BORA PHARMACEUTICALS CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT AUDITORS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Address: 6F., No. 2, Aly. 36, Ln. 26, Ruiguang Rd., Neihu Dist., Taipei City , Taiwan (R.O.C.)

Telphone：886-2-2790-1555

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail

EY 安永
Building a better working world

安永聯合會計師事務所

70051 台南市永福路一段189號11樓
11F, No.189, Sec. 1, Yongfu Road
Tainan City, Taiwan, R.O.C

Tel: 886 6 292 5888
Fax: 886 6 200 6888
www.ey.com/taiwan

Independent Auditors' Report

To BORA PHARMACEUTICALS CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of BORA PHARMACEUTICALS CO., LTD. (the "Company") as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023 and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and parent company only financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Operating revenue for the year ended December 31, 2024 was NT$1,119,329 thousand, mainly coming from contract development and manufacturing (CDMO). As timing of revenue recognition varies among contract terms with customers, which involved management's significant judgment, we have determined this as a key audit matter.

Our audit procedures included, but were not limited to, the following: evaluating the appropriateness of the management's accounting policies for revenue recognition; understanding the transaction processes for revenue recognition when fulfilling identified performance obligations; evaluating and testing the effectiveness of the design and implementation of internal controls over the timing of revenue recognition when fulfilling performance obligations; performing analytical procedures for the top ten clients; selecting samples to perform test of details to confirm the appropriateness of the timing of revenue recognition when fulfilling performance obligations; performing revenue cut-off testing for a period before and after the balance sheet date by tracing to relevant supporting documents to verify that revenue has been recognized in correct periods; investigating and understanding the cause and nature of significant sales returns for a period after the balance sheet date; and conducting journal entries testing.

We also evaluated the disclosures of revenue recognition. Please refer to Notes IV and VI to the parent company only financial statements.

Business Combination

On April 2, 2024, August 20, 2024, and October 25, 2024, the Group completed the acquisition of 100% of the equity of Upsher-Smith Laboratories, LLC, the sterile injectable manufacturing facility of Cangene bioPharma, LLC located in Baltimore, Maryland, USA, and 100% of the equity of Pyros Pharmaceuticals Inc. through its subsidiaries in accordance with the Corporate Merger Law and other relevant regulations. We have determined the transaction as a key audit matter as this transaction accounts for a reverse acquisition and the transaction amount of business combinations is significant, which involved the identification of merger and acquisition transaction.

Our audit procedures included, but were not limited to, the following: obtaining agreements for shares or assets purchase, evaluating the reasonableness of acquisition consideration under business combination and the fair value of identifiable net assets through business combination, confirming the acquisition date and related accounting treatments. We also evaluated the appropriateness of the disclosures of business combination. Please refer to Notes IV and VI to the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hu, Tzu Ren

Yao, Shih Chieh

Ernst & Young, Taiwan

5 March 2025

Notice to Readers

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

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Financial Statements Originally Issued in Chinese

BORA PHARMACEUTICALS CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2024 and 2023

Unit: Thousands of New Taiwan Dollars

ASSETS	Notes	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	IV&VI.1	$639,802	2	$342,222	2
Financial assets measured at fair value through profit or loss, current	IV&VI.2	$24,477	-	-	-
Notes receivable,net	IV&VI.3.17	-	-	664	-
Accounts receivable,net	IV&VI.4.17	43,790	-	45,428	-
Accounts receivable-related parties,net	IV&VI.4.17&VII	213,488	1	65,652	1
Other receivables		20	-	469	-
Other receivables-related parties	VII	195,844	1	162,183	1
Current tax assets	IV	16,945	-	21,338	-
Inventories,net	IV&VI.5	32,260	-	36,171	-
Prepayments		33,678	-	6,534	-
Other current assets		61,204	-	46,833	1
Total current assets		1,261,508	4	727,494	5
Non-current assets					
Investments accounted for using equity method	IV&VI.6&VIII	27,869,436	91	13,466,432	87
Property, plant and equipment	IV&VI.7&VIII	1,105,263	4	1,115,400	7
Right-of-use assets	IV&VI.18	1,558	-	4,229	-
Investment property,net	IV&VI.8&VIII	22,505	-	23,339	-
Intangible assets	IV	7,890	-	1,476	-
Deferred tax assets	IV&VI.22	243,945	1	80,489	1
Other non-current assets		3,618	-	7,958	-
Total non-current assets		29,254,215	96	14,699,323	95
Total assets		$30,515,723	100	$15,426,817	100

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Financial Statements Originally Issued in Chinese
BORA PHARMACEUTICALS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
As of December 31, 2024 and 2023

Unit: Thousands of New Taiwan Dollars

LIABILITIES AND EQUITY	Notes	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	IV&VI.9	$1,400,000	5	$500,000	3
Financial liabilities measured at fair value through profit or loss, current	IV&VI.10	-	-	1,584,841	10
Contract liabilities,current	VI.16	-	-	8	-
Accounts payable		98,127	-	50,909	1
Accounts payable-related party	VII	177	-	19	-
Other payables	IV&VII	345,885	1	349,884	2
Income tax liability	IV&VI.22	94,052	-	43,515	-
Lease liabilities,current	IV&VI.18	1,584	-	2,686	-
Current portion of long-term loans	IV&VI.12	1,086,417	4	335,896	2
Other current liabilities		5,298	-	2,121	-
Total current liabilities		3,031,540	10	2,869,879	18
Non-current liabilities					
Financial liabilities measured at fair value through profit or loss, non-current	IV&VI.10	-	-	359,604	2
Bonds payable	IV&VI.11	7,758,905	26	1,538,361	10
Long-term loans	IV&VI.12	6,498,320	21	1,066,130	7
Deferred tax liabilities	IV&VI.22	357,472	1	281,752	2
Lease liabilities, non-current	IV&VI.18	-	-	1,585	-
Other non-current liabilities		2,084	-	224,719	2
Total non-current liabilities		14,616,781	48	3,472,151	23
Total liabilities		17,648,321	58	6,342,030	41
Equity attributable to the parent company	VI.14.15				
Capital					
Common stock		1,030,852	3	1,014,128	7
Advance receipts for capital stock		2,267	-	853	-
Capital surplus		4,408,236	15	3,318,350	22
Retained earnings					
Legal reserve		658,515	2	355,501	2
Unappropriated earnings		6,448,405	21	4,373,116	28
Subtotal		7,106,920	23	4,728,617	30
Other equity		362,308	1	73,807	-
Treasury stock		(43,181)	-	(50,968)	-
Total equity		12,867,402	42	9,084,787	59
Total liabilities and equity		$30,515,723	100	$15,426,817	100

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Financial Statements Originally Issued in Chinese

BORA PHARMACEUTICALS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

From January 1 to December 31, 2024 and 2023

Unit: Thousands of New Taiwan Dollars

Items	Notes	For the year ended December 31, 2024		For the year ended December 31, 2023	
		Amount	%	Amount	%
Operating revenue	IV&VI.16&VII	$1,119,329	100	$466,605	100
Operating costs	IV&VI.5.19&VII	(944,337)	(84)	(362,624)	(78)
Gross profit		174,992	16	103,981	22
Unrealized gross profit on sales		(1,329,881)	(119)	(119,452)	(26)
Realized gross profit on sales		222,698	20	77,030	17
Gross profit,net		(932,191)	(83)	61,559	13
Operating expenses	IV&VI.13.15.17.18.19				
Sales and marketing expenses		(2,148)	-	(1,693)	-
General and administrative expenses		(431,688)	(39)	(288,773)	(62)
Research and development expenses		(1,120)	-	(2,730)	(1)
Total operating expenses		(434,956)	(39)	(293,196)	(63)
Operating loss		(1,367,147)	(122)	(231,637)	(50)
Non-operating income and expenses					
Other revenue	VI.20&VII	302,067	27	203,132	44
Other (losses)	VI.20	(40,962)	(4)	(1,084,999)	(233)
Financial costs	VI.20	(264,445)	(24)	(110,797)	(24)
Share of profit of associates and joint ventures accounted for using the equity method	VI.6	5,268,415	471	4,196,815	899
Total non-operating income		5,265,075	470	3,204,151	686
Net income before income tax		3,897,928	348	2,972,514	636
Income tax benefits	VI.22	41,081	4	57,628	12
Net income		3,939,009	352	3,030,142	648
Other comprehensive income					
Not to be reclassified to profit or loss in subsequent periods					
Remeasurements of defined plans for subsidiaries, affiliates and joint ventures	VI.21	(135)	-	(6,192)	1
Unrealized gains (losses) on equity instrument investments measured at fair value through other comprehensive income for subsidiaries, affiliates, and joint ventures	VI.21	22,693	2	-	-
To be reclassified to profit or loss in subsequent periods					
Exchange differences resulting from translating the financial statements of foreign operations	VI.21	301,265	27	27,554	6
Share of profit (loss) of associates and joint ventures accounted for using equity method	VI.21	24,931	2	18,863	4
Income tax related to items to be reclassified subsequently to profit or loss	VI.21.22	(60,253)	(5)	(5,511)	(1)
Total other comprehensive income, net of tax		288,501	26	34,714	10
Total comprehensive income		$4,227,510	378	$3,064,856	658
Earnings per share (NTD)	IV&VI.23				
Earnings per share-basic		$38.69		$30.20	
Earnings per share-diluted		$35.82		$29.39	

(The accompanying notes are an integral part of the parent company only financial statements.)

BORA PHARMACEUTICALS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

From January 1 to December 31, 2024 and 2023

Unit: Thousands of New Taiwan Dollars

Items	Capital		Capital surplus	Retained earnings			Other equity			Treasury stock	Total
	Common stock	Advance receipts for capital stock		Legal reserve	Special reserve	Unappropriated earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gain (Loss) on financial assets at fair value through other comprehensive income	Remeasurements of the net defined benefit plan		
Balance as of January 1, 2023	$753,815	$3,107	$1,236,380	$216,436	$23,919	$2,308,664	$35,489	$(4,900)	$8,504	$(53,092)	$4,528,322
Appropriation and distribution of 2022 retained earning											
Legal Reserve	-	-	-	139,065	-	(139,065)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(619,134)	-	-	-	-	(619,134)
Stock dividends	231,410	-	-	-	-	(231,410)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(23,919)	23,919	-	-	-	-	-
Recognition of equity component of convertible bonds issued	-	-	392,062	-	-	-	-	-	-	-	392,062
Changes in subsidiaries, affiliates and joint ventures recognized using the equity method	-	-	48,779	-	-	-	-	-	-	-	48,779
											-
Net income for the year ended December 31, 2023	-	-	-	-	-	3,030,142	-	-	-	-	3,030,142
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	40,906	-	(6,192)	-	34,714
Total comprehensive income	-	-	-	-	-	3,030,142	40,906	-	(6,192)	-	3,064,856
Conversion of convertible bonds	27,863	(3,064)	644,607	-	-	-	-	-	-	-	669,406
Difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal	-	-	872,616	-	-	-	-	-	-	-	872,616
Adjustment to share of changes in equities of subsidiaries	-	-	47,125	-	-	-	-	-	-	-	47,125
Share-based payment transactions-exercise of stock option	1,000	850	24,594	-	-	-	-	-	-	-	26,444
Share-based payment transactions-stock based compensation	-	-	46,819	-	-	-	-	-	-	-	46,819
Share-based payment transactions-conversion of stock option	40	(40)	-	-	-	-	-	-	-	-	-
Other-treasury shares sold to employees	-	-	5,368	-	-	-	-	-	-	2,124	7,492
Balance as of December 31, 2023	$1,014,128	$853	$3,318,350	$355,501	$-	$4,373,116	$76,395	($4,900)	$2,312	($50,968)	$9,084,787
Balance as of January 1, 2024	$1,014,128	$853	$3,318,350	$355,501	$-	$4,373,116	$76,395	($4,900)	$2,312	($50,968)	$9,084,787
Appropriation and distribution of 2024 retained earning											
Legal Reserve	-	-	-	303,014	-	(303,014)	-	-	-		-
Cash dividends	-	-	-	-	-	(1,232,804)	-	-	-	-	(1,232,804)
Changes in subsidiaries, affiliates and joint ventures recognized using the equity method	-	-	49,589	-	-	-	-	-	-	-	49,589
Net income for the year ended December 31, 2024	-	-	-	-	-	3,939,009	-	-	-	-	3,939,009
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	265,943	22,693	(135)	-	288,501
Total comprehensive income	-	-	-	-	-	3,939,009	265,943	22,693	(135)	-	4,227,510
Shares issued for pursuant to acquisitions	16,577	-	1,435,530	-	-	-	-	-	-	-	1,452,107
Conversion of convertible bonds	3,057	227	195,563	-	-	-	-	-	-	-	198,847
Treasury stock purchases	-	-	-	-	-	-	-	-	-	(389,127)	(389,127)
Retirement of treasury share	(5,190)	-	(56,035)	-	-	(327,902)	-	-	-	389,127	-
Difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual disposal	-	-	(706,145)	-	-	-	-	-	-	-	(706,145)
Adjustment to share of changes in equities of subsidiaries	-	-	9,100	-	-	-	-	-	-	-	9,100
Share-based payment transactions-exercise of stock option	1,430	2,037	59,117	-	-	-	-	-	-	-	62,584
Share-based payment transactions-stock based compensation	-	-	78,647	-	-	-	-	-	-	-	78,647
Share-based payment transactions-conversion of stock option	850	(850)	-	-	-	-	-	-	-	-	-
Other-treasury shares sold to employees	-	-	24,520	-	-	-	-	-	-	7,787	32,307
Balance as of December 31, 2024	$1,030,852	$2,267	$4,408,236	$658,515	$-	$6,448,405	$342,338	$17,793	$2,177	$(43,181)	$12,867,402

