 1, 2023, the balance of receivables from contracts with customers amounted to \$32,782.

C. For the three months and nine months ended September 30, 2024 and 2023, the interest income recognised in profit or loss amounted to \$0, \$0, \$251 and \$0, respectively.

D. As at September 30, 2024, December 31, 2023 and September 30, 2023, 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 notes and accounts receivable (including related parties) held by the Group was \$72,768, \$256,045 and \$37,680, respectively.

E. The Group did not hold any collateral.

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

(5) Inventories

September 30, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 385,587	(\$ 69,372)	\$ 316,215
Work in progress	62,161	-	62,161
Finished goods	158,805	(1,255)	157,550
Merchandise inventory	554	-	554
	<u>\$ 607,107</u>	<u>(\$ 70,627)</u>	<u>\$ 536,480</u>
December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 426,217	(\$ 51,483)	\$ 374,734
Work in progress	127,143	-	127,143
Finished goods	178,690	(165)	178,525
Merchandise inventory	235	-	235
	<u>\$ 732,285</u>	<u>(\$ 51,648)</u>	<u>\$ 680,637</u>
September 30, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 567,189	(\$ 49,766)	\$ 517,423
Work in progress	143,412	-	143,412
Finished goods	234,334	-	234,334
Merchandise inventory	311	-	311
	<u>\$ 945,246</u>	<u>(\$ 49,766)</u>	<u>\$ 895,480</u>

The cost of inventories recognised as expense for the period:

	Three months ended September 30,	
	2024	2023
Cost of goods used	\$ 70,857	\$ 37,482
Cost of goods sold	49,689	807
Loss on decline in market value	4,767	10,425
	<u>\$ 125,313</u>	<u>\$ 48,714</u>
	Nine months ended September 30,	
	2024	2023
Cost of goods used	\$ 158,199	\$ 76,969
Cost of goods sold	177,485	46,346
Loss on decline in market value	18,979	31,439
	<u>\$ 354,663</u>	<u>\$ 154,754</u>

(6) Prepayments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Office supplies	\$ -	\$ -	\$ 7,565
Prepayments for contracted research expense	194,448	17,151	28,977
Excess business tax paid (or Net Input VAT)	18,109	24,454	31,292
Prepayments to suppliers	22,636	26,187	36,221
Other prepaid expenses	25,880	26,010	32,102
	<u>\$ 261,073</u>	<u>\$ 93,802</u>	<u>\$ 136,157</u>

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

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Non-current items:			
Equity instruments			
Emerging and unlisted stocks	\$ 245,026	\$ 215,026	\$ 215,026
Valuation adjustment	24,706	110,861	77,609
	<u>\$ 269,732</u>	<u>\$ 325,887</u>	<u>\$ 292,635</u>

A. The Group has elected to classify shares that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$269,732, \$325,887 and \$292,635 as at September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended September 30,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income (loss)	(\$ 29,840)	\$ 7,110
	Nine months ended September 30,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income (loss)	(\$ 86,155)	\$ 12,687

(8) Property, plant and equipment

2024

	Machinery and equipment	Office equipment	Buildings and structures	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total	Prepayments for business facilities (shown as other non-current assets)
At January 1								
Cost	\$ 1,301,038	\$ 80,678	\$ 1,978,099	\$ 47,320	\$ 37,142	\$ 681,732	\$ 4,126,009	\$ 14,489
Accumulated depreciation	(410,365)	(38,372)	(307,474)	(16,951)	(15,162)	-	(788,324)	-
	<u>\$ 890,673</u>	<u>\$ 42,306</u>	<u>\$ 1,670,625</u>	<u>\$ 30,369</u>	<u>\$ 21,980</u>	<u>\$ 681,732</u>	<u>\$ 3,337,685</u>	<u>\$ 14,489</u>
Opening net book amount as at January 1	\$ 890,673	\$ 42,306	\$ 1,670,625	\$ 30,369	\$ 21,980	\$ 681,732	\$ 3,337,685	\$ 14,489
Additions	70,219	1,265	2,913	3,879	1,805	277,217	357,298	78,322
Reclassifications	108,896	-	4,420	5,374	-	(118,690)	-	-
Transfers from other non- current assets	16,331	-	-	237	-	29,570	46,138	(46,138)
Sold during the period	- (14)	-	-	-	-	- (14)	-	-
Depreciation expense	(97,616)	(7,605)	(80,494)	(3,991)	(4,197)	-	(193,903)	-
Net exchange differences	-	23	-	-	-	-	23	-
Closing net book amount as at September 30	<u>\$ 988,503</u>	<u>\$ 35,975</u>	<u>\$ 1,597,464</u>	<u>\$ 35,868</u>	<u>\$ 19,588</u>	<u>\$ 869,829</u>	<u>\$ 3,547,227</u>	<u>\$ 46,673</u>
At September 30								
Cost	\$ 1,474,946	\$ 81,159	\$ 1,985,431	\$ 54,890	\$ 38,426	\$ 869,829	\$ 4,504,681	\$ 46,673
Accumulated depreciation	(486,443)	(45,184)	(387,967)	(19,022)	(18,838)	-	(957,454)	-
	<u>\$ 988,503</u>	<u>\$ 35,975</u>	<u>\$ 1,597,464</u>	<u>\$ 35,868</u>	<u>\$ 19,588</u>	<u>\$ 869,829</u>	<u>\$ 3,547,227</u>	<u>\$ 46,673</u>

2023

	Machinery and equipment	Office equipment	Buildings and structures	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total	Prepayments for business facilities (shown as other non-current assets)
At January 1								
Cost	\$ 978,923	\$ 75,921	\$ 1,434,479	\$ 45,596	\$ 32,925	\$ 642,864	\$ 3,210,708	\$ 98,273
Accumulated depreciation	(317,142)	(30,726)	(229,062)	(12,142)	(12,788)	-	(601,860)	-
	<u>\$ 661,781</u>	<u>\$ 45,195</u>	<u>\$ 1,205,417</u>	<u>\$ 33,454</u>	<u>\$ 20,137</u>	<u>\$ 642,864</u>	<u>\$ 2,608,848</u>	<u>\$ 98,273</u>
Opening net book amount as at January 1	\$ 661,781	\$ 45,195	\$ 1,205,417	\$ 33,454	\$ 20,137	\$ 642,864	\$ 2,608,848	\$ 98,273
Additions	58,166	3,285	14,615	1,665	4,837	380,482	463,050	56,965
Reclassifications	51,969	-	8,472	-	-	(60,441)	-	-
Transfers from other non- current assets	23,911	-	-	59	1,294	92,390	117,654	(117,654)
Depreciation expense	(71,783)	(6,938)	(54,470)	(3,577)	(3,832)	-	(140,600)	-
Net exchange differences	-	29	-	-	-	-	29	-
Closing net book amount as at September 30	<u>\$ 724,044</u>	<u>\$ 41,571</u>	<u>\$ 1,174,034</u>	<u>\$ 31,601</u>	<u>\$ 22,436</u>	<u>\$ 1,055,295</u>	<u>\$ 3,048,981</u>	<u>\$ 37,584</u>
At September 30								
Cost	\$ 1,107,597	\$ 77,656	\$ 1,457,566	\$ 47,320	\$ 36,211	\$ 1,055,295	\$ 3,781,645	\$ 37,854
Accumulated depreciation	(383,553)	(36,085)	(283,532)	(15,719)	(13,775)	-	(732,664)	-
	<u>\$ 724,044</u>	<u>\$ 41,571</u>	<u>\$ 1,174,034</u>	<u>\$ 31,601</u>	<u>\$ 22,436</u>	<u>\$ 1,055,295</u>	<u>\$ 3,048,981</u>	<u>\$ 37,854</u>

- A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Three months ended September 30,	
	2024	2023
Amount capitalised	\$ 2,789	\$ -
Range of the interest rates for capitalisation	1.72%~2.075%	-
	Nine months ended September 30,	
	2024	2023
Amount capitalised	\$ 5,957	\$ -
Range of the interest rates for capitalisation	1.72%~2.075%	-

- B. Details of the amount of depreciation charge of right-of-use assets and interest expense on lease liabilities capitalised as property, plant and equipment are provided in Note 6(9).

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

(9) Leasing arrangements - lessee

- A. The Group leases various assets including land, buildings, machinery and equipment, multifunction printers and business vehicles. Rental contracts are typically made for periods of 1 to 20 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. Short-term leases with a lease term of 12 months or less comprise certain offices, dormitories, business vehicles and warehouses. Low-value assets comprise multifunction printers.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 193,223	\$ 187,939	\$ 191,429
Buildings	66,157	73,893	76,328
Machinery and equipment	62,451	65,921	67,259
Transportation equipment (Business vehicles)	429	967	1,371
Office equipment (Multifunction printers)	3,039	516	641
	<u>\$ 325,299</u>	<u>\$ 329,236</u>	<u>\$ 337,028</u>

		Three months ended September 30,	
		2024	2023
		Depreciation expense	Depreciation expense
Land	\$	3,998	\$ 3,655
Buildings		2,578	2,567
Machinery and equipment		1,157	1,160
Transportation equipment (Business vehicles)		221	404
Office equipment (Multifunction printers)		189	125
		<u>8,143</u>	<u>7,911</u>
Less: Capitalisation of depreciation charges	(695)	-
	\$	<u>7,448</u>	<u>\$ 7,911</u>
		Nine months ended September 30,	
		2024	2023
		Depreciation expense	Depreciation expense
Land	\$	11,994	\$ 10,965
Buildings		7,736	7,703
Machinery and equipment		3,470	2,898
Transportation equipment (Business vehicles)		827	1,212
Office equipment (Multifunction printers)		567	375
		<u>24,594</u>	<u>23,153</u>
Less: Capitalisation of depreciation charges	(2,087)	-
	\$	<u>22,507</u>	<u>\$ 23,153</u>

D. For the nine months ended September 30, 2024 and 2023, the additions to right-of-use assets were \$20,718 and \$34,851, respectively.

