PHARMAENGINE, INC.

FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2026 AND 2025

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 Stockholders of PharmaEngine, Inc.

Introduction

We have reviewed the accompanying balance sheets of PharmaEngine, Inc. (the "Company") as at March 31, 2026 and 2025, and the related statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these 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 financial statements based on our reviews.

Scope of review

We conducted our reviews in accordance with the Statement of Auditing Standard No. 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of 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 financial statements do not present fairly, in all material respects, the financial position of the Company as at March 31, 2026 and 2025, and of its financial performance and its cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Tsai, Pei-Hua

Liang, Hua-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan
April 30, 2026

The accompanying 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 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.

PHARMAENGINE, INC.
BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(THE BALANCE SHEETS AS OF MARCH 31, 2025 AND 2024 ARE REVIEWED, NOT AUDITED)

			March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,326,273	25	$ 1,583,525	31	$ 3,010,543	51
1136	Current financial assets at amortised cost	6(2)	3,648,968	69	3,133,295	61	2,657,155	45
1140	Current contract assets	6(13)	120,941	2	178,548	3	107,584	2
1170	Accounts receivable, net	6(3)	60,949	1	83,888	2	71,215	1
1200	Other receivables		21,908	1	19,086	-	15,940	-
1220	Current tax assets		6,375	-	35,166	1	48,912	1
130X	Inventories	6(4)	23,685	1	39,871	1	15,298	-
1410	Prepayments		9,542	-	11,463	-	6,901	-
11XX	**Total current assets**		5,218,641	99	5,084,842	99	5,933,548	100
	Non-current assets							
1600	Property, plant and equipment, net	6(5)	2,254	-	2,536	-	3,066	-
1755	Right-of-use assets	6(6)	39,839	1	42,143	1	6,870	-
1780	Intangible assets		949	-	1,099	-	1,606	-
1840	Deferred income tax assets		13,722	-	14,363	-	5,587	-
1900	Other non-current assets	6(22) and 12(2)	2,529	-	2,529	-	2,479	-
15XX	**Total non-current assets**		59,293	1	62,670	1	19,608	-
1XXX	**Total assets**		$ 5,277,934	100	$ 5,147,512	100	$ 5,953,156	100
	Liabilities and Equity							
	Current liabilities							
2170	Accounts payable		$ -	-	$ 35,576	1	$ -	-
2200	Other payables	6(7)	125,542	2	111,035	2	98,646	2
2230	Current income tax liabilities		43,785	1	30,107	-	338,730	6
2280	Current lease liabilities		8,707	-	8,664	-	6,080	-
2300	Other current liabilities		903	-	1,764	-	1,273	-
21XX	**Total current liabilities**		178,937	3	187,146	3	444,729	8
	Non-current liabilities							
2570	Deferred income tax liabilities		4,613	-	988	-	5,256	-
2580	Non-current lease liabilities		31,251	1	33,460	1	892	-
25XX	**Total non-current liabilities**		35,864	1	34,448	1	6,148	-
2XXX	**Total liabilities**		214,801	4	221,594	4	450,877	8
	Equity							
	Share capital	6(10)						
3110	Common stock		1,456,776	28	1,456,776	28	1,456,776	24
	Capital surplus	6(11)						
3200	Capital surplus		1,615,939	31	1,615,939	31	1,615,939	27
	Retained earnings	6(12)						
3310	Legal reserve		504,438	9	504,438	10	329,335	6
3350	Unappropriated retained earnings		1,619,390	31	1,482,175	29	2,233,864	37
	Other equity interest							
3400	Other equity interest		-	-	-	-	(225)	-
3500	Treasury stocks	6(10)	(133,410)	(3)	(133,410)	(2)	(133,410)	(2)
3XXX	**Total equity**		5,063,133	96	4,925,918	96	5,502,279	92
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	**Total liabilities and equity**		$ 5,277,934	100	$ 5,147,512	100	$ 5,953,156	100

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

PHARMAENGINE, INC.
STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE DATA)
(REVIEWED, NOT AUDITED)