(The accompanying notes are an integral part of the parent company only financial statements.)

English Translation of Financial Statements Originally Issued in Chinese

BORA PHARMACEUTICALS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2024 and 2023

Unit: Thousands of New Taiwan Dollars

Items	For the year ended December 31, 2024	For the year ended December 31, 2023
Cash flows from operating activities:		
Net income before tax	$3,897,928	$2,972,514
Adjustments for:		
Income and expense adjustments:		
Depreciation	25,871	24,796
Amortization	1,618	1,497
Net (gain) loss on financial assets or liabilities measured at fair value through profit or loss	(24,423)	1,044,671
Interest expense	264,445	110,797
Interest revenue	(60,601)	(4,596)
Share-based payment expenses	56,940	27,287
Share of profit of associates and joint ventures accounted for using the equity method	(5,268,415)	(4,196,815)
Loss on disposal of property, plant and equipment	247	30
Unealized losses from inter-affiliate accounts	1,329,881	119,452
Realized (gain) from inter-affiliate accounts	(222,698)	(77,030)
Other	17,355	7,202
Total income and expense adjustments:	(3,879,780)	(2,942,709)
Changes in operating assets and liabilities:		
Notes receivable,net	664	(1)
Accounts receivables,net	1,638	(3,158)
Accounts receivables-related parties,net	(147,836)	861
Other receivables	449	(266)
Other receivables-related party	(1,267)	(13,739)
Inventories,net	3,911	(16,006)
Prepayments	(27,144)	2,992
Other current assets	(14,371)	(7,348)
Contract liabilities	(8)	-
Accounts payable	47,218	17,680
Accounts payable-related parties	158	(337)
Other payables	70,056	59,168
Other current liabilities	3,177	312
Cash generated from operations	(45,207)	69,963
Interest received	60,601	4,596
Income tax paid	(40,206)	(6,253)
Net cash (used in) provided by operating activities	(24,812)	68,306

Items	For the year ended December 31, 2024	For the year ended December 31, 2023
Cash flows from investing activities:		
Acquisition of financial assets measured at amortized cost	(1,687,400)	-
Proceeds from disposal of financial assets measured at amortized cost	1,687,400	38,522
Acquisition of financial assets measured at at fair value through profit or loss	(22,832)	-
Acquisition of investments accounted for using equity method	(12,713,831)	-
Proceeds from disposal of investments accounted for using equity method	-	31,557
Acquisition of subsidiary (net of cash acquired)	(2,354,727)	(1,226,774)
Acquisition of property, plant and equipment	(12,884)	(23,876)
Proceeds from disposal of property, plant and equipment	408	463
Increase in refundable deposits	57	(20)
Increase in other receivables-related parties	(221,065)	(119,617)
Decrease in other receivables-related parties	210,378	41,720
Acquisition of intangible assets	(8,032)	(1,216)
Increase in other non-current assets	-	(300)
Increase in prepayment for equipments	-	(586)
Decrease in prepayment for equipments	3,983	-
Dividends received	3,625,764	2,830,818
Net cash(used in) provided by investing activities	(11,492,781)	1,570,691
Cash flows from financing activities:		
Increase in short-term loans	900,000	-
Decrease in short-term loans	-	(849,614)
Issuance of convertible bonds	6,314,925	2,023,360
Proceeds from long-term loans	7,000,000	-
Repayment of long-term loans	(834,644)	(1,956,819)
Repayment of the principal of lease liabilities	(2,687)	(2,649)
Increase in other current liabilities	(24)	-
Cash dividends	(1,232,804)	(619,134)
Employee stock options exercised	62,584	26,444
Treasury stock purchases	(389,127)	-
Treasury stock sold to employees	32,307	7,492
Interest paid	(168,127)	(94,911)
Net cash provided by (used in) financing activities	11,682,403	(1,465,831)
Effect of exchange rate changes on cash and cash equivalents	132,770	16,687
Net increase in cash and cash equivalents	297,580	189,853
Cash and cash equivalents at beginning of period	342,222	152,369
Cash and cash equivalents at end of period	$639,802	$342,222

(The accompanying notes are an integral part of the parent company only financial statements.)

(Amounts are expressed in Thousands of New Taiwan Dollars, unless Otherwise Specified)

I. History and Organization

Bora Pharmaceuticals Co., Ltd. ("the Company") was incorporated in the Republic of China ("R.O.C.") on June 12, 2007, initially as 'Bora International Co., LTD.' until it was renamed in June 2013. The Company's initial registered office and principal place of business was of Sing'ai Rd., Neihu Dist., Taipei City, Republic of China (R.O.C.), and then relocated to 6F., No. 2, Aly. 36, Ln. 26, Ruiguang Rd., Neihu District, Taipei City, Republic of China (R.O.C.) on February 2, 2021. The main activities of the Company focus on manufacturing and selling generic, brand, and over-the-counter (OTC) drugs, contract development and manufacturing (CDMO). The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) on December 19, 2023.

II. The Authorization of Parent Company Only Financial Statements

The parent company only financial statements of the Company ("the Company") for the years ended December 31, 2024 and 2023 were authorized for issue by the Board of Directors on March 5, 2025.

III. Application of New and Revised International Financial Reporting Standards

1. Changes in accounting policies resulting from applying for the first time certain standards and amendments.

   The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Company.

2. Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(a) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2025. The above standards and interpretations have no significant impact on the Company's financial condition and financial performance based on the Company assessment.

3. Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as of the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "*Consolidated Financial Statements*" and IAS 28 "*Investments in Associates and Joint Ventures*" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 *"Insurance Contracts*"	January 1, 2023
c	IFRS 18 "*Presentation and Disclosure in Financial Statements*"	January 1, 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

(a) IFRS 10 "*Consolidated Financial Statements*" and IAS 28 "*Investments in Associates and Joint Ventures*" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 "*Insurance Contracts*"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(c) IFRS 18 "*Presentation and Disclosure in Financial Statements*"

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures
IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements
IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(e) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
The amendments include:

(1) Clarify that a financial liability is derecognized on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
(2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
(3) Clarify the treatment of non-recourse assets and contractually linked instruments.
(4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1
The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.
(2) Amendments to IFRS 7
The amendments update an obsolete cross-reference relating to gain or loss on derecognition.
(3) Amendments to Guidance on implementing IFRS 7
The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.
(4) Amendments to IFRS 9
The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.
(5) Amendments to IFRS 10
The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.
(6) Amendments to IAS 7
The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(g) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify the application of the ‘own-use’ requirements.
(2) Permit hedge accounting if these contracts are used as hedging instruments.
(3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. The remaining new or amended standards and interpretations have no significant impact on the Company.

IV. Summary of material accounting policies

1. Statement of compliance

   The parent company only financial statements of the Company for the years ended December 31, 2024 and 2023 were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

2. Basis of preparation

   The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the parent company only financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the parent company only financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

   The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

3. Foreign currency transactions

   The Company's parent company only financial statements are presented in NT$, which is also the Company's functional currency. Transactions in foreign currencies are initially recorded by the Company entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

   All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

   (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
   (b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
   (c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

   When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

4. Translation of financial statements in foreign currency

   The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:
   (a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
   (b) when the retained interest after the partial disposal of an interest in a joint arrangement or partial disposal of an interest in an associate that includes a foreign operation is financial asset that includes a foreign operation.

   On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

5. Current and non-current distinction

   An asset is classified as current when:
   (a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
   (b) The Company holds the asset primarily for the purpose of trading
   (c) The Company expects to realize the asset within twelve months after the reporting period
   (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

   All other assets are classified as non-current.

   A liability is classified as current when:
   (a) The Company expects to settle the liability in its normal operating cycle
   (b) The Company holds the liability primarily for the purpose of trading
   (c) The liability is due to be settled within twelve months after the reporting period
   (d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

   All other liabilities are classified as non-current

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *"Financial Instruments"* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial instruments: recognition and measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

A. the Company's business model for managing the financial assets and
B. the contractual cash flow characteristics of the financial asset.

<u>Financial assets measured at amortized cost</u>

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivables, accounts receivables and other receivables etc., on balance sheet as of the reporting date:

A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

A. purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

<u>Financial asset measured at fair value through other comprehensive income</u>

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:
A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:
A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
   (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
   (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

In addition, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposing of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

<u>Financial asset measured at fair value through profit or loss</u>

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from the remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial asset measured at amortized cost.

The Company measures expected credit losses of a financial instrument in a way that reflects:
A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
B. the time value of money
C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:
A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note XII for further details on credit risk.

(3) Derecognition of financial assets

Financial asset is derecognized when:
A. The rights to receive cash flows from the asset have expired
B. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
C. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as of fair value through profit or loss. A financial liability is classified as held for trading if:

A. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
B. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
C. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as of fair value through profit or loss when doing so results in more relevant information, because either:

A. it eliminates or significantly reduces a measurement or recognition inconsistency; or
B. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

8. Derivative instrument

The Company uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

9. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

10.Inventories, net

Inventories are stated at acquisition cost, and the cost is measured by standard cost method. The Company considers the normal level of materials, labors, efficiency and equipment capacity when making regular reviews and adjustments according to the current situation.

Inventories are valued at the lower of cost and net realizable value item by item.

Inventories are stated at the lower of cost or net realizable value.Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

11. Investments accounted for using the equity method

The Company presented the investment of subsidiaries as *" investments accounted for using the equity method"* in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the parent company only financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the parent company only financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments. The adjustments mainly consider the treatment of the investments in subsidiaries in accordance with IFRS 10 *"Consolidated Financial Statements"* and the difference of adopting International Financial Reporting Standards by different entities. The adjustments may debit or credit accounts such as: "investments accounted for using the equity method", "share of profit of associates and joint ventures accounted for using the equity method", or "share of other comprehensive income of associates and joint ventures accounted for using the equity method."

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a prorata basis.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

12. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "*Property, plant and equipment*". When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	2～50 years
Machinery and equipment	2～15 years
Transportation equipment	2～ 6 years
Office equipment	2～10 years
Other equipment	2～16 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

13. Investment property, net

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	30 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The Company transfers properties to or from investment properties according to the actual use of the properties.