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

		Three months ended September 30,	
		2024	2023
<u>Items affecting profit or loss</u>			
Interest expense on lease liabilities	\$	1,773	\$ 2,042
Expense on short-term lease contracts		3,199	7,256
Expense on leases of low-value assets		-	75
Capitalisation of depreciation charges on right-of-use assets		695	-
Capitalisation of interest expense on lease liabilities		187	-
		Nine months ended September 30,	
		2024	2023
<u>Items affecting profit or loss</u>			
Interest expense on lease liabilities	\$	5,431	\$ 6,086
Expense on short-term lease contracts		9,092	21,934
Expense on leases of low-value assets		-	226
Capitalisation of depreciation charges on right-of-use assets		2,087	-
Capitalisation of interest expense on lease liabilities		572	-
(Gain) loss on lease modification	(4)	383

F. For the nine months ended September 30, 2024 and 2023, the Group's total cash outflow for leases were \$38,105 and \$49,963, respectively.

(10) Intangible assets

	2024		
	Software	Professional expertise	Total
At January 1			
Cost	\$ 49,190	\$ 116,112	\$ 165,302
Accumulated amortisation	(28,807)	(108,226)	(137,033)
	<u>\$ 20,383</u>	<u>\$ 7,886</u>	<u>\$ 28,269</u>
Opening net book amount as at January 1	\$ 20,383	\$ 7,886	\$ 28,269
Additions	881	514	1,395
Amortisation expense	(5,731)	(739)	(6,470)
Closing net book amount as at September 30	<u>\$ 15,533</u>	<u>\$ 7,661</u>	<u>\$ 23,194</u>
At September 30			
Cost	\$ 50,071	\$ 116,626	\$ 166,697
Accumulated amortisation	(34,538)	(108,965)	(143,503)
	<u>\$ 15,533</u>	<u>\$ 7,661</u>	<u>\$ 23,194</u>
	2023		
	Software	Professional expertise	Total
At January 1			
Cost	\$ 45,851	\$ 107,953	\$ 153,804
Accumulated amortisation	(21,678)	(104,059)	(125,737)
	<u>\$ 24,173</u>	<u>\$ 3,894</u>	<u>\$ 28,067</u>
Opening net book amount as at January 1	\$ 24,173	\$ 3,894	\$ 28,067
Additions	141	8,158	8,299
Amortisation expense	(5,430)	(3,927)	(9,357)
Closing net book amount as at September 30	<u>\$ 18,884</u>	<u>\$ 8,125</u>	<u>\$ 27,009</u>
At September 30			
Cost	\$ 45,992	\$ 116,111	\$ 162,103
Accumulated amortisation	(27,108)	(107,986)	(135,094)
	<u>\$ 18,884</u>	<u>\$ 8,125</u>	<u>\$ 27,009</u>

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

	Three months ended September 30,	
	2024	2023
Operating costs	\$ 926	\$ 695
General and administrative expenses	286	298
Research and development expenses	916	849
Sales and marketing expenses	27	26
	<u>\$ 2,155</u>	<u>\$ 1,868</u>
	Nine months ended September 30,	
	2024	2023
Operating costs	\$ 3,311	\$ 4,787
General and administrative expenses	859	896
Research and development expenses	2,220	3,594
Sales and marketing expenses	80	80
	<u>\$ 6,470</u>	<u>\$ 9,357</u>

B. The basic information of the professional expertise that is material to the Group is as follows:

- (a) In April 2013, the Group acquired professional expertise, including cell line establishment, process development, process optimisation, analytical method development and validation, product qualification, GMP manufacturing and stability test, etc., amounting to \$92,483 from the Development Center for Biotechnology - cGMP biopharmaceutical pilot plant facility.
- (b) In July 2013, the Group acquired professional expertise of Herceptin from FORMOSA PHARMACEUTICALS, INC. amounting to \$7,143.
- (c) In July 2013, the Group acquired commercial authorisation of recombinant protein cell line from Life Technologies Corporation amounting to \$7,485.
- (d) In September 2023, the Group obtained an authorisation from American Type Culture Collection for the detection of cancer cell lines with a total price of \$8,159, which can be applied on the commercial implementation of the marketing and manufacturing of subsequent cancer drug products.

(11) Other payables

	September 30, 2024	December 31, 2023	September 30, 2023
Payable on construction and equipment	\$ 119,708	\$ 285,960	\$ 165,188
Salary and bonus payable	117,497	99,260	116,327
Service expense payable	31,538	44,882	25,957
Payable on consumables	10,640	18,604	22,439
Payable on repairs and maintenance expense	26,184	28,856	24,016
Others	44,362	52,737	44,481
	<u>\$ 349,929</u>	<u>\$ 530,299</u>	<u>\$ 398,408</u>

(12) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2024
Long-term bank borrowings				
Credit borrowings	Borrowing period is from February 15, 2022 to February 15, 2027; interest is payable monthly; principal is payable on the 15th of every month from March 2025.	1.8500%~2.0750%	None	\$ 39,560
"	Borrowing period is from June 30, 2022 to February 15, 2027; interest is payable monthly; principal is payable on the 15th of every month from March 2025.	1.8500%~2.0750%	"	80,900
"	Borrowing period is from March 25, 2024 to February 15, 2027; interest is payable monthly; principal is payable on the 15th of every month from March 2025.	1.8500%~2.0750%	"	373,050
Secured borrowings	Borrowing period is from July 15, 2024 to June 15, 2034; interest is payable monthly; principal is payable on the 15th of every month from June 2027.	1.7200%	Buildings and structures	
				<u>71,837</u>
				565,347
Less: Current portion				(143,940)
				<u>\$ 421,407</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Credit borrowings	Borrowing period is from February 15, 2022 to February 15, 2027; interest is payable monthly; principal is payable on the 15th of every month from March 2025.	1.7250%~1.9500%	None	\$ 39,560
"	Borrowing period is from June 30, 2022 to February 15, 2027; interest is payable monthly; principal is payable on the 15th of every month from March 2025.	1.7250%~1.9500%	"	
				80,900
				<u>\$ 120,460</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2023
Long-term bank borrowings				
Credit borrowings	Borrowing period is from February 15, 2022 to February 15, 2027; interest is payable monthly; principal is payable on the 15th of every month from March 2025.	1.7250%~1.9500%	None	\$ 39,560
"	Borrowing period is from June 30, 2022 to February 15, 2027; interest is payable monthly; principal is payable on the 15th of every month from March 2025.	1.7250%~1.9500%	"	
				80,900
				<u>\$ 120,460</u>

- A. Information on the Group's undrawn borrowing facilities is provided in Note 12(2) C.
- B. On December 23, 2021, the Company entered into a \$714,000 loan agreement with Hua Nan Commercial Bank Ltd. and the government will subsidize 0.5% handling fee of the bank for the Company's compliance with the "Action Plan for Accelerated Investment by Domestic Corporations".
- C. On June 27, 2024, the Company entered into a \$1,974,000 loan agreement with Taiwan Business Bank and the government will subsidize 0.5% handling fee of the bank for the Company's compliance with the "Action Plan for Accelerated Investment by Domestic Corporations".
- D. Information about assets pledged as collateral for long-term borrowings is provided in Note 8.

(13) 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 not lower than 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. EirGenix Europe GmbH contributed pension under local regulations.
- C. The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2024 and 2023 were \$5,353, \$5,225, \$15,769 and \$15,838, respectively.