	Items	Notes	Three months ended March 31, 2026 AMOUNT	2026 %	2025 AMOUNT	2025 %
4000	Operating revenue	6(13)	$ 239,795	100	$ 187,382	100
5000	Operating costs	6(4)(14)	(15,235)	(6)	(12,384)	(7)
5900	Gross profit		224,560	94	174,998	93
	Operating expenses	6(18)(19)				
6100	Selling expenses		(6,625)	(3)	(7,329)	(4)
6200	General and administrative expenses		(23,597)	(10)	(23,406)	(12)
6300	Research and development expenses		(64,452)	(27)	(55,474)	(30)
6450	Expected credit impairment gain	12(2)	11	-	-	-
6000	Total operating expenses		(94,663)	(40)	(86,209)	(46)
6900	Operating profit		129,897	54	88,789	47
	Non-operating income and expenses					
7100	Interest income	6(15)	24,099	10	20,922	11
7020	Other gains and losses	6(16)	16,932	7	18,195	10
7050	Finance costs	6(6)(17)	(207)	-	(25)	-
7000	Total non-operating income and expenses		40,824	17	39,092	21
7900	**Profit before income tax**		170,721	71	127,881	68
7950	Income tax expense	6(20)	(33,506)	(14)	(25,578)	(13)
8200	**Profit for the period**		$ 137,215	57	$ 102,303	55
8500	**Total comprehensive income for the period**		$ 137,215	57	$ 102,303	55
	Earnings per share (in dollars)	6(21)				
9750	Basic earnings per share		$ 0.96		$ 0.71	
9850	Diluted earnings per share		$ 0.95		$ 0.71	

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

PHARMAENGINE, INC.
STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(REVIEWED, NOT AUDITED)

		Capital		Capital Reserve			Retained Earnings		Other Equity Interest		
	Notes	Common stock	Share capital awaiting retirement	Additional paid-in capital	Employee stock warrants	Employee restricted stock	Legal reserve	Unappropriated retained earnings	Unearned compensation	Treasury stocks	Total equity
Three months ended March 31, 2025											
Balance at January 1, 2025		$ 1,456,779	($ 3)	$ 1,604,400	$ 8,880	$ 2,659	$ 329,335	$ 2,131,561	($ 403)	($ 133,410)	$ 5,399,798
Profit after income tax for the three months ended March 31, 2025		-	-	-	-	-	-	102,303	-	-	102,303
Total comprehensive income		-	-	-	-	-	-	102,303	-	-	102,303
Compensation cost of employee restricted stocks	6(9)(19)	-	-	-	-	-	-	-	178	-	178
Forfeited employee restricted shares pending for retirement due to resignation of employees		(3)	3	-	-	-	-	-	-	-	-
Balance at March 31, 2025		$ 1,456,776	$ -	$ 1,604,400	$ 8,880	$ 2,659	$ 329,335	$ 2,233,864	($ 225)	($ 133,410)	$ 5,502,279
Three months ended March 31, 2026											
Balance at January 1, 2026		$ 1,456,776	$ -	$ 1,615,939	$ -	$ -	$ 504,438	$ 1,482,175	$ -	($ 133,410)	$ 4,925,918
Profit after income tax for the three months ended March 31, 2026		-	-	-	-	-	-	137,215	-	-	137,215
Total comprehensive income		-	-	-	-	-	-	137,215	-	-	137,215
Balance at March 31, 2026		$ 1,456,776	$ -	$ 1,615,939	$ -	$ -	$ 504,438	$ 1,619,390	$ -	($ 133,410)	$ 5,063,133

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

PHARMAENGINE, INC.
STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(REVIEWED, NOT AUDITED)