The Company transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

14. Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:
(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 *"Impairment of Assets"* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Company elected not to assess whether it is a lease modification but accounted it as a variable lease payment and the practical expedient has been applied to such rent concessions.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

15. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Company can demonstrate:

(a) The technical feasibility of completing the intangible asset so that it will be available for use or sale
(b) Its intention to complete and its ability to use or sell the asset
(c) How the asset will generate future economic benefits
(d) The availability of resources to complete the asset
(e) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

A summary of the policies information applied to the Company's intangible assets is as follows:

Category	Software	Exclusive technology
Useful lives	1 to 5 years	5 years
Amortization methods	Straight line method	Straight line method

16. Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

17. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

<u>Provisions for employee benefits</u>

Provisions for employee benefits are recognized for employees' cumulative and unused benefits obligations at the reporting days.

18. Treasury stock

Own equity instruments which are reacquired (treasury stock) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

19. Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and CDMO services. The accounting policies are explained as follow:

<u>Sales of goods (Commercial Sales)</u>

Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is prescription drugs, generic drugs, and consumer healthcare products. Revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, the Company makes estimates of the net sales price, including estimates of variable consideration to be incurred on the respective product sales which includes volume discounts and sales discount (known as "Gross to Net" adjustments). Estimating gross to net adjustments and applying the constraint on variable consideration requires the use of significant management judgment, historical trends and other market data. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. Pursuant to terms of the contract, calculations related to Gross to Net adjustments are estimated based on historical or contract stated information and was recorded as refund liabilities.

The terms of accounts receivable are generally 30 ~180 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contracts. However, for some contracts, part of the consideration was received from customers upon signing the contracts, and the Company has the obligation to provide the products subsequently; accordingly, these amounts are recognized as contract liabilities.

Contract liabilities usually are recognized as revenue within one year, thus, no significant financing component arose.

CDMO – Contract Development and Manufacturing Revenue

The Company provides pharmaceutical drugs manufacturing services, in which the production is based on the terms of the agreements. Sales are recognized at contractual price when control of the goods are transferred to the customers (which is when the customers obtain the ability to prevent others from directing the use of and obtaining the benefits from the goods) and the goods are physically received by the customers in accordance with contract term.

20. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

21. Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Company’s parent company only financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

22. Shared-based payment transactions

The cost of equity-settled transactions between the Company and its subsidiaries is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Company recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

23. Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

<u>Current income tax</u>

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The amendment in "*International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)*" has applied the exception. an exception to the requirements in IAS 12 that an entity does not recognize and does not disclose information about deferred tax assets and liabilities related to the pillar two income taxes.

24. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Company acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 *Financial Instruments* either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

V. Critical accounting judgements, estimates and assumptions

The preparation of the Company's parent company only financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the parent company only financial statements:

(a) Revenue recognition

For certain CDMO contracts with customers, the Company determines if it is acting as a principal or an agent in a contract by considering the indicators of whether it primarily responsible for fulfilling the promise to provide the goods or service, it bears inventory risk before or after transfer of control to the customers, it has the discretion to establish prices. The assessment of principal/agent arrangement would affect the Company's recognition of revenue.

(b) Operating lease commitment－company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(b) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note VI.

(c) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note VI.

VI. Details of significant accounts

1. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$276	$196
Checking accounts and demand deposits	639,526	342,026
Total	$639,802	$342,222

2. Financial assets measured at fair value through profit or loss, net

	December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss:		
Stock	$20,275	$-
Embedded derivative－Right of redemption of convertible bonds	4,202	-
Total	$24,477	$-

3. Notes receivable, net

	December 31, 2024	December 31, 2023
Notes receivable, gross	$-	$664
Less: loss allowance	-	-
Total	$-	$664

Notes receivable were not overdue and not pledged.

The Company follows the requirement of IFRS 9 to assess the impairment. Please refer to Note VI.17 for more details on loss allowance and Note XII for details on credit risk management.

4. Accounts receivable, net and accounts receivable-related parties, net

	December 31, 2024	December 31, 2023
Accounts receivable, gross	$44,039	$45,677
Less: loss allowance	(249)	(249)
Subtotal	43,790	45,428
Accounts receivable-related parties, gross	213,488	65,652
Less: loss allowance	-	-
Subtotal	213,488	65,652
Total	$257,278	$111,080

(1) Accounts receivable were not pledged.

(2) The terms of accounts receivable are generally on net 30 to 120 days. Please refer to Note VI.17 for more details on loss allowance of accounts receivable at December 31, 2024 and 2023 and Note XII for more details on credit risk management.

5. Inventories, net

(1) Details on net inventories are as follows:

	December 31, 2024	December 31, 2023
Raw materials	$2,786	$8,817
Work in progress	320	6,071
Finished goods	15,487	3,780
Merchandise	13,667	17,503
Total	$32,260	$36,171

(2) Details on operating costs recognized as expense are as follows:

	Years Ended December 31	
	2024	2023
Cost of goods sold	$943,743	$361,111
Inventories shortage (overage)	126	167
Write-down of inventories loss (gains)	468	1,346
Total	$944,337	$362,624

(3) No inventories were pledged.

6. Investments accounted for using the equity method

	December 31, 2024		December 31, 2023		
Investees	Carrying amount	Ownership (%)	Carrying amount	Ownership (%)	Note
Investments in associates:					
Bora Pharmaceutical Laboratories Inc.	$2,307,608	100	$2,270,850	100	
Bora Pharmaceuticals USA Inc.	14,858,045	100	70,098	100	
Bora Pharmaceutical Services Inc.	1,532,967	50	1,418,525	50	
Bora Management Consulting Co., Ltd.	1,306	100	4,389	100	
Bora Biologics Co., Ltd.	2,407,647	98.14	1,194,554	65.70	Note1,2
Bora Pharmaceutical and Consumer Health Inc.	172	100	(41)	100	
TWi Pharmaceuticals, Inc.	5,593,972	100	7,364,161	100	Note3
Sunway Biotech Co., Ltd.	1,167,719	35.79	1,143,896	35.79	Note4
Total	$27,869,436		$13,466,432		

(1) On July 26, 2024, the company issued 1,658 thousand common shares in exchange for the common shares held by other shareholders (other than the Company) of Bora Biologics Co., Ltd.. As a result, the Company's ownership increased from 65.70% to 100%.

(2) In August 2024, Bora Biologics Co., Ltd. issued 9,512 thousand shares, a portion of which was issued to employee which resulted the Company's ownership decreased from 100% to 98.14%.

(3) TWi Pharmaceuticals, Inc., changed its Chinese company name and completed the registration of the name change in May 2024.

(4) In order to enhance the efficiency of research and development as well as expanding the portfolio of health care products, the Company's board of directors resolved on August 21, 2023, to acquire 35.79% of equity interests of SunWay Biotech Co., LTD. in exchange for all the Company’s equity interest of Bora Health Inc. Upon the completion of share conversion effective on November 1, 2023, the Company obtained the control over SunWay Biotech Co., LTD. and its subsidiaries and they have been included in the consolidated financial statements.

(5) Share of profit of associates and joint ventures accounted for using the equity methods amounted to NT$5,268,415 thousand and NT$4,196,815 thousand for the years ended December 31, 2024 and 2023, respectively.

(6) The investment in subsidiaries is presented as “investments accounted for using equity method” with necessary adjustments.

7. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Other equipment	Total
January 1, 2024	$889,813	$232,264	$114,844	$50,201	$1,287,122
Additions	-	4,302	7,058	1,524	12,884
Disposals	-	(44)	(4,051)	(1,952)	(6,047)
December 31, 2024	$889,813	$236,522	$117,851	$49,773	$1,293,959
January 1, 2023	$889,813	$210,829	$113,596	$50,162	$1,264,400
Additions	-	21,458	2,056	362	23,876
Disposals	-	(23)	(808)	(323)	(1,154)
December 31,2023	$889,813	$232,264	$114,844	$50,201	$1,287,122
January 1, 2024	$-	$67,358	$75,269	$29,095	$171,722
Depreciation	-	10,820	6,893	4,653	22,366
Disposals	-	(37)	(3,601)	(1,754)	(5,392)
December 31, 2024	$-	$78,141	$78,561	$31,994	$188,696
January 1, 2023	$-	$57,015	$68,920	$25,156	$151,091
Depreciation	-	10,362	6,706	4,224	21,292
Disposals	-	(19)	(357)	(285)	(661)
December 31, 2023	$-	$67,358	$75,269	$29,095	$171,722
Net carrying amount as of:					
December 31, 2024	$889,813	$158,381	$39,290	$17,779	$1,105,263
December 31, 2023	$889,813	$164,906	$39,575	$21,106	$1,115,400

(1) Buildings primarily include building structure, relevant constructions (such as: air conditioning units and electrical machinery), which are depreciated over 20 to 50 years and 8 to 10 years, respectively.

(2) Interests were not capitalized for the years ended December 31, 2024 and 2023.

(3) Please refer to Note VIII for more details on pledges of property, plants, and equipment.

(4) Please refer to Note VI.10 for the investment properties disclosure for the building acquired by the Company in 2019 for business operation and a portion of which was held for lease and the remaining portion was owner-occupied. The leased portion was recognized as investment properties.

8. Investment property, net

The Company owned investment properties. The Company has entered into commercial property leases on its owned investment properties with terms between 2 to 10 years which include a clause for annual rate adjustment to reflect the change in market conditions.

	Buildings
Cost:	
January 1, 2024	$26,673
Additions	-
December 31, 2024	$26,673
January 1, 2023	$26,673
Additions	-
December 31,2023	$26,673
Depreciation and impairment:	
January 1, 2024	$3,334
Depreciation	834
December 31, 2024	$4,168
January 1, 2023	$2,501
Depreciation	833
December 31,2023	$3,334
Net carrying amount as of:	
December 31, 2024	$22,505
December 31, 2023	$23,339

	Years Ended December 31	
	2024	2023
Net income from investment property	$8,270	$8,995

Please refer to Note VIII for more details on investment property under pledge.

Investment property held by the Company are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment property is categorized within Level 3. The fair value of investment properties is NT$71,017 thousand and NT$72,815 thousand as of December 31, 2024 and 2023, respectively. The fair value has been determined based on valuations performed by an independent appraiser. The valuation methods used are the income approach and comparison approach, and the inputs used are as follows:

Income approach:

	December 31, 2024	December 31, 2023
Net income margin	$115,463	$110,741
Capitalization rate	2.09%	2.11%

Comparison approach:

	December 31, 2024	December 31, 2023
Regional factors	98%-100%	98%-100%
Individual factors	89%-92%	89%-91%

9. Short-term loans

	December 31, 2024	December 31, 2023
Unsecured bank loans	$1,400,000	$500,000
Interest rates	1.98%~2.18%	1.90%
Unused credit line	$3,998,000	$2,900,000

10. Financial liabilities measured at fair value through profit or loss

	December 31, 2024	December 31, 2023
Held for trading purpose:		
Contingent consideration from business combination	$-	$1,935,436
Embedded derivatives -		
Put Option on convertible bonds	-	9,009
Total	-	$1,944,445
Current	-	$1,584,841
Non-current	$-	$359,604

11. Convertible bonds payable

	December 31, 2024	December 31, 2023
Liability component:		
Principal amount	$1,495,800	$1,699,800
Overseas unsecured convertible bond	7,327,783	-
(Discounts) on convertible bonds payable	(1,064,678)	(161,439)
Subtotal	7,758,905	1,538,361
Less: current portion	-	-
Net	$7,758,905	$1,538,361

Please refer to Note VI.20 for the details on the evaluation of gain and loss of embedded derivatives and the interest expenses of the bonds payable.

On 4 August 2023, the Company issued 3rd zero coupon unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NT$1,700,000 thousand

Period: August 4, 2023 ~ August 4, 2028

Important redemption clauses:

a. If the closing price of the Company's common shares on the Taiwan Stock Exchange (TWSE) for a period of 30 consecutive trading days is above than the conversion price by 30%, the Company may redeem the bonds at the price of the bond's part value within 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date.
b. The Company may redeem the bonds at the price of the bond's part value within 30 days during the period from the date after three months of the bonds issue to 40 days before the maturity date if the outstanding balance of the bonds is less than 10% of total initial issued principal amount.
c. Bondholders have the right to require the Company to redeem all or any portion of the bonds at the principal amount of the bonds with an interest (totaled at 100.7519% of principal amount) after August 4, 2026.