(14) Share-based payment

- A. For the nine months ended September 30, 2024 and 2023, the Group’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Contract period	Vesting conditions
Employee stock options - B	2015. 07. 01	1,270	10 years	1 to 4 years’ service
"	2015. 07. 01	130	"	"
"	2015. 07. 06	250	"	"
"	2016. 01. 01	270	"	"
Employee stock options - C	2016. 05. 05	100	10 years	2 to 4 years’ service
Employee stock options - D	2016. 10. 12	515	10 years	2 to 4 years’ service
"	2016. 12. 29	85	"	"
Employee stock options - E	2017. 08. 08	395	10 years	2 to 4 years’ service
"	2017. 12. 27	570	"	"
"	2018. 03. 23	175	"	"
Employee stock options - F	2019. 01. 25	520	10 years	2 to 4 years’ service
"	2019. 05. 13	285	"	"
Restricted stocks to employees - A	2016. 11. 18	1,660	N/A	Conditions of service years and performance
"	2017. 08. 08	257	"	"

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Contract period	Vesting conditions
Employee stock options - G	2019. 11. 12	960	10 years	2 to 4 years' service
"	2020. 04. 15	775	"	"
"	2020. 08. 12	205	"	"
Restricted stocks to employees - B	2020. 05. 13	455	N/A	0.25 to 3 years' service
"	2020. 12. 10	144	"	"
Restricted stocks to employees - D	2020. 08. 14	905	N/A	Performance conditions
"	2020. 12. 10	94	"	"
Employee stock options - H	2020. 12. 23	830	10 years	2 to 4 years' service
"	2021. 05. 12	315	"	"
"	2021. 08. 12	505	"	"
"	2021. 10. 01	1,185	"	"
Restricted stocks to employees - E	2021. 10. 15	613	N/A	Performance conditions
"	2022. 01. 10	184	"	"
"	2022. 09. 08	190	"	"
Restricted stocks to employees - F	2021. 10. 15	340	N/A	Performance conditions
Employee stock options - I	2022. 03. 22	160	10 years	2 to 4 years' service
"	2022. 05. 12	225	"	"
"	2022. 08. 11	685	"	"
"	2022. 09. 08	510	"	"
Restricted stocks to employees - G	2022. 09. 08	63	N/A	Performance conditions
"	2022. 11. 08	195	"	"
"	2023. 03. 10	6	"	"
"	2023. 11. 09	325	"	"
Employee stock options - J	2022. 11. 08	615	10 years	2 to 4 years' service
"	2023. 03. 10	1,105	"	"
"	2023. 05. 10	255	"	"
"	2023. 08. 08	225	"	"
"	2023. 12. 22	270	"	"
"	2024. 05. 09	225	"	"
Restricted stocks to employees - H	2023. 11. 09	826	N/A	Performance conditions
Restricted stocks to employees - I	2023. 12. 22	26	N/A	Performance conditions

- (a) The restricted stocks issued by the Group cannot be transferred during the vesting period, but voting right and dividend right are not restricted on these stocks. If employees resign during the vesting period, they are considered not meeting the vesting condition from the date of resignation and the Group will redeem and retire those stocks at the initial issuance price, but employees are not required to return the dividends received.
- (b) The above-mentioned share-based payment arrangements are equity-settled.
- B. Details of the share-based payment arrangements are as follows:

(a) Employee stock options

	2024		2023	
	No. of options (shares in thousands)	Weighted- average exercise price (in dollars)	No. of options (shares in thousands)	Weighted- average exercise price (in dollars)
Options outstanding at January 1	5,900	\$15~146.4	5,666	\$15~146.4
Options granted	225	80.0	1,585	101.5~120
Options forfeited	(713)	42.1~146.4	(693)	25.2~146.4
Options exercised	(474)	15~71.6	(637)	15~51.2
Options expired	(122)	71.6~146.4	-	-
Options outstanding at September 30	<u>4,816</u>	\$15~146.4	<u>5,921</u>	\$15~146.4
Options exercisable at September 30	<u>1,858</u>		<u>1,074</u>	

(b) Restricted stocks to employees

	2024	2023
	(shares in thousands)	(shares in thousands)
Stocks outstanding at January 1	2,393	2,571
Stocks granted	-	6
Stocks vested	(374)	(440)
Stocks retired	(711)	(79)
Stocks outstanding at September 30	<u>1,308</u>	<u>2,058</u>

- C. The weighted-average stock prices of stock options at exercise dates for the nine months ended September 30, 2024 and 2023 were \$89.5 (in dollars) and \$111.6 (in dollars), respectively.

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

			<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>			
Type of arrangement	Issue date approved	Expiry date	No.of shares (shares in thousands)	Exercise price (in dollars)	No.of shares (shares in thousands)	Exercise price (in dollars)	No.of shares (shares in thousands)	Exercise price (in dollars)
Employee stock options-B	2015.07.01	2025.06.30	48	\$ 15	50	\$ 15	50	\$ 15
"	2015.07.01	2025.06.30	5	20	5	20	5	20
"	2015.07.06	2025.07.05	10	20	15	20	15	20
"	2016.01.01	2025.12.31	25	20	25	20	25	20
Employee stock options-C	2016.05.05	2026.05.04	10	29.2	10	29.2	10	29.2
Employee stock options-D	2016.10.12	2026.10.11	150	29.2	150	29.2	150	29.2
"	2016.12.29	2026.12.28	15	37.5	15	37.5	15	37.5
Employee stock options-E	2017.08.08	2027.08.07	-	-	4	29.2	4	29.2
"	2017.12.27	2027.12.26	37	25	79	25	79	25
"	2018.03.23	2028.03.22	8	23.5	48	23.5	48	23.5
Employee stock options-F	2019.01.25	2029.01.24	19	28.7	34	28.7	57	28.7
"	2019.05.13	2029.05.12	80	34.3	94	34.3	129	34.3
Employee stock options-G	2019.11.12	2029.11.11	84	25.2	207	25.2	235	25.2
"	2020.04.15	2030.04.14	32	28.8	89	28.8	95	28.8
"	2020.08.12	2030.08.11	47	51.2	79	51.2	90	51.2
Employee stock options-H	2020.12.23	2030.12.22	203	42.1	341	42.1	349	42.1
"	2021.05.12	2031.05.11	200	146.4	215	146.4	215	146.4
"	2021.08.12	2031.08.11	250	128.4	250	128.4	260	128.4
"	2021.10.01	2031.09.30	645	117.5	835	117.5	885	117.5

			September 30, 2024	December 31, 2023	September 30, 2023			
Type of arrangement	Issue date approved	Expiry date	No.of shares (shares in thousands)	Exercise price (in dollars)	No.of shares (shares in thousands)	Exercise price (in dollars)	No.of shares (shares in thousands)	Exercise price (in dollars)
Employee stock options-I	2022.03.22	2032.03.21	55	\$ 93.5	80	\$ 93.5	80	\$ 93.5
"	2022.05.12	2032.05.11	113	71.6	195	71.6	195	71.6
"	2022.08.11	2032.08.10	425	85.9	440	85.9	465	85.9
"	2022.09.08	2032.09.07	295	118.5	345	118.5	390	118.5
Employee stock options-J	2022.11.08	2032.11.07	405	103.5	510	103.5	545	103.5
"	2023.03.10	2033.03.09	870	111.5	1,035	111.5	1,050	111.5
"	2023.05.10	2033.05.09	205	120	255	120	255	120
"	2023.08.08	2033.08.07	190	101.5	225	101.5	225	101.5
"	2023.12.22	2033.12.21	215	100.5	270	100.5	-	-
"	2024.05.09	2034.05.08	175	80	-	-	-	-

E. The fair value of stock options granted is measured using the Black-Scholes option-pricing model to estimate the fair value of employee stock options, cash capital increase reserved for employee preemption and restricted stocks to employees. Relevant information is as follows:

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options - B	2015.07.01	1,270	\$ 14.88	\$ 15	36.58~ 37.13%	5.5 ~ 7 years	1.15~ 1.35%	\$5.22 ~ 6.01
"	2015.07.01	130	14.88	20	36.58~ 37.13%	5.5 ~ 7 years	1.15~ 1.35%	3.83~ 4.69
"	2015.07.06	250	14.60	20	37.09~ 37.64%	5.5 ~ 7 years	1.15~ 1.35%	3.75~ 4.60
"	2016.01.01	270	16.03	20	40.11~ 40.30%	5.5 ~ 7 years	0.79~ 0.90%	4.91~ 5.76
Employee stock options - C	2016.05.05	100	13.27	29.2	40.75~ 40.91%	6 ~ 7 years	0.70~ 0.77%	1.86 ~ 2.30
Employee stock options - D	2016.10.12	515	21.42	29.2	39.82~ 39.91%	6 ~ 7 years	0.71~ 0.75%	5.19~ 5.93
"	2016.12.29	85	20.40	37.5	39.39~ 39.48%	6 ~ 7 years	1.16~ 1.20%	3.49~ 4.18