	Notes	Three months ended March 31, 2026	Three months ended March 31, 2025
Cash flows from operating activities			
Profit before income tax for the period		$ 170,721	$ 127,881
Adjustments to reconcile net profit to net cash provided by operating activities:			
Adjustments to reconcile profit (loss)			
Expected credit impairment gain	12(2)	(11)	-
Depreciation	6(5)(6)(18)	2,586	2,175
Amortization	6(18)	150	173
Amortization of compensation cost of share-based payments	6(9)(19)	-	178
Interest income	6(15)	(24,099)	(20,922)
Interest expense	6(6)(17)	207	25
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Current contract assets		57,607	1,665,014
Accounts receivable, net		22,950	444
Other receivable		(3)	-
Inventories		16,186	13,078
Prepayments		1,921	(497)
Net changes in liabilities relating to operating activities			
Accounts payable		(35,576)	-
Other payables		14,507	(8,259)
Other current liabilities		(861)	166
Cash provided by operations		226,285	1,779,456
Interest received		21,280	21,817
Income tax refund		28,791	21,847
Income taxes paid		(15,562)	(14,129)
Interest paid		(207)	(25)
Net cash provided by operating activities		260,587	1,808,966
Cash flows from investing activities			
Increase in current financial assets at amortized cost		(1,968,673)	(1,020,723)
Decrease in current financial assets at amortized cost		1,453,000	1,230,682
Increase in other non-current assets		-	(144)
Net cash (used in) provided by investing activities		(515,673)	209,815
Cash flows from financing activities			
Payments of lease liability	6(23)	(2,166)	(1,937)
Net cash used in financing activities		(2,166)	(1,937)
Net (decrease) increase in cash and cash equivalents		(257,252)	2,016,844
Cash and cash equivalents at beginning of period		1,583,525	993,699
Cash and cash equivalents at end of period		$ 1,326,273	$ 3,010,543

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

PHARMAENGINE, INC.
NOTES TO THE FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(REVIEWED, NOT AUDITED)

1. HISTORY AND ORGANIZATION

PharmaEngine, Inc. (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 August 2002. On September 18, 2012, the Company's common stock was officially listed on the Taipei Exchange. The Company is primarily engaged in the development of new drugs and therapeutic drugs for cancer.

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

These financial statements were authorized for issuance by the Board of Directors on April 30, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC and became effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - Comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company'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 Company

None.

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

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

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

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

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

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the financial statements for the year ended December 31, 2025, except for the compliance statement and basis of preparation, as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The financial statements of the Company have been prepared 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 FSC.

B. These financial statements are to be read in conjunction with the financial statements for the year ended December 31, 2025.

(2) Basis of preparation

A. The financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations 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 Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

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

In the preparation of this financial report, the Company has estimated the quarterly royalty income based on management's historical experience. There are no other significant accounting judgments, estimates, and uncertainties identified.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and revolving funds	$ 100	$ 100	$ 100
Demand deposits	52,286	62,365	39,943
Cash equivalents			
Time deposits	1,161,786	1,476,039	2,504,191
Callable warrants	112,101	45,021	466,309
	$ 1,326,273	$ 1,583,525	$ 3,010,543

A. The Company 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 Company has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost-current

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits maturing between three months and a year	$ 3,648,968	$ 3,133,295	$ 2,657,155

A. The Company has no financial assets at amortised cost pledged to others as collateral.

B. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposits are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(3) Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	$ 60,980	$ 83,930	$ 71,236
Less: Loss allowance for bad debts	(31)	(42)	(21)
	$ 60,949	$ 83,888	$ 71,215

A. The Company has no accounts receivable pledged to others as collateral.

B. The ageing analysis of accounts receivable is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Not past due	$ 60,980	$ 83,930	$ 71,236

The above ageing analysis was based on past due date.

C. As of March 31, 2026, December 31, 2025 and March 31, 2025, accounts receivable were all from contracts with customers. As of January 1, 2025, the balance of receivables from contracts with customers amounted to $71,680.

D. As at March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable was $60,949, $83,888 and $71,215, respectively.

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

(4) Inventories

	March 31, 2026		
	Cost	Allowance for valuation loss	Book value
Goods	$ 23,706	($ 21)	$ 23,685

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Goods	$ 39,895	($ 24)	$ 39,871

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Goods	$ 15,319	($ 21)	$ 15,298

The cost of inventories recognized as expense for the period:

	Three months ended March 31,	
	2026	2025
Cost of goods sold	$ 15,238	$ 12,384
Gain on reversal of decline in inventory	(3)	-
	$ 15,235	$ 12,384

For the period from January 1 to March 31, 2026, as a portion of inventories for which write-downs had previously been recognized was subsequently sold, a reversal of inventory write-down was recognized, resulting in gains from the reversal of inventory impairment.