Terms of Exchange:

a. Underlying Securities: Common shares of the Company
b. Exchange Period: The bonds are exchangeable at any time on or after November 5, 2023 and prior to August 4, 2028 into common shares of the Company.
c. Exchange Price and Adjustment: The exchange price was originally NT$808 per share. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture.
d. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds that remain outstanding at the principal amount.

As of December 31, 2024, the bonds of NT$204,200 thousand were converted into 328,000 common shares, of which 23,000 shares were recognized as advance receipts for capital stock.

On September 5, 2024, the Company issued 1st zero coupon overseas unsecured convertible bonds on the Singapore Stock Exchange. The convertible bonds includes a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: US$200,000 thousand

Period: September 5, 2024 ~ September 5, 2029

Important redemption clauses:

a. If the closing price (based on the exchange rate at that time) of the Company's common shares on the Taiwan Stock Exchange (TWSE) for a period of 20 out of 30 consecutive trading days (in the event of a stock split or dividend distribution, the closing price used between the ex-rights or ex-dividend trading date and the ex-rights or ex-dividend record date shall first be adjusted to the price prior to the stock split or dividend distribution.) achieve the early redemption amount (as defined below), multiplied by the conversion price at that time (converted to USD using the fixed exchange rate agreed upon on the pricing date), then divided by the face value, with the resulting total amount multiplied by 130%, the Company may, redeem in whole or in part of the bonds at plus a yield of 2.75% per annum (calculated semi-annually) (hereinafter referred to as the 'early redemption amount') ,on or at any time after September 19, 2027 and on or prior to September 5, 2029.
b. The Company may redeem all, rather than part, of the remaining outstanding bonds at the early redemption amount, if more than 90% in principal amount of the bonds originally issued has been redeemed, repurchased and canceled, or converted.
c. In the event of changes in the tax laws of the Republic of China that result in an increase in the issuing company's tax burden or the need to pay additional interest or incur higher costs due to the bonds after the issuance date, the Company may redeem all, rather than part, of the bonds at the early redemption amount. Bondholders may choose not to have their bonds redeemed early by the issuing company; however, bondholders who make this choice shall not be entitled to request the issuing company to bear any additional taxes or costs.

Important Repurchase clauses:

Except in the following circumstances, bondholders may not request the issuing company to redeem all or part of their bonds before the maturity date

a. If the common shares of the issuing company are delisted from the TWSE or suspended from trading for a period equal to or exceeding 30 consecutive trading days, bondholders may request the issuing company to redeem all or part of their bonds at the face value plus interest compensation calculated at an annual rate of 2.75% (calculated semi-annually) (hereinafter referred to as the 'early put price').
b. If the Company experiences a change of control as defined in the bond trust agreement (hereinafter referred to as the ' Offering Circular '), bondholders may request the issuing

company to redeem all or part of their bonds at the early put price.

c. Unless already redeemed, repurchased, and cancelled, or converted by the bondholders, bondholders may, on the third anniversary of the issuance of the bonds, request the issuing company to redeem all or part of the bonds at the early put price.

d. Bondholders exercising the aforementioned put option, and the issuing company accepting the bondholders' put requests, shall proceed in accordance with the put procedures set forth in the Offering Circular. The Company shall redeem the bonds in cash on the payment date specified in the Offering Circular

Terms of Exchange:

a. Underlying Securities: Common shares of the Company
b. Exchange Period: The bonds are exchangeable at any time on or after December 5, 2024 and prior to August 26, 2029 into common shares of the Company.
c. Exchange Price and Adjustment: The exchange price was originally NT$964.6 per share. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture.
d. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds that remain outstanding at the principal amount plus an annual yield of 2.75% (calculated semi-annually).

As of December 31, 2024, none of the bonds have been converted into common shares.

12. Long-term loans

Details of long-term loans as of December 31, 2024 and December 31, 2023 are as follows:

	December 31, 2024	December 31, 2023
Unsecured bank loans	$7,196,000	$364,000
Secured bank loans	421,502	1,059,196
Less：unamortized issuance cost	(32,765)	(21,170)
Less: current portion	(1,086,417)	(335,896)
Total	$6,498,320	$1,066,130
Interest rate (%)	1.98%~2.88%	1.90%~2.49%
Maturity date	Due prior to December 2034	Due prior to December 2034

(1) Please refer to Note VIII for more details on pledges for the loan.

(2) Ceratain long-term loan agreements require the Company to maintain certain financial covenants during the borrowing period, including the current ratio, debt ratio, and the ratio of the Company’s annual debt to earnings before interest, taxes, depreciation, and amortization (EBITDA) not to exceed a certain multiple. There is no violation of the financial covenant at December 31, 2024.

13. Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 are NT$6,383 thousand and NT$5,523 thousand, respectively.

14. Equity

(1) Common stock

	December 31, 2024	December 31, 2023
Authorized shares(in thousands)	200,000	200,000
Authorized capital	$2,000,000	$2,000,000
Issued and paid shares(in thousands)	103,085	101,413
Capital stock	$1,030,852	$1,014,128

① Ordinary stock with par value at NT$10 per share. Each share has one voting right and is entitled to receive dividends.

② For the year ended December 31, 2023, the Company's 2nd convertible bond in the amount of NT$708,000 thousand were converted to 2,480 thousand of ordinary shares with an amount of NT$24,796 thousand. All the converted shares have completed the registration process.

③ For the year ended December 31, 2023, the Company's 3th convertible bond in the amount of NT$200 thousand were converted to 320 ordinary shares with an amount of NT$3 thousand. All the converted shares have completed the registration process.

④ For the year ended December 31, 2023, the Company's employee stock option holders have converted 185 thousand shares at the exercise price from NT$106.8 to NT$150.4 per share. All the converted shares have completed the registration process.

⑤ Stock dividends of NT$231,410 thousand with par value at NT$10 per share was approved and 23,141 thousand common shares were authorized for issue at the shareholders' meeting held on June 6, 2023. Each share has one voting right and is entitled to receive dividends. The capital injection was approved by the Financial Supervisory Commission on August 30, 2023 and the amendment registration was completed.

⑥ On April 12, 2024, the Board of Directors of the Company approved to issue 1,658 shares of ordinary stock with an amount of NT$16,577 thousand. In exchange for common shares held by shareholders of Bora Biologics Co., Ltd other than the company and the amendment registration was completed.

⑦ On August 13, 2024, the Board of Directors of the Company approved to restrict 519 shares of treasury stock with an amount of NT$5,190 thousand. The cancellation of shares have completed the registration process.

⑧ For the year ended December 31, 2024, the Company's 3th convertible bond in the amount of NT$204,000 thousand were converted to 328 ordinary shares with an amount of NT$3,284 thousand, of which 305 thousand shares with an amount of NT$3,054 thousand have completed the registration process. The converted shares have not completed the registration process and are recognized as capital – advance receipts for ordinary share as at December 31, 2024.

⑨ For the year ended December 31, 2024, the Company's employee stock option holders have converted 347 thousand shares at the exercise price from NT$105.3 to NT$290.7 per share to an amount of NT$3,467 thousand, of which 143 thousand shares with an amount of NT$1,430 thousand have completed the registration process. The residual converted shares have not completed the registration process and were recognized as capital – advance receipts for ordinary share as at December 31, 2024.

(2) Capital surplus

	December 31, 2024	December 31, 2023
Additional paid-in capital	$2,454,021	$936,839
Conversion premium from convertible bonds	1,150,628	908,017
Employee stock option	212,634	118,876
Treasury stock	21,111	40,683
Difference between consideration given/ received and carrying amount of interests in subsidiaries acquired/disposed of	168,648	874,793
Increase (decrease) through changes in ownership interests in subsidiaries	56,225	47,125
Due to recognition of equity component of convertible bonds issued	344,969	392,017
Total	$4,408,236	$3,318,350

According to the R.O.C. Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(3) Treasury stock

a. Changes in treasury stock are as follows:

	2024		2023	
	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount
Beginning balance	288	$50,968	300	$53,092
Addition	519	389,127	-	-
Transfer to employees	(44)	(7,787)	(12)	(2,124)
Retirement	(519)	(389,127)	-	-
Retirement	244	$43,181	288	$50,968

(4) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order and the earnings distributions may be made on a semiannually basis:

a. Payment of all taxes and dues;
b. Offset prior years' operation losses;
c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
d. Set aside or reverse special reserve in accordance with law and regulations; and
e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting for approval. Generally, at least 10% of the dividends must be paid in the form of cash.

According to the R.O.C. Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.
When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC on March 31, 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance. When a public company adopts for the first-time the IFRS, any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

Details of the 2024 and 2023 earnings distribution and dividends per share as approved and resolved by the board of directors' meeting on March 5, 2025 and shareholders' meeting on May 27, 2024, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2024	2023	2024	2023
Legal reserve	$361,111	$303,014	$-	$-
Special reserve (Reversal)	-	-	-	-
Common stock－cash dividend *(Note)*	1,447,795	1,232,804	14	12
Common stock－stock dividend	206,828	-	2	-

Note: Cash dividend and payout ratio of the plan of appropriation of earnings had been adjusted as a result of the conversion of employee stock option and convertible bonds into ordinary shares.

Please refer to Note VI.19 for details on employees' compensation and remuneration to directors.

15. Share-based payment plans

Certain employees of the Company are entitled to share-based payment as part of their remunerations; services are provided by the employees in return for the equity instruments granted. These plans are accounted for as equity-settled share-based payment transactions.

(1) Share-based payment plan for employees

On November 4, 2020, January 10, 2022, May 17, 2023, and December 26, 2024 the Company was authorized by the Securities and Futures Bureau of the FSC, Executive Yuan, to issue employee share options with a total number of 1,000, 1,000,000, 1,000,000 and 1,000,000 units, respectively. Each unit entitles an optionee to subscribe for 1,000, 1, 1 and 1 shares of the Company's common shares. The exercise price of the option was set at the closing price of the Company's common share on the grant date. Only the employees of the Company and the Company's domestic and overseas subsidiaries, for which the company holds over 50% of shares with voting right on them, are eligible for the plan. The options are given to full-time employee that the optionee may exercise the options in accordance with certain schedules as prescribed by the plan starting 2 years from the grant date. Settlement upon the exercise of the options will be made through the issuance of new shares by the Company.

The contractual terms of each option granted are four and five years. There are no cash settlement alternatives.

The relevant details of the aforementioned share-based payment plan are as follows:

Date of grant	Total number of share options granted (in thousand)	Exercise price per shares (NT$) (Note)
December 29, 2020	275	$105.3
August 13, 2021	598	$148.3
May 11,2022	477	$107.7
August 31, 2022	160	$254.4
December 8, 2022	345	$290.7
September 19, 2023	535	$636.7
November 14, 2023	10	$599.2
March 11, 2024	264	$616.0
May 14, 2024	187	$699.7
November 19, 2024	4	$750.0

Note: Except for various securities issued by the parent company with conversion rights or options to exchange for common stock or issuing new shares for employees' bonus, when there is a change in the common stock of the parent company (including private placement, issuance of common stock for cash, stock dividends, capital surplus reserve to capital increase, combination, company split, transfer of shares of other companies, stock split and issuance of common stock for cash to participate in the issuance of overseas depositary receipts, etc.), the execution price shall be adjusted in accordance with the parent company's plan.