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options - E	2017.08.08	395	\$ 18.75	\$ 29.2	38.13~ 38.22%	6 ~ 7 years	0.82~ 0.88%	\$3.64~ 4.23
"	2017.12.27	570	18.07	25	36.97~ 37.23%	6 ~ 7 years	0.74~ 0.80%	3.81~ 4.41
"	2018.03.23	175	19.16	23.5	36.87~ 37.17%	6 ~ 7 years	0.79~ 0.84%	4.71 ~ 5.38
Employee stock options - F	2019.01.25	520	21.96	28.7	36.03~ 36.90%	6 ~ 7 years	0.72~ 0.78%	4.85~ 5.74
"	2019.05.13	285	25.75	34.3	35.50~ 36.35%	6 ~ 7 years	0.64~ 0.67%	5.39 ~ 6.40
Restricted stocks to employees - A	2016.11.18	1,660	22.88	-	-	-	-	22.88
"	2017.08.08	257	19.61	-	-	-	-	19.61
Employee stock options - G	2019.11.12	960	29.05	25.2	26.38%	6 ~ 7 years	0.63~ 0.66%	7.77 ~ 8.42
"	2020.04.15	775	33.10	28.8	50.33%	6 ~ 7 years	0.47~ 0.49%	15.56 ~ 16.65
"	2020.08.12	205	57.80	51.2	64.08%	6 ~ 7 years	0.36~ 0.38%	33.07 ~ 35.18
Restricted stocks to employees - B	2020.05.13	455	46.85	-	-	-	-	46.85
"	2020.12.10	144	48.60	-	-	-	-	48.60
Restricted stocks to employees - D	2020.08.14	905	55.70	-	-	-	-	55.70
"	2020.12.10	94	48.60	-	-	-	-	48.60
Employee stock options - H	2020.12.23	830	47.55	42.1	61.28%	6 ~ 7 years	0.22~ 0.26%	26.15~ 27.88
"	2021.05.12	315	154.5	146.4	65.02%	6 ~ 7 years	0.31~ 0.35%	89.32~ 95.02
"	2021.08.12	505	135.5	128.4	67.02%	6 ~ 7 years	0.32~ 0.34%	80.24~ 85.25
"	2021.10.01	1,185	124.0	117.5	65.78%	6 ~ 7 years	0.34~ 0.38%	72.39~ 76.99
Restricted stocks to employees - E	2021.10.15	613	106.5	-	-	-	-	106.5
"	2022.01.10	184	108.5	-	-	-	-	108.5
"	2022.09.08	190	118.5	-	-	-	-	118.5
Restricted stocks to employees - F	2021.10.15	340	106.5	-	-	-	-	106.5
Employee stock options - I	2022.03.22	160	93.5	93.5	62.20%	6 ~ 7 years	0.86~ 0.87%	52.85~ 56.27
"	2022.05.12	225	71.6	71.6	61.32%	6 ~ 7 years	1.22~ 1.27%	40.37~ 43.04
"	2022.08.11	685	85.9	85.9	60.04%	6 ~ 7 years	1.10~ 1.14%	47.51~ 50.67
"	2022.09.08	510	118.5	118.5	60.29%	6 ~ 7 years	1.19~ 1.23%	65.9~ 70.28

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Restricted stocks to employees - G	2022.09.08	63	\$ 118.5	\$ -	-	-	-	\$118.5
"	2022.11.08	195	103.5	-	-	-	-	103.5
"	2023.03.10	6	111.5	-	-	-	-	111.5
"	2023.11.09	325	103.0	-	-	-	-	103.0
Employee stock options - J	2022.11.08	615	103.5	103.5	60.00%	6 ~ 7 years	1.63~1.70%	57.97~61.88
"	2023.03.10	1,105	111.5	111.5	59.15%	6 ~ 7 years	1.12~1.14%	60.98~65.04
"	2023.05.10	255	120.0	120.0	58.70%	6 ~ 7 years	1.07~1.09%	65.15~69.50
"	2023.08.08	225	101.5	101.5	57.40%	6 ~ 7 years	1.10~1.12%	54.18~57.84
"	2023.12.22	270	100.5	100.5	55.38%	6 ~ 7 years	1.18~1.19%	52.26~55.82
"	2024.05.09	225	80.0	80.0	53.68%	6 ~ 7 years	1.58~1.61%	41.06~43.93
Restricted stocks to employees - H	2023.11.09	826	103.0	-	-	-	-	103.0
Restricted stocks to employees - I	2023.12.22	26	100.5	-	-	-	-	100.5

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

	Three months ended September 30,	
	2024	2023
Employee stock options	\$ 14,842	\$ 20,350
Restricted stocks to employees	(4,558)	7,402
	<u>\$ 10,284</u>	<u>\$ 27,752</u>
	Nine months ended September 30,	
	2024	2023
Employee stock options	\$ 45,931	\$ 66,651
Restricted stocks to employees	15,771	22,897
	<u>\$ 61,702</u>	<u>\$ 89,548</u>

(15) Share capital

A. As of September 30, 2024, the Company's authorised capital was \$4,000,000, consisting of 400,000 thousand shares of ordinary share (including 12,000 thousand shares reserved for employee stock options, preferred shares with warrants or convertible bonds issued by the Company), and the paid-in capital was \$3,058,159 (including options exercised but not yet registered amounting to \$1,047), consisting of 305,815 thousand shares (including options exercised but not yet registered of 104 thousand shares) with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows (unit: shares in thousands):

	2024	2023
At January 1	306,052	304,336
Employee stock options exercised	474	637
Issuance of employee restricted stocks	-	6
Redemption of employee restricted stocks	(711)	(79)
At September 30	305,815	304,900

B. Regarding the abovementioned paid-in capital, due to the exercise of the Company's employee stock options, details of the registration for the changes that have not yet been completed as of September 30, 2024 and 2023 were as follows:

	Nine months ended September 30,			
	2024		2023	
	No. of shares (shares in thousands)	Amount	No. of shares (shares in thousands)	Amount
Share Capital:				
Employee Stock Options	104	\$ 1,047	-	\$ -

For the nine months ended September 30, 2024 and 2023, details of the exercise of the Company's employee stock options were provided in Note 6(14).

C. For the nine months ended September 30, 2024 and 2023, as employee restricted stocks distributed to certain employees did not meet the vesting conditions in accordance with the terms of restricted shares, the Company's Board of Directors resolved to repurchase and retire the employee restricted stocks amounting to 711 thousand and 79 thousand shares, respectively.

D. The shareholders during their meeting on August 3, 2021 resolved to issue 55,000 thousand ordinary shares through the private placement. The Board of Directors of the Company resolved the issuance price of \$91.5 (in dollars) and the total consideration of issuing

common stock was \$5,032,500 on October 1, 2021, and the effective date was set on October 15, 2021. The registration has been completed on December 13, 2021. 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 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.

- E. The shareholders during their meeting on June 10, 2022, resolved to issue the 1st restricted stocks to employees amounting to 850 thousand shares with no subscription price. On September 8, 2022, the Board of Directors of the Company resolved to issue restricted stocks to employees amounting to 63 thousand shares with the effective date set on September 8, 2022. On November 8, 2022, the Board of Directors of the Company resolved to issue restricted stocks to employees amounting to 195 thousand shares with the effective date set on November 8, 2022. On March 10, 2023, the Board of Directors resolved to issue restricted stocks to employees amounting to 6 thousand shares with the effective date set on March 10, 2023. On November 9, 2023, the Board of Directors of the Company resolved to issue restricted stocks to employees amounting to 325 thousand shares with the effective date set on November 9, 2023.
- F. The shareholders during their meeting on May 31, 2023 resolved to issue the 1st and 2nd restricted stocks to employees amounting to 805 thousand and 870 thousand shares with no subscription price, respectively. On November 9, 2023, the Board of Directors of the Company resolved to issue the 2nd restricted stocks to employees amounting to 826 thousand shares in 2023, with the effective date set on November 9, 2023. On December 22, 2023, the Board of Directors of the Company resolved to. issue the 1st restricted stocks to employees amounting to 26 thousand shares in 2023, with the effective date set on December 22, 2023.
- G. The shareholders during their meeting on May 31, 2023 adopted a resolution to raise cash capital through private placement. The maximum number of shares to be issued through the private placement is 30,000 thousand shares and the private placement may be made in three installments as authorised by the shareholders during their meeting. The private placement was in accordance with the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities. The Company's Board of Directors resolved not to execute the private placement on March 8, 2024.
- H. The shareholders during their meeting on May 30, 2024 resolved to issue the 1st restricted stocks to employees amounting to 1,400 thousand shares with no subscription price in 2024. The issuance of restricted stocks to employees is in accordance with the terms of restricted stocks to employees. As of September 30, 2024, the restricted stocks to employees have not yet been issued.

- I. The shareholders during their meeting on May 30, 2024 adopted a resolution to raise cash capital through private placement. The maximum number of shares to be issued through the private placement is 30,000 thousand shares and the private placement may be made in three installments as authorised by the shareholders during their meeting. The private placement was in accordance with the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities. As of September 30, 2024, the private placement has not yet been executed.

(16) 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.

(17) 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. After the provision or reversal of special reserve in accordance with laws or regulations, the appropriation of the remaining earnings along with the unappropriated earnings of prior years shall be proposed by the Board of Directors and resolved at shareholders' meetings.
- B. The Company's dividend policy is summarised below: The Board of Directors would consider the earnings situation of current year, capital and financial structure, future operating needs, retained earnings and legal reserve, as well as the market competition to propose the appropriation of earnings to the shareholders during their meetings for resolution, and cash dividends shall account for at least 10% of the total dividends distributed.
- C. On May 31, 2023, the shareholders at their meeting resolved the deficit compensation for the year ended December 31, 2022. The Company offset the accumulated deficit by capital surplus. Refer to the website of "Market Observation Post System" for information about earnings appropriation to offset deficit as proposed by the Board of Directors and resolved by the shareholders.
- D. On May 30, 2024, the shareholders at their meeting resolved the deficit compensation for the year ended December 31, 2023. The Company offset the accumulated deficit by capital surplus. Refer to the website of "Market Observation Post System" for information about earnings appropriation to offset against deficit as proposed by the Board of Directors and resolved by the shareholders.