(5) Property, plant and equipment

	Computer and communication equipment	Testing equipment	Transportation equipment	Total
At January 1, 2026				
Cost	$ 1,648	$ 1,117	$ 2,703	$ 5,468
Accumulated depreciation	(756)	(713)	(1,463)	(2,932)
	$ 892	$ 404	$ 1,240	$ 2,536
2026				
Opening net book amount	$ 892	$ 404	$ 1,240	$ 2,536
Depreciation charge	(80)	(89)	(113)	(282)
Closing net book amount	$ 812	$ 315	$ 1,127	$ 2,254
At March 31, 2026				
Cost	$ 1,648	$ 1,117	$ 2,703	$ 5,468
Accumulated depreciation	(836)	(802)	(1,576)	(3,214)
	$ 812	$ 315	$ 1,127	$ 2,254

	Computer and communication equipment	Testing equipment	Office equipment	Transportation equipment	Total
At January 1, 2025					
Cost	$ 1,368	$ 1,014	$ 93	$ 2,703	$ 5,178
Accumulated depreciation	(480)	(377)	(84)	(1,013)	(1,954)
	$ 888	$ 637	$ 9	$ 1,690	$ 3,224
2025					
Opening net book amount	$ 888	$ 637	$ 9	$ 1,690	$ 3,224
Additions	-	103	-	-	103
Depreciation charge	(64)	(81)	(3)	(113)	(261)
Closing net book amount	$ 824	$ 659	$ 6	$ 1,577	$ 3,066
At March 31, 2025					
Cost	$ 1,368	$ 1,117	$ 93	$ 2,703	$ 5,281
Accumulated depreciation	(544)	(458)	(87)	(1,126)	(2,215)
	$ 824	$ 659	$ 6	$ 1,577	$ 3,066

A. No borrowing costs were eligible for capitalization as part of property, plant and equipment.

B. None of the Company’s property, plant and equipment were pledged as collateral.

(6) Leasing arrangements－lessee

A. The Company leases various assets including buildings and multifunction printers. Rental contracts are made for periods of 1 to 5 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, including guarantee, pledge or sublease.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Book value		
	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	$ 39,839	$ 42,143	$ 6,870

	Depreciation charge	
	Three months ended March 31,	
	2026	2025
Buildings	$ 2,304	$ 1,914

C. For the three months ended March 31, 2026 and 2025, the additions to right-of-use assets were $0 and $1,766, respectively.

D. The information on profit or loss in relation to lease contracts is as follows:

	Three months ended March 31,	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 207	$ 25
Expense on short-term lease contracts	84	275
Expense on leases of low-value assets	16	16

E. For the three months ended March 31, 2026 and 2025, the Company's total cash outflow for leases were $2,473 and $2,253, respectively.

(7) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Payable for employees' salary and bonus	$ 15,948	$ 22,530	$ 16,366
Accrued directors' remuneration and employees' compensation	29,964	22,850	40,459
Payable for contracted research expenses	70,416	54,747	34,716
Others	9,214	10,908	7,105
	$ 125,542	$ 111,035	$ 98,646

(8) Pensions

Defined contribution plan

A. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance.

B. The pension costs under the defined contribution pension plan of the Company for the three months ended March 31, 2026 and 2025 were $702 and $652, respectively.

(9) Share-based payment

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

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions
Sixth employee stock options plan	2017.06.22	500	8 years	2~4 years' service
First restricted stocks plan	2022.07.26	90	3 years	1~3 years' service

(a) The abovementioned share-based payment arrangements are equity-settled.