The following table lists the inputs to the model used for the aforementioned share-based payment plan:

	2021	2020
Dividend yield (%)	-	-
Expected volatility (%)	48.05%	44.36%
Risk-free interest rate (%)	0.292% ~ 0.310%	0.176% ~ 0.201%
Expected option life (Years)	3.5 ~ 4.5	3.5 ~ 4.5
Weighted average share price ($)	$277	$197
Option pricing model	Black-Scholes option pricing model	Black-Scholes option pricing model

	2022		
Dividend yield (%)	-	-	-
Expected volatility (%)	50.80%~51.80%	48.02%~48.84%	45.29%~46.42%
Risk-free interest rate (%)	1.112% ~ 1.122%	0.992% ~ 1.027%	0.995% ~ 1.038%
Expected option life (Years)	3.0 ~ 3.5	3.0 ~ 3.5	3.0 ~ 3.5
Weighted average share price ($)	$388	$339	$161
Option pricing model	Black-Scholes option pricing model	Black-Scholes option pricing model	Black-Scholes option pricing model

	2023	
Dividend yield (%)	-	-
Expected volatility (%)	48.72% ~ 49.56%	48.72% ~ 49.56%
Risk-free interest rate (%)	1.081% ~ 1.123%	1.081% ~ 1.123%
Expected option life (Years)	3.5 ~ 4.5	3.5 ~ 4.5
Weighted average share price ($)	$646	$608
Option pricing model	Black-Scholes option pricing model	Black-Scholes option pricing model

	2024		
Dividend yield (%)	-	-	-
Expected volatility (%)	47.99% ~ 50.03%	48.24% ~ 49.59%	48.24% ~ 49.59%
Risk-free interest rate (%)	1.146% ~ 1.176%	1.431% ~ 1.476%	1.431% ~ 1.476%
Expected option life (Years)	3.5 ~ 4.5	3.5 ~ 4.5	3.5 ~ 4.5
Weighted average share price ($)	$625	$710	$750
Option pricing model	Black-Scholes option pricing model	Black-Scholes option pricing model	Black-Scholes option pricing model

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The following table contains further details on the aforementioned share-based payment plan:

	2024		2023	
	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NT$)	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NT$)
Outstanding,beginning	2,035	$300.4	1,725	$225.2
Granted	455	651.6	545	645.3
Forfeited	(61)	400.2	(50)	225.6
Exercised	(347)	180.2	(185)	134.6
Expired	-	-	-	-
Outstanding, ending	2,082	$390.7	2,035	300.4
Exercisable, ending	525	-	90	-

The information on the outstanding stock options as of 31 December 2024 and 2023, is as follows:

	Range of exercise price	Weighted average remaining contractual life (Years)
As of December 31,2024 share options outstanding	$105.3~$750.0	0.49~3.93
As of December 31, 2023 share options outstanding	$106.8~$646	1.19~3.92

(2) Modification or cancellation of the share-based payment plan for employees

No modification or cancellation of share-based payment plan has occurred in the years ended December 31, 2024 and 2023.

(3) The expense recognized for employee services received during the years ended December 31, 2024 and 2023, is shown in the following table:

	2024	2023
Total expense arising from equity-settled share-based payment transactions	$56,940	$27,287

16. Operating revenue

	2024	2023
Commercial sales	$99,262	$-
CDMO – services and manufacturing	226,400	205,859
Others	793,667	260,746
Total	$1,119,329	$466,605

For the years ending December 31, 2024 and 2023, the timing of recognizing revenue from contracts with clients is recognized at a point in time.

Contract liabilities－current

	Opening balance	Ending balance	Net Change
Commercial sales	$8	$-	$8

17. Expected credit losses (gains)

	2024	2023
Operating expenses – Expected credit (gains)		
Accounts receivable	$-	$249

Please refer to Note XII for more details on credit risk management.

The credit risk for the Company's financial assets at measured at amortized cost are assessed as low (the same as the assessment result in the beginning of the period). Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses. Due to the counterparty the Company entered contact with are the financial institutions with high credit rating, the provision for financial assets at measured at amortized cost as of December 31, 2024 were zero.

Provisions for receivables, including notes receivable, accounts receivable, and accounts receivable-related parties are estimated at an amount equal to lifetime expected credit losses. Notes receivable, accounts receivable, and accounts receivable-related parties as of December 31, 2024 and 2023 are NT$213,488 thousand and NT$66,316 thousand, respectively. Both are not yet due and not recognize any provision as of December 31, 2024 and 2023, respectively. The relevant explanation in the evaluation to the amount of provisions for the year ended December 31, 2024 and 2023 is as follows:

The information on measuring provisions for receivables using a provision matrix by considering counterparties' credit ratings, regions, industries, and other factors, is as follows:

2024.12.31

		Overdue					
	Not yet due	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	$43,772	$18	$-	$-	$-	$249	$44,039
Loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	100%%	
Lifetime expected credit losses	-	-	-	-	-	(249)	(249)
Total	$43,772	$18	$-	$-	$-	$-	$43,790

2023.12.31

		Overdue					
	Not yet due	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	$45,428	$-	$-	$-	$-	$249	$45,677
Loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	100%%	
Lifetime expected credit losses	-	-	-	-	-	(249)	(249)
Total	$45,428	$-	$-	$-	$-	$-	$45,428

The movement of the provision for accounts receivable for the years ended December 31, 2024 and 2023 is as follows:

	Accounts receivable
Balance as of January 1, 2024	$249
Addition/(reversal) for the current period	-
Write off	-
Balance as of December 31, 2024	$249
Balance as of January 1, 2023	$-
Addition/(reversal) for the current period	249
Write off	-
Balance as of December 31, 2023	$249

18. Leases

(1) Company as a lessee

The Company leases various properties, including real estate such as land and buildings, office equipment, and transportation equipment. The lease terms range from 3 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheets

(a) Right-of-use assets

The carrying amount of right-of-use assets

	December 31, 2024	December 31, 2023
Transportation equipment	$1,558	$4,229

There was no addition to right-of-use assets for the year ended 31 December 2024.

(b) Lease liabilities

	December 31, 2024	December 31, 2023
Lease liabilities	$1,584	$4,271
Current	$1,584	$2,686
Non-current	$-	$1,585

Please refer to NoteVI.20 for the interest on lease liabilities recognized during the years ended December 31, 2024 and 2023 and refer to Note XII.5 liquidity risk management analysis for lease liabilities.

B. Amounts recognized in the statements of comprehensive income

Depreciation charge for right-of-use assets

	Years Ended December 31	
	2024	2023
Transportation equipment	$2,671	$2,671

C. Income and costs relating to leasing activities

	Years Ended December 31	
	2024	2023
Expenses relating to short-term leases	$-	$-
Expenses relating to leases of low-value assets (Exclude expenses relating to short-term leases of low-value assets)	176	169

D. Cash outflow relating to leasing activities

During the years ended December 31, 2024 and 2023, the Company's total cash outflows for leases amounted to NT$2,902 thousand and NT$2,895 thousand, respectively.

(2) Company as a lessor

Please refer to Note VI.11 for the disclosures of the Company's owned investment properties. Leases under investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	Years Ended December 31	
	2024	2023
Lease income from operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$16,421	$17,141

Please refer to Note VI.8 for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2024 and 2023 are as follow:

	December 31, 2024	December 31, 2023
Not later than one year	$6,853	$16,940
Later than one year but not later than two years	6,195	14,300
Later than two years but not later than three years	6,195	11,840
Later than three years but not later than four years	6,195	11,840
Later than four years but not later than five years	-	10,526
Later than five years	-	11,440
Total	$25,438	$76,886

19. Summary statement of employee benefits, depreciation and amortization expenses by function during the years ended December 31, 2024 and 2023:

Function / Character	Years Ended December 31					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense:						
Salaries	$60,411	$272,473	$332,884	$57,097	$170,658	$227,755
Labor and health insurance	6,913	7,948	14,861	6,488	5,926	12,414
Pension	3,123	3,260	6,383	3,000	2,523	5,523
Directors’ remuneration	-	40,289	40,289	-	30,644	30,644
Other employee benefits expense	4,901	2,523	7,424	3,696	1,709	5,405
Depreciation	11,197	14,674	25,871	10,539	14,257	24,796
Amortization	-	1,618	1,618	-	1,497	1,497

Note：The number of the Company’s employees were 169 and 159, including 6 directors who are not concurrently employees, as of December 31, 2024 and 2023, respectively.

(1) The Company's average employee benefit expenses for the years ended December 31, 2024 and 2023 were NT$2,218 thousand and NT$1,641 thousand, respectively.
(2) The Company's average salary expenses for the years ended December 31, 2024 and 2023 were NT$2,042 thousand and NT$1,489 thousand, respectively.
(3) The Company's average annual increment for the year ended December 31, 2024 was 37.14%.
(4) The Company has established the Audit Committee in place of supervisors and therefore the supervisors’ remuneration for the years ended December 31, 2024 and 2023 were both nil.
(5) The Company’s remuneration policies are as follows:

A. The Company's policy for remuneration of directors and independent directors was formulated according to the Company's Articles of Incorporation and the Remuneration Committee's Articles of Incorporation; the policy for remuneration of managers was formulated according to the Rules for Managers' Remuneration. The Remuneration Committee determines remuneration based on the evaluations on the industry's future risks, remuneration level of the peer companies, the Company's operating performance, individual contribution, etc. The remuneration will be executed when the proposal is approved by the Board of Directors.
B. The Company took part in the international remuneration survey to establish a remuneration policy with both external competitiveness and internal fairness. The talents can compete with the world in terms of career progression, ranking, fixed salary, variable salary, allowances and benefits, etc. The Company promotes and adjusts the salary based on individual performance, career planning and potential for development. The Company hopes to maintain and promote the Company's overall operating performance and competitiveness via both long-term and short-term incentives and feedback programs.

According to the Articles of Incorporation, no less than 2% of profit of the current year is distributable as employees' compensation and no higher than 5% of profit of the current year is distributable as remuneration to directors. However, the profit generated in current year shall be offset with Company's accumulated losses before the allocation of compensation to directors and employee. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

The Company accrued employees' compensation and remuneration to directors based on a percentage of net income before income tax. If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate. Accrued employees' compensation and remuneration to directors are illustrated below:

	2024	2023
Employees' compensation	$80,579	$61,228
Remuneration to directors	40,289	30,644

For 2024 and 2023, the employees' compensation and remuneration to directors resolved by the Board of Directors on March 5, 2025 and March 7, 2024, respectively, and will be distributed in the form of cash.

	2024	2023
Employees' compensation	$80,579	$61,228
Remuneration to directors	40,289	30,644

There is no difference between the aforementioned approved amounts and the amounts charged against earnings of 2024 and 2023, respectively.