E. As of September 30, 2024 and 2023, there was no earnings to be distributed.

(18) Operating revenue

	Three months ended September 30,	
	2024	2023
Revenue from contracts with customers	\$ 248,223	\$ 211,451
	Nine months ended September 30,	
	2024	2023
Revenue from contracts with customers	\$ 714,319	\$ 566,086

A. Disaggregation of revenue

The Group derives revenue from the transfer of services and authorization over time and goods at a point in time in the following major categories:

Three months ended September 30, 2024				
	Sales of authorisation and cooperative			
	Sales of services	development	Sales of goods	Total
Timing of revenue recognition				
At a point in time	\$ -	\$ -	\$ 905	\$ 905
Over time	136,449	7,390	103,479	247,318
	<u>\$ 136,449</u>	<u>\$ 7,390</u>	<u>\$ 104,384</u>	<u>\$ 248,223</u>
Three months ended September 30, 2023				
	Sales of authorisation and cooperative			
	Sales of services	development	Sales of goods	Total
Timing of revenue recognition				
At a point in time	\$ -	\$ -	\$ 1,151	\$ 1,151
Over time	164,236	7,480	38,584	210,300
	<u>\$ 164,236</u>	<u>\$ 7,480</u>	<u>\$ 39,735</u>	<u>\$ 211,451</u>

Nine months ended September 30, 2024				
	Sales of authorisation and cooperative			Total
	Sales of services	development	Sales of goods	
Timing of revenue recognition				
At a point in time	\$ -	\$ -	\$ 64,370	\$ 64,370
Over time	426,739	8,616	214,594	649,949
	<u>\$ 426,739</u>	<u>\$ 8,616</u>	<u>\$ 278,964</u>	<u>\$ 714,319</u>
Nine months ended September 30, 2023				
	Sales of authorisation and cooperative			Total
	Sales of services	development	Sales of goods	
Timing of revenue recognition				
At a point in time	\$ -	\$ -	\$ 121,766	\$ 121,766
Over time	371,868	30,657	41,795	444,320
	<u>\$ 371,868</u>	<u>\$ 30,657</u>	<u>\$ 163,561</u>	<u>\$ 566,086</u>

B. Contract assets and liabilities

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

	September 30, 2024	December 31, 2023
Current contract assets:		
Services	\$ 207,127	\$ 240,564
Sales	105,853	53,130
Less: Allowance for uncollectible accounts	(14,073)	-
	<u>\$ 298,907</u>	<u>\$ 293,694</u>
Current contract liabilities		
Services	\$ 30,837	\$ 41,739
Authorisation and cooperative development	6,411	15,027
	<u>\$ 37,248</u>	<u>\$ 56,766</u>

	September 30, 2023	January 1, 2023
Current contract assets:		
Services	\$ 206,855	\$ 213,981
Sales	-	20,418
	<u>\$ 206,855</u>	<u>\$ 234,399</u>
Current contract liabilities		
Services	\$ 28,161	\$ 104,384
Authorisation and cooperative development	15,434	46,091
	<u>\$ 43,595</u>	<u>\$ 150,475</u>

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period

Revenue recognised that was included in the contract liability balance at the beginning of the period	Three months ended September 30,	
	2024	2023
Services	\$ 638	\$ 23,394
Authorisation and cooperative development	7,390	7,480
	<u>\$ 8,028</u>	<u>\$ 30,874</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	Nine months ended September 30,	
	2024	2023
Services	\$ 33,667	\$ 100,066
Authorisation and cooperative development	8,616	30,657
	<u>\$ 42,283</u>	<u>\$ 130,723</u>

(c) Unfulfilled long-term contracts

Aggregate amount of the transaction price allocated to long-term technology service contracts, authorisation and cooperative development contracts that are partially or fully unsatisfied, and all of the milestone payment as at September 30, 2024 amounted to \$1,097,825. The management expects to recognise the amount in the future.

C. Details on authorisation and cooperative development revenue arising from providing drug development, commercialization service and authorising intellectual property rights of pharmaceutical products to the pharmaceutical factory are as follows:

In April 2019, the Group entered into an authorisation and cooperative development contract of EG12014 with Sandoz AG. The contract includes up-front payment, milestone payment at each stage and profit-sharing royalty on sales of products in the authorised markets in

proportion to the ratios specified in the contract. The contract is mainly for providing the biosimilars development and commercialisation services and authorising intellectual property rights to the customer in the authorised regions. As of September 30, 2024, the Group has received the aforementioned up-front payment and part of the milestone payment in accordance with the contract terms. The revenue of up-front payment and milestone payment achieved is recognised based on the satisfaction percentage during research and development period. If the drug was successfully launched, the supply price based on the supply terms and quantities, and the profit-sharing royalty calculated based on sales could also be collected. For the nine months ended September 30, 2024 and 2023, the Group recognised the revenue from authorisation and cooperative development contract amounting to \$8,616 and \$30,657, respectively.

The US Food and Drug Administration accepted the Sandoz AG's application for marketing review in February 2022. Sandoz AG received a complete response letter from the US Food and Drug Administration in December 2022. Within the complete response letter (CRL):

- (a) There were no clinical or safety or biosimilarity deficiencies cited in the CRL.
- (b) The CRL cites certain drug product deficiencies related to the manufacturing facility identified by the agency during a pre-license inspection of the site.

In January 2023, the Company received an EIR (Establishment Inspection Report) from the US Food and Drug Administration, which indicated that the Company's Zhubei plant had passed the US FDA's pre-marketing drug inspection. Sandoz AG re-submitted a drug license application for review to the US FDA in June 2024, and the application was accepted.

- D. In April 2023, the Company received a letter from the Taiwan Food and Drug Administration (TFDA) to which indicated that the Company had obtained the domestic active pharmaceutical ingredients "EG12014 Trastuzumab" license and a drug master file number. Subsequently, the Company received an approval letter issued by the Ministry of Health and Welfare with respect to its biosimilar "EIRGASUN vial 150 mg" in May 2023. In September 2023, the Company received the approval with respect to its enrollment in the reimbursement system which became effective from October 1, 2023.
- E. On November 16, 2023, Sandoz AG received the marketing authorisation from Committee for Medicinal Products for Human Use (CHMP) for the trastuzumab biosimilar, EG12014, which was licensed by the Company for sale.

(19) Interest income

	Three months ended September 30,	
	2024	2023
Interest income from bank deposits	\$ 30,532	\$ 23,633
Interest income from financial assets measured at amortised cost	3,978	11,042
Other interest income	-	-
	<u>\$ 34,510</u>	<u>\$ 34,675</u>
	Nine months ended September 30,	
	2024	2023
Interest income from bank deposits	\$ 96,628	\$ 79,416
Interest income from financial assets measured at amortised cost	7,795	19,329
Other interest income	251	-
	<u>\$ 104,674</u>	<u>\$ 98,745</u>

(20) Other income

	Three months ended September 30,	
	2024	2023
Grant revenues	\$ -	\$ 50
Dividend income	246	-
Other income, others	234	62
	<u>\$ 480</u>	<u>\$ 112</u>
	Nine months ended September 30,	
	2024	2023
Grant revenues	\$ 261	\$ 70
Dividend income	\$ 246	\$ -
Other income, others	1,334	200
	<u>\$ 1,841</u>	<u>\$ 270</u>

(21) Other gains and losses

	Three months ended September 30,	
	2024	2023
Foreign exchange (losses) gains	(\$ 42,311)	\$ 53,866
(Losses) gains on financial assets at fair value through profit or loss	(904)	2,061
Miscellaneous disbursements	(24)	-
	<u>(\$ 43,239)</u>	<u>\$ 55,927</u>

	Nine months ended September 30,	
	2024	2023
Foreign exchange gains	\$ 57,814	\$ 74,558
Gains on financial assets at fair value through profit or loss	4,009	2,243
Gains on disposals of property, plant and equipment	1	-
Gain (loss) on lease modification	4 (383)
Miscellaneous disbursements	(24)	-
	<u>\$ 61,804</u>	<u>\$ 76,418</u>

(22) Finance costs

	Three months ended September 30,	
	2024	2023
Interest expense on lease liabilities	\$ 1,773	\$ 2,042
Interest expense on bank borrowings	2,789	600
	4,562	2,642
Less: Capitalisation of interest expense	(2,976)	-
Interest expense	<u>\$ 1,586</u>	<u>\$ 2,642</u>

	Nine months ended September 30,	
	2024	2023
Interest expense on lease liabilities	\$ 5,431	\$ 6,086
Interest expense on bank borrowings	5,957	1,719
	11,388	7,805
Less: Capitalisation of interest expense	(6,529)	-
Interest expense	<u>\$ 4,859</u>	<u>\$ 7,805</u>

(23) Employee benefits, depreciation and amortisation expenses

Function Nature	Three months ended September 30, 2024			Three months ended September 30, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	\$ 32,522	\$ 82,743	\$ 115,265	\$ 29,791	\$ 79,087	\$ 108,878
Share-based payment	5,196	5,088	10,284	12,259	15,493	27,752
Labour and health insurance fees	3,384	5,528	8,912	3,413	5,906	9,319
Pension costs	2,589	2,764	5,353	2,295	2,930	5,225
Directors' remuneration	-	1,060	1,060	-	1,010	1,010
Other personnel expenses	1,575	4,263	5,838	1,344	4,221	5,565
Depreciation expense	35,490	37,725	73,215	26,324	29,744	56,068
Amortisation expense	926	1,229	2,155	695	1,173	1,868