(b) Restricted stocks issued by the Company are considered as not meeting the vesting conditions from the effective date of resignation. Those restricted stocks will be redeemed and retired by the Company without consideration according to the law and have no rights to dividends, bonuses, distributions from capital surplus, participate in cash capital increase and attend, propose, speak or vote at the shareholders' meeting. The rights of stocks vested before meeting the vesting conditions are restricted. Except for inheritance, the restricted stocks shall not be sold, pledged, transferred, gifted or disposed in any other method.

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

(a) Employee stock options (shares in thousands)

	2026		2025	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	$ -	214	$ 167.50
Options forfeited and expired	-	-	-	-
Options outstanding at March 31	-	-	214	167.50
Options exercisable at March 31	-		214	

(b) Restricted stocks (shares in thousands)

	2026	2025
At January 1 (at March 31)	-	24

C. For the three months ended March 31, 2026 and 2025, no employee stock options were exercised.

D. As of March 31, 2026, December 31, 2025 and March 31, 2025, the range of exercise prices of stock options outstanding were $0, $0 and $167.5 (in dollars), and the weighted-average remaining contractual periods were 0 years, 0 years and 0.22 years, respectively.

E. The fair values of the Company's stock options are all measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends (in dollars)	Risk-free interest rate	Fair value per unit (in dollars)
Sixth employee stock options plan	2017.06.22	167.5	167.5	22.7%	8 years	-	0.94%	22.13
First restricted stocks plan	2022.07.26	97.20	-	44.9%	3 years	2.5	0.47%~ 0.98%	90.00~ 94.75

F. Expenses incurred on share-based payment transactions are shown below:
For the three months ended March 31, 2026 and 2025, expenses incurred on share-based payment transactions were accrued at $0 and $178, respectively.

(10) Share capital

A. As of March 31, 2026, the Company's authorized capital was $1,800,000, consisting of 180 million shares of ordinary stock (including 15 million shares reserved for employee stock options), and the paid-in capital was $1,456,776, with a par value of $10 (in dollars) per share. All shares issued by the Company have been registered.
Movements in the number of the Company's ordinary shares outstanding are as follows (shares in thousands):

	2026	2025
At January 1 (at March 31)	143,677	143,677

B. Treasury stocks

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		March 31, 2026	
Name of company holding the shares	Reason for reacquisition	No. of shares (in thousands)	Carrying amount
The Company	To be reissued to employees	2,000	$ 133,410

		December 31, 2025	
Name of company holding the shares	Reason for reacquisition	No. of shares (in thousands)	Carrying amount
The Company	To be reissued to employees	2,000	$ 133,410

		March 31, 2025	
Name of company holding the shares	Reason for reacquisition	No. of shares (in thousands)	Carrying amount
The Company	To be reissued to employees	2,000	$ 133,410

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired.

(11) <u>Capital surplus</u>

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 Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient. Movements in capital surplus - additional paid-in capital, employee stock options and restricted stocks are provided in the statements of changes in equity.

(12) <u>Retained earnings</u>

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; if necessary, an amount drawn from the special reserve can be added to the remaining amount. The Board of Directors is authorized to propose the appropriation of all or a portion of the remainder, if any, as dividends or retained earnings, which shall be approved by the stockholders at the stockholders' meeting.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. The appropriations of earnings for 2024 and 2023 were resolved at the stockholders' meeting on May 23, 2025 and May 24, 2024, respectively. Details are summarized below:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 175,103	$ -	$ 27,465	$ -
Cash dividends	861,924	6.0	215,444	1.5
	$ 1,037,027		$ 242,909	

The appropriations of 2024 and 2023 earnings as resolved by the shareholders were in agreement with the appropriations as resolved by the Board of Directors.

D. The appropriations of earnings for 2025 as proposed by the Board of Directors on March 3, 2026 are as follows:

	Year ended December 31, 2025	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 38,764	
Cash dividends	287,355	$ 2.0
	$ 326,119	

As of April 30, 2026, the appropriations of 2025 earnings have not yet been approved by the shareholders.

E. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items (excluding the portion arising from employee restricted stocks) at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(13) Operating revenue

	Three months ended March 31,	
	2026	2025
Revenue from contracts with customers	$ 239,795	$ 187,382

A. Disaggregation of revenue from contracts with customers:

The Company derives revenue from the transfer of goods and services at a point in time in the following contract categories:

Three months ended March 31, 2026

	Royalty revenue	Sales revenue	Total
Total segment revenue	$ 181,719	$ 58,076	$ 239,795
Revenue from external customer contracts	$ 181,719	$ 58,076	$ 239,795

Three months ended March 31, 2025

	Royalty revenue	Sales revenue	Total
Total segment revenue	$ 119,538	$ 67,844	$ 187,382
Revenue from external customer contracts	$ 119,538	$ 67,844	$ 187,382

Royalty revenue for the three months ended March 31, 2026 and 2025 was accrued as the Company was entitled to collect a certain percentage of sales from Merrimack Pharmaceuticals, Inc. from its sales in the Eurasia region (except for Taiwan) pursuant to the supplementary agreement of Cooperation Contract in 2011, and Ipsen S.A. has generally assumed all the rights and obligations in relation to the Cooperation Contract since April 3, 2017.

For the three months ended March 31, 2026 and 2025, the Company recognized royalty income from sales in the amount of US$4,200 thousand and US$3,600 thousand in accordance with the contract, respectively. For the three months ended March 31, 2026 and 2025, royalty income which has not yet been collected amounted to US$4,200 thousand and US$3,600 thousand (of which US$3,780 thousand and US$3,240 were recognized in current contract assets as of March 31, 2026 and 2025, respectively, and remaining amounts are recorded as a decrease in current income tax liabilities as of March 31, 2026 and 2025), respectively.

Additionally, pursuant to the provisions of the aforementioned supplementary agreement, the Company is entitled to receive sublicense revenue upon the satisfaction of the relevant contractual conditions. During the period from January 1 to March 31, 2026, the Company recognized sublicense revenue amounting to US$1,500 thousand, which was fully collected during the first quarter of 2026.

B. Contract assets

The Company has recognized the following contract assets in relation to the above licensing contract:

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Contract assets	$ 120,941	$ 178,548	$ 107,584	$ 1,772,598

(14) Operating costs

	Three months ended March 31,	
	2026	2025
Cost of sales		
- Cost of goods sold	$ 15,238	$ 12,384
- Gain on reversal of decline in inventory	(3)	-
	$ 15,235	$ 12,384

(15) Interest income

	Three months ended March 31,	
	2026	2025
Interest income from bank deposits	$ 24,099	$ 20,922

(16) Other gains and losses

	Three months ended March 31,	
	2026	2025
Net currency exchange gains	$ 16,932	$ 18,195

(17) Finance costs

	Three months ended March 31,	
	2026	2025
Interest expense on lease liabilities	$ 207	$ 25

(18) Expenses by nature

	Three months ended March 31,	
	2026	2025
Employee benefit expense	$ 30,060	$ 28,031
Depreciation charges on property, plant and equipment (including right-of-use assets)	$ 2,586	$ 2,175
Amortization charges on intangible assets	$ 150	$ 173

(19) Employee benefit expense (All are operating expenses)

	Three months ended March 31,	
	2026	2025
Wages and salaries	$ 21,022	$ 19,794
Share-based payment expenses	-	178
Labour and health insurance fees	1,347	1,265
Pension costs	702	652
Directors’ remuneration	6,006	5,168
Other personnel expenses	983	974
	$ 30,060	$ 28,031

A. In accordance with the Articles of Incorporation of the Company, if there is distributable profit of the current year, the Board of Directors shall resolve to allocate between 1% and 10% of profit to employees and an amount to directors which shall not exceed 2% of the profit. However, if the Company has accumulated losses, the distributable profit should cover such losses first, and this should be reported in the stockholders’ meeting. Moreover, during the Company’s Annual General Meeting on May 23, 2025, the stockholders approved amendments to certain provisions of the Articles of Incorporation, thereby supplementing the aforementioned appropriation of employees’ compensation to stipulate that no less than 0.1% shall be allocated for distribution as compensation to non-managerial employees.