20. Non-operating income and expenses

(1) Other revenue

	Years Ended December 31	
	2024	2023
Interest income	$60,601	$4,596
Guarantee fee income	28,239	29,304
Remuneration of directors income	66,866	85,015
Shared services revenue	125,961	66,131
Others	20,400	18,086
Total	$302,067	$203,132

(2) Other gains and (losses)

	Years Ended December 31	
	2024	2023
(Losses) on disposal of property, plant and equipment	$(247)	$(30)
Foreign exchange (losses)	(64,612)	(40,276)
Gain (losses) from financial assets or liabilities measured at fair value through profit or loss *(Note 1)*	24,423	(1,044,671)
Others	(526)	(22)
Total	$(40,962)	$(1,084,999)

(3) Financial costs

	Years Ended December 31	
	2024	2023
Interest expenses from bank borrowings	$(171,679)	$(91,530)
Interest expenses from bonds payable	(92,694)	(16,770)
Interest expenses from lease liabilities	(39)	(77)
Others	(33)	(2,420)
Total	$(264,445)	$(110,797)

21. Components of other comprehensive income

Year ended December 31, 2024

	Arising	Reclassification	before tax	Tax Benefit (Expense)	Net of tax
Not to be reclassified to profit or loss:					
Remeasurements of defined plans for subsidiaries, affiliates and joint ventures	$ (135)	$-	$(135)	$-	$ (135)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	22,693	-	22,693	-	22,693
To be reclassified to profit or loss in subsequent periods:					
Translation differences of foreign operations	301,265	-	301,265	(60,253)	241,012
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	24,931	-	24,931	-	24,931
Total	$348,754	$-	$348,754	$(60,253)	$288,501

Year ended December 31, 2023

	Arising	Reclassification	before tax	Tax Benefit (Expense)	Net of tax
Not to be reclassified to profit or loss:					
Remeasurements of defined plans for subsidiaries, affiliates and joint ventures	$(6,192)	$-	$(6,192)	$-	$(6,192)
To be reclassified to profit or loss in subsequent periods:					
Translation differences of foreign operations	27,554	-	27,554	(5,511)	22,043
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	18,863	-	18,863	-	18,863
Total	$40,225	$-	$40,225	$(5,511)	$34,714

22. Income tax

The major components of income tax expense (benefits) for the years ended December 31, 2024 and 2023 are as follows:

(1) Income tax expense (benefits) recognized in profit or loss

	Years Ended December 31	
	2024	2023
Current income tax expense (income):		
Current income tax recognized in current year	$85,893	$49,708
Income tax adjustments on prior periods	9,243	19
Deferred tax (benefits) expense:		
Deferred tax (benefits) expense relating to reversal or origination of temporary differences	(196,326)	(79,777)
Reversal of allowance of deferred tax asset	60,109	(27,578)
Total income tax expense (benefits)	$(41,081)	$(57,628)

(2) Income tax relating to components of other comprehensive income

	Years Ended December 31	
	2024	2023
Deferred tax expense:		
Translation differences of foreign operations	$60,253	$5,511

(3) Reconciliation between tax expense (benefits) and the product of accounting profit multiplied by applicable tax rates is as follows:

	Years Ended December 31	
	2024	2023
Net income before income tax	$3,897,928	$2,972,514
Income tax expense at the statutory rate	$779,586	$594,502
Revenues exempt from income tax	(1,003,242)	(776,353)
Expenses disallowed for tax purposes	1,946	3,293
Tax on undistributed retained earnings	74,571	16,530
Tax effect of deferred tax assets/liabilities	85,493	(142,928)
Prior year income tax over-estimation	9,243	19
Others	11,322	247,309
Total income tax (benefit) expense recognized in profit or loss	$(41,081)	$(57,628)

(4) Deferred tax assets (liabilities) relate to the following:

	December 31, 2024	December 31, 2023
Deferred tax assets		
Unrealized loss on inventories	$94	$359
Compensated absences provisions	116	116
Unused tax losses	-	60,109
Unrealized gains from affiliate transaction	231,340	9,903
Unrealized foreign exchange gain	1,218	10,002
Interest compensation of convertible bond	11,177	-
Deferred tax assets total	243,945	80,489
Deferred tax liabilities		
Exchange differences on translation of foreign operations	(69,074)	(8,821)
Equity element of convertible bond	(86,232)	(98,004)
Unrealized investment gains and losses	(141,235)	(113,996)
Business combination – negative goodwill	(60,931)	(60,931)
Deferred tax liabilities total	(357,472)	(281,752)
Net deferred tax assets/(liabilities)	$(113,527)	$(201,263)

	2024	2023
Beginning balance	$(201,263)	$(228,773)
Recognized in profit or loss	136,217	107,355
Recognized in other comprehensive income	(60,253)	(5,511)
Recognized in equity	11,772	(74,334)
Ending balance	$(113,527)	$(201,263)

(5)Unrecognized deferred tax assets

As of December 31, 2024 and 2023, deferred tax assets have not been recognized amounted to NT$0 thousand and NT$44,145 thousand, respectively.

(6)The assessment of income tax returns

As of December 31, 2024, the assessment and approval of the income tax returns was up to 2022.

23. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	Years Ended December 31	
	2024	2023
(1) Basic earnings per share		
Net income (in thousand NT$)	$3,939,009	$3,030,142
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	101,813	100,341
Basic earnings per share (NT$)	$38.69	$30.20

	Years Ended December 31	
	2024	2023
(2) Diluted earnings per share		
Net income (in thousand NT$)	$3,939,009	$3,030,142
Interest expense from convertible bonds (in thousand NT$)	74,155	13,416
Net income after dilution (in thousand NT$)	$4,013,164	3,043,558
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	101,813	100,341
Effect of dilution:		
Employee compensation－stock (shares in thousands)	124	107
Employee stock options (shares in thousands)	856	1,046
Convertible bonds (shares in thousands)	9,229	2,066
Weighted average number of ordinary shares outstanding after dilution (shares in thousands)	112,022	103,560
Diluted earnings per share (NT$)	$35.82	$29.39

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

VII. Related party transactions

Information of the related parties that had transactions with the Company during the financial reporting periods are as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Bora Pharmaceutical Laboratories Inc.	Subsidiary
Bora Pharmaceuticals USA Inc.	Subsidiary
Bora Pharmaceutical Services Inc.	Subsidiary
Bora Biologics Co., Ltd.	Subsidiary
Bora Management Consulting Co., Ltd.	Subsidiary
TWi Pharmaceuticals, Inc.	Subsidiary
SunWay Biotech Co., LTD.	Subsidiary
Bora Pharmaceuticals Ophthalmic Inc.	Sub-subsidiaries
TWi Pharmaceuticals USA, Inc.	Sub-subsidiaries
Bora Pharmaceutical Holdings, Inc.	Sub-subsidiaries
Upsher-Smith Laboratories, LLC	Sub-subsidiaries
Bora Health Inc.	Sub-subsidiaries
Union Chemical & Pharmaceutical Co., Ltd.	Sub-subsidiaries

Significant transactions with the related parties

1. Sales

	Years Ended December 31	
	2024	2023
Bora Pharmaceutical Serivces Inc.	$414,357	$-
Bora Pharmaceutical Laboratories Inc.	347,382	259,891
Bora Health Inc.	114,251	10,125
Subsidiary-Others	31,928	-
Sub-subsidiaries-Others	-	11
Total	$907,918	$270,027

The sales prices to the above related parties were not significantly different from those of sales to third party. The payment term is from 60 days from the date of invoice, which is very close to the term offered to third parties.

2. Purchases

	Years Ended December 31	
	2024	2023
TWi Pharmaceuticals, Inc.	$5,175	$18
Bora Pharmaceutical Laboratories Inc.	254	13
Total	$5,429	$31

The purchase prices to the above related parties was based by costs plus expenses that are necessary. The purchase price and payment terms to the related parties were not significantly different from those offered to third party suppliers and are 60 days from the date of invoice .

3. Accounts receivable-related parties

	December 31, 2024	December 31, 2023
Bora Pharmaceutical Serivces Inc.	$99,695	$-
Bora Pharmaceutical Laboratories Inc.	84,944	64,309
Bora Health Inc.	28,849	1,343
Total	$213,488	$65,652

4. Other receivables-related parties

	December 31, 2024	December 31, 2023
TWi Pharmaceuticals, Inc.	$83,713	$95,756
Bora Pharmaceutical Laboratories Inc.	31,866	17,430
Bora Pharmaceuticals USA Inc.	30,818	-
Bora Pharmaceutical Serivces Inc.	15,342	25,952
Subsidiary-Others	13,352	23,045
Sub-subsidiaries-Others	20,753	-
Total	$195,844	$162,183

5. Accounts payable -related parties

	December 31, 2024	December 31, 2023
TWi Pharmaceuticals, Inc.	$177	$19

6. Other payables-related parties

	December 31, 2024	December 31, 2023
TWi Pharmaceuticals, Inc.	$956	$-
Bora Health Inc.	43	150
Bora Pharmaceutical Laboratories Inc.	-	204
Total	$999	$354

7. Others

a. The Company entered into Service Agreements with the subsidiaries to provide shared services during the contract term. For the years ended December 31, 2024, and 2023, the shared services charged to the subsidiaries were recorded as other revenue as follows:

	December 31, 2024	December 31, 2023
TWi Pharmaceuticals, Inc.	$35,000	$20,500
Bora Pharmaceuticals USA Inc.	30,818	-
Bora Pharmaceutical Laboratories Inc.	21,100	11,500
Bora Pharmaceutical Services Inc.	18,050	16,749
Subsidiary-Others	900	1,400
Sub-subsidiaries-Others	20,093	15,982
Total	$125,961	$66,131

b. Refer to Attachment 1~2 for details of the loans, endorsements, and guarantees the Company for subsidiaries. The Company collected guarantee fee income from its subsidiaries as follows:

	December 31, 2024	December 31, 2023
Bora Pharmaceutical Services Inc.	$28,239	$27,645
The subsidiaries of the Company	-	1,589
The sub-subsidiaries of the Company	-	70
Total	$28,239	$29,304

8. Key management personnel compensation

	Years Ended December 31	
	2024	2023
Short-term employee benefits	$112,409	$85,307
Post-employment benefits	540	450
Total	$112,949	$85,757

VIII. Assets pledged as security

The following table lists assets of the Company pledged as security:

Items	Carrying amount December 31, 2024	Carrying amount December 31, 2023	Secured liabilities
Property, plant and equipment - land	$889,813	$889,813	Long-term loans
Property, plant and equipment - buildings	158,381	164,906	Long-term loans
Investments accounted for using the equity method –Twi shares	-	5,247,264	Long-term loans
Investment property	22,505	23,339	Long-term loans
Total	$1,070,699	$6,325,322	

IX. Significant contingencies and unrecognized contractual commitments

None.

X. Losses due to major disasters

None.

XI. Significant subsequent events

On January 9, 2025, the merge between Bora Biologics Co., Ltd., the Company's 98.14% owned subsidiary, with Tanvex BioPharma Inc. has been approved by regulatory authority with the closing date at January 20, 2025. Upon completion of the merger, Tanvex BioPharma Inc. will be the surviving company, and Bora Biologics Co., Ltd. will be dissolved. As of the closing date, The Company will acquired new shares issued by Tanvex BioPharma Inc. but will lose the control over Bora Biologics Co., Ltd.

XII. Financial instruments

1. Categories of financial instruments

Financial assets	As of December 31 2024	As of December 31 2023
Financial assets measured at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$24,477	$-
Financial assets measured at amortized cost		
Cash and cash equivalents (exclude cash on hand)	639,526	342,026
Notes receivable (including related party)	-	664
Accounts receivable (including related parties)	257,278	111,080
Other receivables (including related parties)	195,864	162,652
Refundable deposits	3,362	3,419
Subtotal	1,096,030	619,841
Total	$1,120,507	$619,841

Financial liabilities	As of December 31	
	2024	2023
Financial liabilities at amortized cost		
Short-term loans	$1,400,000	$500,000
Accounts and other payables	444,189	623,423
Bonds payable	7,758,905	1,538,361
Long-term loans (including current portion)	7,584,737	1,402,026
Lease liabilities	1,584	4,271
Deposits received (including amount recognized in other non-current liabilities)	2,084	2,108
Subtotal	17,191,499	4,070,189
Financial liabilities at fair value through profit or loss:		
Held for trading	-	9,009
Contingent considerations from business combinations	-	1,935,436
Subtotal	-	1,944,445
Total	$17,191,499	$6,014,634

2. Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

3. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise interest rate risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD. The sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by 1%, the profit for the year ended December 31, 2024 and 2023 will be decreased/increased by NT$768 thousand and NT$23,159 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and borrowings with variable interest rates. At the reporting date, an increase/decrease of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2024 and 2023 to decrease/increase by NT$16,139 thousand and NT$3,121 thousand, respectively.

4. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2024 and December 31, 2023, accounts receivable from top ten customers represent 100% and 100% of the total receivables of the Company, respectively.