Function Nature	Nine months ended September 30, 2024			Nine months ended September 30, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	\$ 99,533	\$ 234,846	\$ 334,379	\$ 101,718	\$ 225,943	\$ 327,661
Share-based payment	26,345	35,357	61,702	36,961	52,587	89,548
Labour and health insurance fees	11,322	15,976	27,298	10,249	18,550	28,799
Pension costs	8,205	7,564	15,769	6,282	9,556	15,838
Directors' remuneration	-	3,120	3,120	-	3,070	3,070
Other personnel expenses	4,853	10,367	15,220	4,337	11,535	15,872
Depreciation expense	123,282	93,128	216,410	77,381	86,372	163,753
Amortisation expense	3,311	3,159	6,470	4,787	4,570	9,357

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 1% to 5% for employees' compensation and shall not be higher than 3% for directors' remuneration.
- B. No employees' compensation and directors' remuneration was accrued due to the net loss incurred for the three months and nine months ended September 30, 2024 and 2023.
- C. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors and resolved at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Income taxes

A. Income tax expense

(a) Components of income tax expense:

	Three months ended September 30,	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 245	\$ 290
Prior year income tax under estimation	50	-
Total current tax	295	290
Deferred tax:		
Origination and reversal of temporary differences	127	123
Total deferred tax	127	123
Income tax expense	\$ 422	\$ 413

	Nine months ended September 30,	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 780	\$ 791
Prior year income tax under estimation	166	-
Total current tax	946	791
Deferred tax:		
Origination and reversal of temporary differences	347	336
Total deferred tax	347	336
Income tax expense	\$ 1,293	\$ 1,127

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

	Three months ended September 30,	
	2024	2023
Currency translation differences	\$ 36	\$ 2

	Nine months ended September 30,	
	2024	2023
Currency translation differences	\$ 71	\$ 38

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(25) Loss per share

Three months ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss for the period	(\$ 256,118)	306,231	(\$ 0.84)
Three months ended September 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss for the period	(\$ 111,721)	304,849	(\$ 0.37)
Nine months ended September 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss for the period	(\$ 580,750)	306,184	(\$ 1.90)
Nine months ended September 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss for the period	(\$ 509,265)	304,674	(\$ 1.67)

Diluted loss per share was not calculated as the Company has incurred losses for the nine months ended September 30, 2024 and 2023.

(26) Supplemental cash flow information

Investing activities with partial cash payments:

	Nine months ended September 30,	
	2024	2023
Purchase of property, plant and equipment	\$ 357,298	\$ 463,050
Add: Opening balance of other payables	285,960	158,228
Less: Ending balance of other payables	(119,708)	(165,188)
Capitalisation of depreciation charges on right-of-use assets	(2,087)	-
Capitalisation of interest expense	(6,529)	-
Cash paid during the period	<u>\$ 514,934</u>	<u>\$ 456,090</u>
	Nine months ended September 30,	
	2024	2023
Purchase of intangible assets	\$ 1,395	\$ 8,299
Add: Ending balance of prepayment for intangible assets (Note)	8,670	4,819
Less: Ending balance of other payables	-	-
Opening balance of prepayment for intangible assets (Note)	(5,209)	(1,565)
Cash paid during the period	<u>\$ 4,856</u>	<u>\$ 11,553</u>

Note: Shown as “other non-current assets”.

(27) Changes in liabilities from financing activities

	2024			
	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	\$ 120,460	\$ 344,707	\$ 6	\$ 465,173
Changes in cash flows from financing activities	444,887	(23,582)	-	421,305
Changes in right-of-use assets	-	20,657	-	20,657
Changes in other non-cash items	-	(4)	(6)	(10)
At September 30	<u>\$ 565,347</u>	<u>\$ 341,778</u>	<u>\$ -</u>	<u>\$ 907,125</u>

	2023			
	Long-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	\$ 120,460	\$ 338,584	\$ 294	\$ 459,338
Changes in cash flows from financing activities	-	(21,717)	(288)	(22,005)
Changes in right-of-use assets	-	34,851	-	34,851
Changes in other non-cash items	-	383	-	383
At September 30	<u>\$ 120,460</u>	<u>\$ 352,101</u>	<u>\$ 6</u>	<u>\$ 472,567</u>

7. Related Party Transactions

(1) Parent and ultimate controlling party

The Group has no ultimate parent company and ultimate controlling party.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
FORMOSA LABORATORIES, INC.	Other related party
FORMOSA PHARMACEUTICALS, INC.	"
TFBS Bioscience Inc.	"
Forward BioT Venture Capital	"

(3) Significant related party transactions

A. Operating revenue

		Three months ended September 30,	
		2024	2023
Sales of goods:			
Other related parties	\$	-	\$ 972
Sales of services:			
Other related parties		450	2,649
	\$	450	\$ 3,621
		Nine months ended September 30,	
		2024	2023
Sales of goods:			
Other related parties	\$	2,111	\$ 972
Sales of services:			
Other related parties		1,481	6,122
	\$	3,592	\$ 7,094

(a) No similar transaction can be compared with for the sales of services. Prices and terms are determined based on mutual agreements.

(b) On September 30, 2024, December 31, 2023 and September 30, 2023, the Group has recognised the revenue-related contract assets amounting to \$417, \$1,994 and \$1,545, and contract liabilities amounting to \$471, \$372 and \$528, respectively.

B. Purchases

		Three months ended September 30,	
		2024	2023
Purchases of goods:			
Other related parties	\$	82	\$ -
		Nine months ended September 30,	
		2024	2023
Purchases of goods:			
Other related parties	\$	82	\$ -

Goods purchased from other related parties are based on normal commercial terms and conditions.

C. Service expense (shown as ‘research and development expenses’)

	Three months ended September 30,	
	2024	2023
Other related parties	\$ 3,920	\$ 2,258
	Nine months ended September 30,	
	2024	2023
Other related parties	\$ 12,268	\$ 6,975

It refers to service expense of contracted Biopharmaceutical research and development with other related parties. Prices and terms are determined based on mutual agreements.

D. Testing expense (shown as ‘operating costs’)

	Three months ended September 30,	
	2024	2023
Other related party-TFBS Bioscience Inc.	\$ 3,235	\$ 2,191
Other related parties	36	1,419
	\$ 3,271	\$ 3,610
	Nine months ended September 30,	
	2024	2023
Other related party-TFBS Bioscience Inc.	\$ 10,149	\$ 5,512
Other related parties	282	2,144
	\$ 10,431	\$ 7,656

E. Receivables from related parties

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable:			
Other related parties	\$ 315	\$ 2,636	\$ 1,802

F. Payables to related parties

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable:			
Other related parties	\$ 86	\$ -	\$ -
Other payables:			
Other related parties	\$ 6,140	\$ 7,993	\$ 2,405

G. Property transactions

Acquisition of property, plant and equipment:

	Nine months ended September 30,	
	2024	2023
Other related parties	\$ -	\$ 645

(4) Key management compensation

	Three months ended September 30,	
	2024	2023
Salaries and other short-term employee benefits	\$ 7,841	\$ 7,970
Post-employment benefits	128	124
Share-based payment	(6,093)	36
	\$ 1,876	\$ 8,130

	Nine months ended September 30,	
	2024	2023
Salaries and other short-term employee benefits	\$ 23,819	\$ 23,938
Post-employment benefits	381	367
Share-based payment	10,094	109
	\$ 34,294	\$ 24,414

8. Pledged Assets

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

Pledged asset	Book value			Purpose
	September 30, 2024	December 31, 2023	September 30, 2023	
Pledged time deposits (shown as non-current financial assets at amortised cost)	\$ 9,090	\$ 8,790	\$ 8,671	Note 1
Guarantee deposits paid (shown as other non-current assets)	\$ 39,128	\$ 38,795	\$ 8,598	Note 2
Property, plant and equipment	\$ 1,488,448	\$ 1,551,633	\$ 1,131,475	Note 3
Pledged government bonds (shown as non-current financial assets at amortised cost)	\$ 31,533	\$ 31,930	\$ 32,063	Note 4

Note 1: It refers to guarantee for lease of land and certificates of deposit for customs post-release duty payment.

Note 2: It refers to deposits for research commissioned contract, equipment and office, guarantee for gas meter, performance guarantee as well as certificates of deposit for customs post-release duty payment.

Note 3: It refers to the credit line for long-term borrowings. (The amount guaranteed as at December 31, 2023 and September 30, 2023 were due to the fact that the Company terminated the syndicated loan agreement with 6 financial institutions including Taiwan Business Bank in April 2022. However, the guarantee for the pledged buildings has not yet been released.)

Note 4: It refers to guarantee for investment.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. As of September 30, 2024, December 31, 2023 and September 30, 2023, the remaining payments contracted for research commissioned contracts at the balance sheet date but not yet incurred amounted to \$838,435, \$59,156 and \$67,395, respectively.

B. As of September 30, 2024, December 31, 2023 and September 30, 2023, the remaining payments contracted for equipment purchase and plant design at the balance sheet date but not yet incurred amounted to \$1,849,691, \$876,590 and \$868,154, respectively.