B. For the three months ended March 31, 2026 and 2025, employees’ compensation were accrued at $3,557 and $2,664, respectively; while directors’ remuneration were accrued at $3,557 and $2,664, respectively. The aforementioned amounts were recognized in salary expenses and other expenses. The employees’ compensation and directors’ remuneration were both estimated and accrued based on 2% of distributable profit for the three months ended March 31, 2026 and 2025.

Employees’ compensation and directors’ remuneration for 2025 as resolved by the Board of Directors on March 3, 2026 were in agreement with those amounts recognized in the 2025 financial statements. The employees’ compensation for 2025 will be distributed in the form of cash.

Information about the appropriation of employees’ compensation and directors’ remuneration by the Company as proposed by the Board of Directors will be posted in the “Market Observation Post System” at the website of Taiwan Stock Exchange.

(20) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Current tax:		
Current tax on profits for the period	$ 29,240	$ 24,961
Deferred tax:		
Origination and reversal of temporary differences	4,266	617
Total deferred tax	4,266	617
Income tax expense	$ 33,506	$ 25,578

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

(21) Earnings per share

	Three months ended March 31, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Net profit	$ 137,215	143,677	$ 0.96
Diluted earnings per share			
Net profit	$ 137,215	143,677	
Assumed conversion of all dilutive potential ordinary shares			
Employees’ compensation	-	173	
	$ 137,215	143,850	$ 0.95

	Three months ended March 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Net profit	$ 102,303	143,653	$ 0.71
Diluted earnings per share			
Net profit	$ 102,303	143,653	
Assumed conversion of all dilutive potential ordinary shares			
Restricted stocks	-	22	
Employees' compensation	-	204	
	$ 102,303	143,879	$ 0.71

(22) Supplemental cash flow information

Investing activities with partial cash payments

	Three months ended March 31,	
	2026	2025
Purchase of property, plant and equipment	$ -	$ 103
Less: Opening balance of prepaid equipment (Note)	-	(103)
Cash paid during the period	$ -	$ -

Note: Prepaid equipment - shown as 'non-current assets'.

(23) Changes in liabilities from financing activities

	2026	2025
	Lease liability	Lease liability
At January 1	$ 42,124	$ 7,143
Changes in cash flow from financing activities	(2,166)	(1,937)
Changes in other non-cash items		
Increase in right of use assets	-	1,766
At March 31	$ 39,958	$ 6,972

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions

For the three months ended March 31, 2026 and 2025, the Company has no significant transactions made with related parties.

(2) Key management compensation

	Three months ended March 31,	
	2026	2025
Salaries and other short-term employee benefits	$ 9,309	$ 8,293
Post-employment benefits	27	27
Share-based payments	-	90
	$ 9,336	$ 8,410

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

A. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Company has entered into drug research commissioned, pharmaceutical distribution agreements, and software license contracts amounting to $1,033,728, $988,017 and $833,529, of which $699,825, $669,323 and $541,811 had been paid, respectively.

B. On September 25, 2022, the Company has entered into a worldwide exclusive license agreement (in-license) with UK-based Sentinel Oncology Limited for PEP07 (Chk1inhibitor). The total contract price is USD 140,500 thousand. Under the agreement, the Company will pay milestone payments and sales milestone payments based on the stage of completion of the research and development and the sales of the products as well as royalties based on a certain percentage of product sales. The Company has recognized royalty expense of USD 1,000 thousand and USD 2,000 thousand (shown as “research and development expenses”) when the agreement was signed and the conditions of the first stage of milestone were fulfilled in the third quarter of 2023, respectively, which had been paid.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

There was no significant change in the reporting period. Refer to Note 12 in the financial statements for the year ended December 31, 2025.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	$ 1,326,273	$ 1,583,525	$ 3,010,543
Financial assets at amortised cost	3,648,968	3,133,295	2,657,155
Accounts receivable, net	60,949	83,888	71,215
Other receivables	21,908	19,086	15,940
Refundable deposits (shown as other non-current assets)	2,529	2,529	2,479
	$ 5,060,627	$ 4,822,323	$ 5,757,332
Financial liabilities			
Financial liabilities at amortised cost			
Accounts payable	$ -	$ 35,576	$ -
Other payables	125,542	111,035	98,646
	$ 125,542	$ 146,611	$ 98,646
Lease liability	$ 39,958	$ 42,124	$ 6,972