Credit risk from deposits with banks, fixed income securities and other financial instruments is managed by the Company's finance department in accordance with the Company's policy. The Company only transacts with counterparties the Company entered with shall be in compliance with internal control procedures. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

5. Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, bank loans and convertible bond. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	<=1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2024					
Borrowings	$2,675,647	$4,583,376	$1,994,927	$232,986	$9,486,936
Accounts and other payables	444,189	-	-	-	444,189
Convertible bonds	-	-	8,823,583	-	8,823,583
Lease liabilities	1,590	-	-	-	1,590

	<=1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2023					
Borrowings	$871,528	$755,017	$112,747	$277,753	$2,017,045
Accounts and other payables	400,812	222,611	-	-	623,423
Convertible bonds	-	-	1,699,800	-	1,699,800
Lease liabilities	2,726	1,590	-	-	4,316

6. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2024:

	Short-term loans	Long-term loans	Leases liabilities	Bonds Payable	Total liabilities from financing activities
January 1, 2024	$500,000	$1,402,026	$4,271	$1,538,361	$3,444,658
Cash flows	900,000	6,165,356	(2,687)	6,314,925	13,377,594
Non-Cash flows					
Conversion	-	-	-	(187,075)	(187,075)
Others	-	17,355	-	92,694	110,049
December 31, 2024	$1,400,000	$7,584,737	$1,584	$7,758,905	$16,745,226

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term loans	Long-term loans	Leases liabilities	Bonds Payable	Total liabilities from financing activities
January 1, 2023	$1,349,614	$3,351,643	$6,920	$642,363	$5,350,540
Cash flows	(849,614)	(1,956,819)	(2,649)	2,023,360	(785,722)
Non-Cash flows					
Conversion	-	-	-	(1,135,802)	(1,135,802)
Others	-	7,202	-	8,440	15,642
December 31, 2023	$500,000	$1,402,026	$4,271	$1,538,361	$3,444,658

7. Fair values of financial instruments

(1) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

A. The carrying amount of cash and cash equivalents, receivables, accounts payable and other payables, and other current liabilities approximate their fair value due to their short maturities.

B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

C. Fair value of debt instruments without market quotations, bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses discounted cash flow method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

D. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(2) Fair value of financial instruments measured at amortized cost

Other than the table below, the carrying amount of the Company's financial assets and financial liabilities approximate their fair value.

	Carrying amount as of	
	December 31, 2024	December 31, 2023
Financial liabilities:		
Bonds payable	$7,758,905	$1,538,361

	Fair value as of	
	December 31, 2024	December 31, 2023
Financial liabilities:		
Bonds payable	$7,894,046	$1,538,829

(3) Fair value measurement hierarchy for financial instruments

Please refer to Note XII.8 for fair value measurement hierarchy for financial instruments of the Company.

8. Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
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

(b) Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

December 31, 2024:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss:				
Stocks	$-	$-	$20,275	$20,275
Embedded derivatives	-	-	4,202	4,202
Total	$-	$-	$24,477	$24,477

December 31, 2023:

	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Financial liabilities at fair value through profit or loss:				
Embedded derivatives	-	-	$9,009	$9,009
Contingent considerations from business combinations	-	-	1,935,436	1,935,436
Total	$-	$-	$1,944,445	$1,944,445

Transfers between Level 1 and Level 2 during the period

During the year ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

December 31, 2024:

	Financial assets (liabilities) Measured at fair value through profit or loss		
	Embedded derivatives	Contingent considerations	Stocks
As of January 1, 2024	$(9,009)	$(1,935,436)	$-
Acquisition/issuance	2,557	-	20,275
Disposal/settlements	-	2,116,099	-
Gains (losses) recognized in profit or loss: (presented as "Net loss on financial assets or liabilities measured at fair value through profit or loss")	10,654	13,769	-
Exchange differences	-	(194,432)	-
As of December 31, 2024	$4,202	$-	$20,275

December 31, 2023:

	Financial assets (liabilities) Measured at fair value through profit or loss	
	Embedded derivatives	Contingent considerations
As of January 1, 2023	$2,336	$(1,623,149)
Disposal/settlements	-	770,684
Acquisition/issuance	(8,330)	-
Gains (losses) recognized in profit or loss: (presented as "Net loss on financial assets or liabilities measured at fair value through profit or loss")	(3,015)	(1,041,656)
Exchange differences	-	(41,315)
As of December 31, 2023	$(9,009)	$(1,935,436)

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

December 31, 2024

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit and loss:					
Stocks	Market approach	Discount for lack of marketability	40%	The higher the discount for lack of marketability, the lower the	10% increase (decrease) in the discount for lack of marketability would result in decrease (increase) by

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
				fair value of the stocks	NT$1,829/5,550 thousand in the Company's profit or loss.
Embedded derivatives	Binomial tree pricing method for convertible bond	Volatility	39.57%	The higher the volatility, the higher the fair value of the embedded derivatives	1% increase (decrease) in the volatility would result in an increase by NT$938 thousand or an decrease by NT$1,047 in the Company's profit or loss.
At fair value through other comprehensive income:					
Stocks	Asset-based approach	Discount rate	30%	The higher the discount rate, the lower the fair value of the contingent consideration	10% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in The Company's equity by NT$35 thousand.

December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through other comprehensive income:					
Stocks	Asset-based approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Company's equity by NT$47 thousand
Embedded derivatives	Binomial tree pricing method for convertible bond	Volatility	50.90%	The higher the volatility, the higher the fair value of the embedded derivatives	1% increase (decrease) in the volatility would result in an increase by NT$170 thousand or an decrease by NT$510 in the Company's profit or loss

Financial liabilities:					
At fair value through profit and loss:					
Contingent consideration	Discounted cash flow	Discount rate	10.90%	The higher the discount rate, the lower the fair value of the contingent consideration	1% increase (decrease) in the discount rate would result in an decrease of NT$3,080 thousand or an increase of NT$3,135 thousand in the Company's profit or loss

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

(c) Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties	$-	$-	$71,017	$71,017

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties	$-	$-	$72,815	$72,815

9. Significant assets and liabilities denominated in foreign currencies

At December 31, 2024 Unit: thousands

	December 31, 2024		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$6,128	32.79	$200,937
Financial liabilities			
Monetary items:			
USD	$3,786	32.79	$124,143

At December 31, 2023 Unit: thousands

	December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$2,432	30.71	$74,687
Financial liabilities			
Monetary items:			
USD	$77,844	30.71	$2,390,589

10. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

11. Capital management

Some accounts reported in the previous financial statements have been reclassified for the comparison of the financial statements.

XIII. Other disclosure

1. Information at significant transactions
   (a) Financing provided to others: Please refer to Table 1.

   (b) Endorsement/Guarantee provided to others: Please refer to Table 2.

   (c) Marketable securities held the end of the reporting period (excluding investments in subsidiaries, associates, and joint ventures): Please refer to Table 3.

   (d) Marketable securities acquired or disposed of at accumulated amount for the period exceeding NT$300 million or 20 percent of paid-in capital: Please refer to Table 4.

   (e) Acquisition of individual real estate with amount exceeding NT$300 million or 20 percent of paid-in capital: None.
   (f) Disposal of individual real estate with amount exceeding NT$300 million or 20 percent of paid-in capital: None.

   (g) Total purchases from or sales to related parties which exceeding NT$100 million or 20 percent of paid-in capital: Please refer to Table 5.

   (h) Receivables from related parties with amounts exceeding NT$100 million or 20 percent of paid-in capital: Please refer to Table 6.

   (i) Financial instruments and derivative transactions: None.

2. Information on investees: Please refer to Table 7.

3. Investments in Mainland China: Please refer to Table 8.

4. Information on major shareholders: Please refer to Table 9.

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Table 1

Financing provided to others

No. (Note 1)	Lender	Borrower	Financial statement account	Is a related party	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Transaction amounts (Note 5)	Reason for short-term financing (Note 6)	Loss allowance	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loan granted (Note 3)
													Item	Value		
0	Bora Pharmaceuticals Co., Ltd.	Bora Pharmaceutical Holdings, Inc.	Other receivables	Yes	$1,692,340	$-	$-	7.0%	2	$-	Need for operation	$-	None	$-	$5,146,961	$6,433,701
1	Bora Pharmaceutical Laboratories Inc.	Bora Pharmaceuticals Ophthalmic Inc.	Other receivables	Yes	$150,000	$-	$-	-%	2	$-	Need for operation	$-	None	$-	$965,512	$1,206,890
2	Bora Pharmaceuticals USA Inc.	Bora Pharmaceutical Holdings, Inc.	Other receivables	Yes	$1,641,750	$-	$-	7.0%	2	$-	Need for operation	$-	None	$-	$29,716,090	$29,716,090
2	Bora Pharmaceuticals USA Inc.	Upsher-Smith Laboratories, LLC	Other receivables	Yes	$2,196,595	$2,196,595	$2,196,595	6.0%	2	$-	Need for operation	$-	None	$-	$29,716,090	$29,716,090
3	Bora Pharmaceutical Holdings, Inc.	Upsher-Smith Laboratories, LLC	Other receivables	Yes	$2,278,150	$-	$-	7.0%	2	$-	Need for operation	$-	None	$-	$19,398,006	$19,398,006

Note 1: The Company and its subsidiaries are coded as follows:
(1) Parent Company is "0".
(2) The subsidiaries are numbered in order from "1".

Note 2: Limit loans granted to a single party:
(1) Business transaction: limit on loans granted to a single party shall not exceed 10% of the lender's net assets value as of the period and the accumulated business transaction amounts of the past 12 months. Transaction amounts is defined as amount the higher of sales to or purchases from.
(2) Short-term financing:
(i) Limit on loans granted to a single party shall not exceed 40% of the Company's net assets value as of the period.
(ii) Limit on loans granted to a single party shall not exceed 40% of the net assets value of Bora Pharmaceutical Laboratories Inc. as of the period.
(iii) Limit on loans granted to a single party shall not exceed 200% of the net assets value of Bora Pharmaceuticals USA Inc. as of the period.
(iv) Limit on loans granted to a single party shall not exceed 200% of the net assets value of Bora Pharmaceutical Holdings, Inc. as of the period.

Note 3: Ceiling on total loan granted:
(1) The ceiling on total loans granted by the Company to all parties shall not exceed 50% of the Company's net asset value.
(2) The ceiling on total loans granted by Bora Pharmaceutical Laboratories Inc. to all parties shall not exceed 50% of the net asset value of Bora Pharmaceutical Laboratories Inc.
(3) The ceiling on total loans granted by Bora Pharmaceuticals USA Inc. to all parties shall not exceed 200% of the net asset value of Bora Pharmaceuticals USA Inc.
(4) The ceiling on total loans granted by Bora Pharmaceutical Holdings, Inc. to all parties shall not exceed 200% of the net asset value of Bora Pharmaceutical Holdings, Inc.

Note 4: Circumstances for the financing provided to others:
(1) Business transaction is "1".
(2) Short-term financing is "2".

Note 5: Where the purpose of the loan is for business transaction (Type "1") the transaction amount represent the accumulated business transactions between the lender and the counter party during the past 12 months.

Note 6: Where the purpose for the loan is short-term financing (Type "2"): Shall specify the reasons for the borrowing and the usage of the funds, such as repayment of loans, acquisition of equipment, working capital, etc.

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Table 2

Endorsement/Guarantee provided to others

No. (Note 1)	Endorser/ Guarantor	Guaranteed party		Limits on endorsement/ guarantee to each guaranteed party (Note3)	Maximum balance for the period	Ending balance	Actual amount drawn down	Amount of endorsement / guarantee secured by collateral	Ratio of accumulated endorsement/ guarantee amount to net equity of the endorser/ guarantor company	Ceiling on total endorsement/ guarantee provided (Note 4)	Guarantee provided by Parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
		Company name	Relationship (Note 2)										
0	Bora Pharmaceuticals Co., Ltd.	Bora Pharmaceutical Holdings, Inc.	2	$64,337,010	$4,334,220	$-	$-	$-	-%	$64,337,010	Y	N	N
0	Bora Pharmaceuticals Co., Ltd.	Upsher-Smith Laboratories, LLC	2	$64,337,010	$2,298,450	$2,294,950	$327,850	$-	17.84%	$64,337,010	Y	N	N
0	Bora Pharmaceuticals Co., Ltd.	Bora Biologics Co., Ltd.	2	$64,337,010	$240,000	$-	$-	$-	-%	$64,337,010	Y	N	N
0	Bora Pharmaceuticals Co., Ltd.	Bora Pharmaceuticals Injectables Inc.	2	$64,337,010	$1,313,400	$983,550	$983,550	$-	7.64%	$64,337,010	Y	N	N
0	Bora Pharmaceuticals Co., Ltd.	Bora Pharmaceutical Services Inc.	2	$64,337,010	$2,866,200	$2,738,400	$2,738,400	$-	21.28%	$64,337,010	Y	N	N
1	Bora Pharmaceutical Laboratories Inc.	Bora Pharmaceuticals Ophthalmic Inc.	4	$24,137,790	$260,000	$260,000	$260,000	$-	10.77%	$24,137,790	N	N	N

Note 1: The Company and its subsidiaries are coded as follows:

(1) Parent Company is "0".