C. The Group entered into a long-term consignment contract with a supplier to ensure the future supply of goods and pay the guarantee amounting to \$30,000. As of September 30, 2024, the aforementioned amount was shown as other non-current assets of \$30,000.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 99,307	\$ 80,298	\$ 83,663
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 269,732	\$ 325,887	\$ 292,635
Financial assets at amortised cost			
Cash and cash equivalents	\$ 4,023,182	\$ 5,053,183	\$ 2,864,966
Financial assets at amortised cost	1,188,098	540,720	3,240,734
Notes receivable	36	19	-
Accounts receivable	72,417	253,390	35,878
Accounts receivable - related parties	315	2,636	1,802
Other receivables	10,957	20,497	15,054
Guarantee deposits paid (shown as other non-current assets)	39,128	38,795	8,598
	<u>\$ 5,334,133</u>	<u>\$ 5,909,240</u>	<u>\$ 6,167,032</u>
	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Accounts payable	\$ 38,789	\$ 79,556	\$ 63,154
Accounts payable-related parties	86	-	-
Other payables	349,929	530,299	398,408
Other payables-related parties	6,140	7,993	2,405
Long-term borrowings (including current portion)	565,347	120,460	120,460
Guarantee deposits received (shown as other current and non-current liabilities)	-	6	6
	<u>\$ 960,291</u>	<u>\$ 738,314</u>	<u>\$ 584,433</u>
Lease liability	<u>\$ 341,778</u>	<u>\$ 344,707</u>	<u>\$ 352,101</u>

B. Financial risk management policies

There was no significant change in the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2023.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Exchange rate risk

- (i) The Group operates internationally and is exposed to exchange risk arising from various currency exposures, primarily with respect to the USD, EUR, GBP and JPY. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- (ii) Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
- (iii) The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; subsidiaries' functional currency: EUR and USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2024				
		Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	53,205	31.65	\$ 1,683,938
EUR:NTD		245	35.38	8,668
GBP:NTD		187	42.43	7,934
JPY:NTD		68,087	0.22	14,979
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	607	31.65	\$ 19,212
EUR:NTD		390	35.38	13,798
GBP:NTD		36	42.43	1,527
JPY:NTD		46,163	0.22	10,156

December 31, 2023			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 53,756	30.71	\$ 1,650,847
EUR:NTD	363	33.98	12,335
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 932	30.71	\$ 28,622
EUR:NTD	546	33.98	18,553
JPY:NTD	57,505	0.22	12,651
September 30, 2023			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 47,372	32.27	\$ 1,528,694
EUR:NTD	1,436	33.91	48,695
GBP:NTD	42	39.23	1,648
JPY:NTD	12,973	0.22	2,854
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 312	32.27	\$ 10,068
EUR:NTD	236	33.91	8,003
GBP:NTD	20	39.23	785
JPY:NTD	22,230	0.22	4,891

- (iv) Analysis of foreign currency market risk arising from significant foreign exchange variation:

Nine months ended September 30, 2024			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 16,839	\$ -
EUR:NTD	1%	21	66
GBP:NTD	1%	79	-
JPY:NTD	1%	150	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 192	\$ -
EUR:NTD	1%	138	-
GBP:NTD	1%	15	-
JPY:NTD	1%	102	-
Nine months ended September 30, 2023			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 15,287	\$ -
EUR:NTD	1%	424	63
GBP:NTD	1%	16	-
JPY:NTD	1%	29	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 101	\$ -
EUR:NTD	1%	80	-
GBP:NTD	1%	8	-
JPY:NTD	1%	49	-

- (v) The total exchange gains (losses), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2024 and 2023 amounted to (\$42,311), \$53,866, \$57,814 and \$74,558, respectively.

ii. Price risk

- (i.) The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- (ii.) The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities have increased/decreased by 1% with all other variables held constant, post-tax profit for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$360 and \$191, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other comprehensive income for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$2,697 and \$2,926, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

iii. Cash flow and fair value interest rate risk

- (i.) The Group's main interest rate risk arises from long-term borrowings with variable rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. For the nine months ended September 30, 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- (ii.) For the nine months ended September 30, 2024 and 2023, if the borrowing interest rate have changed by 1% with all other variables held constant, profit, net of tax for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$4,523 and \$964, respectively. The main factor is that decreases or increases in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumptions under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The 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 customers' accounts receivable and contract assets in accordance with customer types. The Group applies the modified approach using individual provision to estimate expected credit loss.
- vii. The Group's notes and accounts receivable (including related parties) and contract assets were generated from the customers who have optimal credit rating, and the expected credit loss rate is 0.03% after using the forecastability of future boom. As of September 30, 2024, December 31, 2023 and September 30, 2023, the total carrying amount of notes and accounts receivable (including related parties) amounted to \$72,768, \$256,342 and \$37,977, respectively. Although some accounts receivable were past due over 90 days, the expected credit risk is insignificant based on individual assessment, thus, loss allowance was recognised amounting to \$0, \$297 and \$297, respectively. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group's contract assets amounted to \$298,907, \$293,694 and \$206,855, respectively, and no loss allowance was recognised.

- viii. The Group calculated expected credit loss using individual assessment for customers who have higher credit risk. As of September 30, 2024, December 31, 2023 and September 30, 2023, the total carrying amount of the Group's notes and accounts receivable (including related parties) and loss allowance from these customers amounted to \$50,821, \$0 and \$0 and \$50,821, \$0 and \$0, respectively. As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group's contract assets and loss allowance from these customers amounted to \$14,073, \$0 and \$0 and \$14,073, \$0 and \$0, respectively.
- ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable, contract assets and lease payments receivable are as follows:

	2024			
	Notes receivable	Accounts receivable	Contract assets	Total
At January 1	\$ -	\$ 297	\$ -	\$ 297
Provision for impairment	-	50,821	14,073	64,894
Write-offs	-	(297)	-	(297)
At September 30	<u>\$ -</u>	<u>\$ 50,821</u>	<u>\$ 14,073</u>	<u>\$ 64,894</u>

	2023			
	Notes receivable	Accounts receivable	Contract assets	Total
At January 1 and September 30	<u>\$ -</u>	<u>\$ 297</u>	<u>\$ -</u>	<u>\$ 297</u>

(c) Liquidity risk

- Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above mentioned forecasts.

iii. The Group has the following undrawn borrowing facilities:

	September 30, 2024	December 31, 2023	September 30, 2023
Floating rate:			
Expiring within one year	\$ 1,380,000	\$ 1,410,000	\$ 1,010,000
Expiring beyond one year	2,120,700	593,540	593,540
	<u>\$ 3,500,700</u>	<u>\$ 2,003,540</u>	<u>\$ 1,603,540</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.

September 30, 2024	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>				
Accounts payable	\$ 38,789	\$ -	\$ -	\$ 38,789
Accounts payable-related parties	86	-	-	86
Other payables	349,929	-	-	349,929
Other payables-related parties	6,140	-	-	6,140
Lease liabilities	35,391	121,060	231,916	388,367
Long-term borrowings (including current portion)	154,607	383,975	52,758	591,340
December 31, 2023	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>				
Accounts payable	\$ 79,556	\$ -	\$ -	\$ 79,556
Other payables	530,299	-	-	530,299
Other payables-related parties	7,993	-	-	7,993
Lease liabilities	36,273	118,543	245,982	400,798
Long-term borrowings	2,376	123,322	-	125,698
Guarantee deposit received (shown as other non-current liabilities)	6	-	-	6

September 30, 2023	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>				
Accounts payable	\$ 63,154	\$ -	\$ -	\$ 63,154
Other payables	398,408	-	-	398,408
Other payables- related parties	2,405	-	-	2,405
Lease liability	36,638	120,177	254,642	411,457
Long-term borrowings	2,370	123,894	-	126,264
Guarantee deposit received (shown as other non- current liabilities)	6	-	-	6

- v. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market refers to a market in which transactions for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

- B. Financial instruments not measured at fair value

Except for financial assets at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables, guarantee deposits paid (shown as other non-current assets), accounts payable (including related parties), other payables (including related parties), long-term borrowings (including current portion), guarantee deposits received (shown as other non-current liabilities) and lease liabilities are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

September 30, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Profit-sharing investments in new drug development	\$ -	\$ -	\$ 63,300	\$ 63,300
Limited partnership venture capital	-	-	36,007	36,007
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	269,732	269,732
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 369,039</u>	<u>\$ 369,039</u>
December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Profit-sharing investments in new drug development	\$ -	\$ -	\$ 61,410	\$ 61,410
Limited partnership venture capital	-	-	18,888	18,888
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	325,887	325,887
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,185</u>	<u>\$ 406,185</u>

September 30, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Profit-sharing investments in new drug development	\$ -	\$ -	\$ 64,540	\$ 64,540
Limited partnership venture capital	-	-	19,123	19,123
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	292,635	292,635
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 376,298</u>	<u>\$ 376,298</u>

(b). The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods.