B. Financial risk management policies

There was no significant change in the reporting period. Refer to Note 12 in the financial statements for the year ended December 31, 2025.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currentcies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2026		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 34,700	31.995	$ 1,110,225
Financial liabilities			
Monetary items			
USD:NTD	1,862	31.995	59,571

	December 31, 2025			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	$ 31,101	31.43	$ 977,502	
GBP:NTD	32	42.33	1,347	
Financial liabilities				
Monetary items				
USD:NTD	1,283	31.43	40,334	
EUR:NTD	941	36.9	34,735	

	March 31, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 21,724	33.205	$ 721,340
Financial liabilities			
Monetary items			
USD:NTD	834	33.205	27,679

ii. Total exchange gain (loss) arising from foreign exchange variation on the monetary items held by the Company for the three months ended March 31, 2026 and 2025 amounted to $16,932 and $18,195, respectively.

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

	Three months ended March 31, 2026		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 11,102	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	596	-

	Three months ended March 31, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 7,213	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	277	-

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.

ii. The Company manages its credit risk. For banks and financial institutions, only independently rated parties with a minimum rating of optimal are accepted. According to the Company's credit policy, the Company is responsible for managing and analyzing 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 utilization of credit limits is regularly monitored.

iii. The Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

iv. 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 reorganization 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.

v. The Company classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies the simplified approach using the provision matrix to estimate expected credit loss.

vi. The Company used the forecastability of business indicators issued by the National Development Council to adjust historical and timely information to assess the default possibility of accounts receivable. On March 31, 2026, December 31, 2025 and March 31, 2025, the provision matrix is as follows:

	Not past due	Total
March 31, 2026		
Expected loss rate	0.05%	
Total book value	$ 60,980	$ 60,980
Loss allowance	$ 31	$ 31

	Not past due	Total
December 31, 2025		
Expected loss rate	0.05%	
Total book value	$ 83,930	$ 83,930
Loss allowance	$ 42	$ 42

	Not past due	Total
March 31, 2025		
Expected loss rate	0.03%	
Total book value	$ 71,236	$ 71,236
Loss allowance	$ 21	$ 21

vii. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2026	2025
At January 1	$ 42	$ 21
Reversal of impairment	(11)	-
At March 31	$ 31	$ 21

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury along with the Finance & Accounting Department. Company treasury along with the Finance & Accounting Department monitor rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The Company's other payables are due within 12 months, therefore, the Company expects no significant liquidity risk.

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

March 31, 2026	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Other payables	$ 125,542	-	-	-
Lease liability	9,464	8,810	23,591	-

December 31, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Accounts payable	$ 35,576	$ -	$ -	$ -
Other payables	111,035	-	-	-
Lease liability	9,428	9,035	25,774	-

March 31, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Other payables	$ 98,646	$ -	$ -	$ -
Lease liability	6,131	900	-	-

(3) Fair value information

Management considered that the carrying amounts of financial assets and financial liabilities not measured at fair value, including cash and cash equivalents (including financial assets at amortised cost), contract assets, accounts receivable, other receivables, accounts payable and other payables, are approximate to their fair values.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

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

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

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

E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

None.

(3) Information on investments in Mainland China

None.

14. OPERATING SEGMENT INFORMATION

(1) General information

The Company is mainly engaged in pharmaceutical sales and the research of new drugs. The Company operates business only in a single industry. The chief operating decision-maker, who allocates resources and assesses performance of the Company as a whole, has identified that the Company has only one reportable operating segment.

(2) Segment information

The Company has one reportable operating segment, thus, the reportable information was in agreement with the financial statements.

(3) Reconciliation for segment income (loss)

Segment operating income (loss) reported to the chief operating decision-maker is measured in a manner consistent with revenue and expense in the statement of comprehensive income. The report provided to the chief operating decision-maker for deciding management of segments is in agreement with the statement of comprehensive income. No reconciliation is needed.