D. The following chart is the movement of Level 3 for the nine months ended September 30, 2024 and 2023:

	<u>2024</u>			
	<u>Equity instruments</u>	<u>Profit-sharing investment in new drug development</u>	<u>Limited partnership venture capital</u>	<u>Total</u>
At January 1	\$ 325,887	\$ 61,410	\$ 18,888	\$ 406,185
Additions	30,000	-	-	30,000
Transferred from prepayments for investments	-	-	15,000	15,000
Gains or losses recognised in profit or loss shown as other gains and losses				
Gains on valuation	-	1,890	2,119	4,009
Gains and losses recognised in other comprehensive income				
Losses on valuation	(86,155)	-	-	(86,155)
At September 30	<u>\$ 269,732</u>	<u>\$ 63,300</u>	<u>\$ 36,007</u>	<u>\$ 369,039</u>

	2023			
	Equity instruments	Profit-sharing investment in new drug development	Limited partnership venture capital	Total
At January 1	\$ 279,326	\$ 61,420	\$ -	\$ 340,746
Additions	622	-	20,000	20,622
Gains or losses recognised in profit or loss				
Gains (losses) on valuation	-	3,120	(877)	2,243
Gains and losses recognised in other comprehensive income				
Gains on valuation	12,687	-	-	12,687
At September 30	<u>\$ 292,635</u>	<u>\$ 64,540</u>	<u>\$ 19,123</u>	<u>\$ 376,298</u>

- E. For the nine months ended September 30, 2024 and 2023, there was no transfer into or out from Level 3.
- F. Appointed external appraiser is in charge of valuation procedures for fair value measurements being categorised within Level 3, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value to ensure the valuation results are reasonable.
- G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at September 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Emerging and unlisted stocks	\$ 8,575	Price-Book Ratio	Price-to -book ratio Discount for lack of marketability	2.66~3.75 (3.67) 30% (30%)	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value
Emerging and unlisted stocks	235,162	Price-Book Ratio	Price-to-book ratio Discount for lack of marketability	1.37~1.74 (1.51) 11.64% (11.64%)	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value
Profit-sharing investments in new drug development	63,300	Royalty relief method of income approach	Discount rate Market share	26.03% 2.0%~5.9%	The higher the discount rate, the lower the fair value The higher the market share, the higher the fair value
Limited partnership venture capital	36,007	Net asset value	N/A	N/A	N/A
Emerging and unlisted stocks	25,995	Price-Book Ratio	Price-to-book ratio Discount for lack of marketability	3.20~5.20 (3.90) 36.67% (36.67%)	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Emerging and unlisted stocks	\$ 8,236	Price-Book Ratio	Price-to -book ratio Discount for lack of marketability	2.66~3.75 (3.67) 30% (30%)	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value
Emerging and unlisted stocks	317,651	Price-Book Ratio	Price-to-book ratio Discount for lack of marketability	1.24~2.54 (1.97) 7.25% (7.25%)	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value
Profit-sharing investments in new drug development	61,410	Royalty relief method of income approach	Discount rate Market share	24.69% 2.0%~5.9%	The higher the discount rate, the lower the fair value The higher the market share, the higher the fair value
Limited partnership venture capital	18,888	Net asset value	N/A	N/A	N/A

	Fair value at September 30, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Emerging and unlisted stocks	\$ 7,066	Price-Book Ratio	Price-to-book ratio	1.54~8.46 (3.05)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30% (30%)	The higher the discount for lack of marketability, the lower the fair value
Emerging and unlisted stocks	285,569	Price-Book Ratio	Price-to-book ratio	1.17~2.53 (1.86)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	10.55% (10.55%)	The higher the discount for lack of marketability, the lower the fair value
Profit-sharing investments in new drug development	64,540	Royalty relief method of income approach	Discount rate	25.71%	The higher the discount rate, the lower the fair value
			Market share	1.0%~5.4%	The higher the market share, the higher the fair value
Limited partnership venture capital	19,123	Net asset value	N/A	N/A	N/A

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			September 30, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Profit-sharing investments in new drug development	Discount Rate	±5%	\$ 3,165	(\$ 3,165)	\$ -	\$ -
Limited partnership	Market Share					
	NA	±5%	1,800	(1,800)	-	-
Unlisted shares	Price-Book Ratio	±5%	-	-	13,487	(13,487)
	Lack of marketability	±5%	-	-	13,487	(13,487)
			<u>\$ 4,965</u>	<u>(\$ 4,965)</u>	<u>\$ 26,974</u>	<u>(\$ 26,974)</u>
			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Profit-sharing investments in new drug development	Discount Rate	±5%	\$ 3,071	(\$ 3,071)	\$ -	\$ -
	Market Share					
	NA	±5%	944	(944)	-	-
Limited partnership	Price-Book Ratio	±5%	-	-	16,294	(16,294)
	Lack of marketability	±5%	-	-	16,294	(16,294)
			<u>\$ 4,015</u>	<u>(\$ 4,015)</u>	<u>\$ 32,588</u>	<u>(\$ 32,588)</u>

			September 30, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Profit-sharing investments in new drug development	Discount Rate	±5%	\$ 3,227	(\$ 3,227)	\$ -	\$ -
	Market Share					
Limited partnership	NA	±5%	956	(956)	-	-
Unlisted shares	Price-Book Ratio	±5%	-	-	14,632	(14,632)
	Lack of marketability	±5%	-	-	14,632	(14,632)
			<u>\$ 4,183</u>	<u>(\$ 4,183)</u>	<u>\$ 29,264</u>	<u>(\$ 29,264)</u>

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 2.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Major shareholders information: Please refer to table 5.

14. Segment Information

(1) General information

The Group is primarily engaged in the biosimilar and new drug research and development as well as biopharmaceutical contract development and manufacturing services, including cell line construction platforms, process development platforms, analytical science and protein characterisation, as well as PIC/S GMP facilities to provide clinical trial drug and listed drug production, etc. The Group operates business only in a single industry. 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) Segment Information

The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4 in the consolidated financial statements for the year ended December 31, 2023. The Group's segment profit (loss) is measured with the profit (loss) before tax, which is used as a basis for the Group in assessing the performance of the operating segments.

(3) Information about segment profit or loss, assets and liabilities

The Group has only one reportable operating segment, thus, the reportable information is in agreement with those in the consolidated financial statements for the year ended December 31, 2023.

(4) Reconciliation for segment income (loss)

The amounts provided to the Chief Operating Decision-maker with respect to segment assets, liabilities and profit (loss) before tax from continuing operations are measured in a manner consistent with that in the financial statements. Thus, no reconciliation is needed.

EirGenix Inc. and its subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
September 30, 2024

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2024				Footnote
				Number of shares	Book value	Ownership	Fair value	
EirGenix Inc.	Oncomatrix Biopharma S.L. common stock	None	Non-current financial assets at fair value through other comprehensive income	31,801	\$ 8,575	0.37%	\$ 8,575	
"	AP Biosciences Inc. common stock	"	"	500,000	25,995	0.59%	25,995	
"	TFBS Bioscience, Inc. common stock	The Company' s other related party	"	4,942,455	235,162	14.15%	235,162	
"	Forward BioT Venture Capital equity	"	Non-current financial assets at fair value through profit or loss	-	36,007	5.60%	36,007	
"	93 Central Government Bonds A VI government bonds	None	Non-current financial assets at amortised cost	-	31,533	-	-	
"	Nomura International Funding Pte Ltd 7% Ann 09/12/31(Nc09/12/25)	"	"	-	47,475	-	-	

EirGenix Inc. and its subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Nine months ended September 30, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate acquired by	Real estate	Date of the event	Transaction Amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationships	Date of the original transfer	Amount			
EirGenix Inc.	Factory building	2021/9/30 (Note 4)	\$ 1,604,921 (Note 5)	Based on the terms in the purchase order	China Ecotek Corporation	None	NA	NA	NA	NA	Price comparison	Manufacturing	None
					Min-Pin,Chen Architects & Associates								
					Lee Ming Construction Co., Ltd.								
					Exyte Taiwan Co., Ltd.								
					Pompidou Interior Decoration Design Co., Ltd.								

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Note 4: This is the signing date of the first transaction, which is mainly arising from the construction of the factory. The Company continuously signed contracts with relevant suppliers, of which the contract amount has reached \$300,000.

Note 5: It was aggregated based on the contracted amount.

EirGenix Inc. and its subsidiaries
Significant inter-company transactions during the reporting period
Nine months ended September 30, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	EirGenix Inc.	EirGenix Europe GmbH	(1)	Operating expense	\$ 53,853	Note 4	7.54%
0	EirGenix Inc.	EirGenix Europe GmbH	(1)	Other payables	10,766	"	0.10%
0	EirGenix Inc.	EirGenix USA Inc.	(1)	Operating expense	10,383	"	1.45%
0	EirGenix Inc.	EirGenix USA Inc.	(1)	Prepayments	2,970	"	0.03%

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 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 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 on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Prices and terms for services are based on the mutual agreement and payments are collected quarterly in advance.

Note 5: Transactions between the parent company and subsidiaries are eliminated.

Note 6: Individual amounts less than \$1,000 are not disclosed.

EirGenix Inc. and its subsidiaries
Information on investees
Nine months ended September 30, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2024			Net profit (loss) of the investee for the nine months ended September 30, 2024	Investment income (loss) recognised by the Company for the nine months ended September 30, 2024		Footnote
				Balance as at September 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value				
EirGenix Inc.	EirGenix Europe GmbH	Germany	Biopharmaceutical research and development as well as business development	\$ 845	\$ 845	-	100.00	\$ 9,823	\$ 1,733	\$ 1,733		None
EirGenix Inc.	EirGenix USA Inc.	USA	Biopharmaceutical commissioned development, manufacturing services and consulting	\$ 3	\$ -	10,000,000	100.00	(\$ 1,029)	(\$ 1,044)	(\$ 1,044)		None

EirGenix Inc. and its subsidiaries

Major shareholders information

September 30, 2024

Table 5

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Foxconn Technology Co., Ltd.	27,500,000	8.99
Yonglin Capital Holding Co., Ltd.	26,500,000	8.67
Formosa Laboratories, Inc.	18,552,818	6.07