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

Note 2: The nature of relationship between endorser/guarantor and guaranteed party is as follows:

(1) Having business relationship.

(2) A company in which the Company holds directly or its subsidiaries hold indirectly, 50% or more of the voting shares.

(3) A company which holds directly or its subsidiaries hold indirectly, 50% or more of the voting shares of the Company.

(4) A company in which the Company holds directly or its subsidiaries hold indirectly, 90% or more of the voting shares.

(5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

(7) A company in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other,

Note 3: Limit of guarantee/endorsement amount for each receiving party of Bora Pharmaceuticals Co., Ltd. is 5 times of its net worth.

Limit of guarantee/endorsement amount for each receiving party of Bora Pharmaceuticals Laboratories Inc. is 10 times of its net worth.

Note 4: Ceiling on total guarantee/ endorsement amount of Bora Pharmaceuticals Co., Ltd. is 5 times of its net worth.

Ceiling on total guarantee/ endorsement amount of Bora Pharmaceuticals Laboratories Inc. is 10 times of its net worth.

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Table 3

Securities held as at the end of the reporting period. (Excluding subsidiaries, associates and joint ventures)

Holding Company	Type and name of securities (Note1)	Relationship	Financial statement account	As of December 31, 2024				Note
				Shares/Units (thousand)	Carrying amount	Percentage of ownership	Fair value	
Bora Pharmaceuticals Co., Ltd.	Non-listed stock－Taifong Venture Capital Co.	None	Financial assets measured at fair value through other comprehensive income, non-current	490,000	$- (Note 2)	19.69%	$-	No pledged or collateral
Bora Pharmaceuticals Co., Ltd.	Non-listed stock－ Creative Life Science Co., Ltd.	None	Financial assets measured at fair value through profit or loss, current	467,000	$20,275	2.12%	$20,275	No pledged or collateral
TWi Pharmaceuticals, Inc.	Listed stock－ BIONET Therapeutics Corp.	None	Financial assets measured at fair value through other comprehensive income, non-current	1,000,000	$46,650	1.43%	$46,650	No pledged or collateral
SunWay Biotech Co., Ltd.	Preferred stock－ CMC Pharma Solutions Group, Inc.	None	Financial assets measured at fair value through other comprehensive income, non-current	1,200	$11,596	7.00%	$11,596	No pledged or collateral
Upsher-Smith Laboratories, LLC	Non-listed stock－ APPCO Pharma LLC	None	Financial assets measured at fair value through other comprehensive income, non-current	2,791,791.79	$163,210	6.89%	$163,210	No pledged or collateral

Note 1：Securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities specified in IFRS9 "*Financial Instrument*"

Note 2：The carrying amount is NT$0 since accumulated unrealized valuation loss of financial assets measured at fair value through other comprehensive income is NT$4,900 thousand.

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Table 4

Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock of the Company as at the end of the reporting period.

Company Name	Name of the securities	Financial statement account	Counter-party	Counter-party	Beginning balance		Addition		Disposal				Ending balance (Note 1)(Note 4)	
					Shares	Amount (thousand)	Shares	Amount (thousand)	Shares	Amount	Cost	Gain (Loss) from disposal	Shares	Amount (thousand)
Bora Pharmaceuticals Co., Ltd.	Bora Biologics Co., Ltd.	(Note2)	(Note3)	(Note3)	39,425,000	$1,194,554	33,282,800	$1,184,073	-	$-	$-	$-	72,707,800	$2,407,647
Bora Pharmaceuticals Co., Ltd.	Bora Pharmaceuticals USA Inc.	(Note2)	Bora Pharmaceuticals USA Inc.	Investee company	500,000	$70,098	-	USD 382,631	-	$-	$-	$-	500,000	$14,858,045
Bora Pharmaceuticals USA Inc.	Bora Pharmaceuticals Injectables Inc.	(Note2)	Bora Pharmaceuticals Injectables Inc.	Investee company	-	$-	1,000	USD 70,000	-	$-	$-	$-	1,000	$3,131,983
Bora Pharmaceuticals USA Inc.	Bora Pharmaceutical Holdings, Inc.	(Note2)	Bora Pharmaceutical Holdings, Inc.	Investee company	-	$-	1,000	USD 246,251	-	$-	$-	$-	1,000	$9,699,003
Bora Pharmaceutical Holdings, Inc.	Upsher-Smith Holdings Inc.	(Note2)	Sawai Group Holdings Co., Ltd.	Third party	-	$-	230	USD 167,355	-	$-	$-	$-	230	$6,827,637
Bora Pharmaceutical Holdings, Inc.	Upsher-Smith America LLC	(Note2)	Sumitomo Corporation of Americas	Third party	-	$-	1	USD 41,839	-	$-	$-	$-	1	$1,707,382
Bora Pharmaceutical Holdings, Inc.	Pyros Pharmaceuticals Inc.	(Note2)	Pyramid Merger Sub, Inc.	Third party	-	$-	6,000,000 Class A units; 18,064,961 Class B units	USD 47,548	-	$-	$-	$-	1,000	$1,400,059

Note1: Sunway Biotech Co., Ltd. exchanged shares with Bora Health Inc. by issuing new shares on November 1, 2023, and acquired 100% of the equity interest of Bora Health Inc. The difference between the purchase consideration and the carrying amount was recorded as capital surplus due to the difference between the consideration received and the carrying amount of the subsidiaries' net assets.

Note 2: Long-term equity investment accounted for using the equity method.

Note 3: Include acquired shares through the capital injection of Bora Biologics Co., Ltd. and through shareholders of Bora Biologics Co., Ltd. other than the Company.

Note 4: Pyros Pharmaceuticals Inc. has completed the issuance of new shares subsequent to the acquisition date.

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Table 5

Related party transactions for purchases and sales exceeding the lower of NT$100 million or 20 percent of the capital stock as at the end of the reporting period.

Related party	Counterparty	Relationship	Intercompany transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total consolidated purchase (sales)	Terms	Unit price	Terms	Carrying amount	Percentage of total consolidated receivables (payable)	
Bora Pharmaceuticals Co., Ltd.	Bora Pharmaceutical Laboratories Inc.	Subsidiary	Sales	$347,382	31.03%	60 days from the date of invoice	Unit price and terms were not significantly different from transactions with third parties		Accounts receivable $84,944	33.02%	-
Bora Pharmaceuticals Co., Ltd.	Bora Pharmaceutical Services Inc.	Subsidiary	Sales	$414,357	37.02%	60 days from the date of invoice	Unit price and terms were not significantly different from transactions with third parties		Accounts receivable $99,695	38.75%	-
Bora Pharmaceutical Laboratories Inc.	TWi Pharmaceuticals, Inc.	Subsidiary	Sales	$537,176	37.76%	60 days from the date of invoice	Unit price and terms were not significantly different from transactions with third parties		Accounts receivable $73,325	30.09%	-
TWi Pharmaceuticals, Inc.	TWi Pharmaceuticals USA Inc.	Subsidiary	Sales	$3,573,579	98.23%	120 days from the date of invoice	Unit price and terms were not significantly different from transactions with third parties		Accounts receivable $1,079,921	99.39%	
TWi Pharmaceuticals USA Inc.	Upsher-Smith Laboratories, LLC	Subsidiary	Sales	$4,048,368	58.70%	Net 180 days	Unit price and terms were not significantly different from transactions with third parties		Accounts receivable $3,063,142	99.76%	
SunWay Biotech Co., Ltd.	3T TECHNOLOGY CO., LTD.	Substantive related party	Sales	$232,218	85.74%	Net 60 days	Unit price and terms were not significantly different from transactions with third parties		Accounts receivable $53,896	90.25%	

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Table 6

Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as at the end of the reporting period.

Company Name	Counter-party	Relationship	Ending balance of receivables from related party	Turnover Rate	Overdue		Amount received in subsequent period	Allowance for doubtful debts	Note
					Amount	Action			
TWi Pharmaceuticals, Inc.	TWi Pharmaceuticals USA Inc.	Subsidiary	Accounts receivable $1,079,921	1.53	$377,777	Collected in subsequent reporting period	$457,537	$-	-
TWi Pharmaceuticals USA ,Inc.	Upsher-Smith Laboratories, LLC	Subsidiary	Accounts receivable $3,063,142	2.67	$520,687	Collected in subsequent reporting period	$843,228	$-	-
Bora Pharmaceuticals USA Inc.	Upsher-Smith Laboratories, LLC.	Subsidiary	Other receivables $2,235,768	Note1	Note1	Note1	$-	Note1	-
Upsher-Smith Laboratories, LLC.	TWi Pharmaceuticals USA Inc.	Subsidiary	Other receivables $222,639	Note1	Note1	Note1	$-	Note1	-
Upsher-Smith Laboratories, LLC.	Pyros Pharmaceuticals Inc.	Subsidiary	Other receivables $207,648	Note1	Note1	Note1	$-	Note1	-

Note1: Other receivable of subsidiary, not applicable.

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Table 7

Information on investees

Investor	Investee company	Location	Main businesses	Initial investment amount		Balance as of December 31, 2024			Net income (loss) of investee	Investment income (loss) recognized	Note
				Investor	Investee company	Location	Main busines ses	Initial investment amount			
Bora Pharmaceuticals Co., Ltd.	Bora Pharmaceutical Laboratories Inc.	Miaoli County, Taiwan	Pharmaceutical contract development and manufacturing	$1,156,810	$1,156,810	165,000,000	100%	$2,307,608	$441,775	$441,775	-
Bora Pharmaceuticals Co., Ltd.	Bora Pharmaceuticals USA Inc.	State of Delaware, USA	Pharmaceutical wholesale	USD 384,631	USD 2,000	500,000	100%	$14,858,045	$2,179,149	$2,179,149	-
Bora Pharmaceuticals Co., Ltd.	Bora Pharmaceutical Services Inc.	Province of Ontario, Canada	Pharmaceutical contract development and manufacturing	CAD 10,000	CAD 10,000	100,000,000	50%	$1,532,967	$505,984	$252,992	-
Bora Pharmaceuticals Co., Ltd.	Bora Management Consulting Co., Ltd.	Taipei City, Taiwan	Management and consulting	$1,000	$1,000	100,000	100%	$1,306	$(3,083)	$(3,083)	-
Bora Pharmaceuticals Co., Ltd.	Bora Biologics Co., Ltd.	Hsinchu City, Taiwan	Biotechnical services, research and development services and pharmaceutical manufacturing	$2,287,793	$1,103,720	72,707,800	98.14%	$2,407,647	$28,418	$3,187	-
Bora Pharmaceuticals Co., Ltd.	Bora Pharmaceutical and Consumer Health Inc.	Taipei City, Taiwan	Biotechnical research and management and consulting	$400	$100	40,000	100%	$172	$(87)	$(87)	-
Bora Pharmaceuticals Co., Ltd.	TWi Pharmaceuticals, Inc.	Taipei City, Taiwan	Pharmaceutical manufacturing and wholesale	$5,676,416	$5,676,416	60,000,000	100%	$5,593,972	$2,449,707	$2,351,324	(Note1)
Bora Pharmaceuticals Co., Ltd.	Sunway Biotech Co., Ltd.	Taipei City, Taiwan	Healthcare product wholesale and retail	$1,138,633	$1,138,633	21,615,058	35.79%	$1,167,719	$118,572	$43,158	-

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Investor	Investee company	Location	Main businesses	Initial investment amount		Balance as of December 31, 2024			Net income (loss) of investee	Investment income (loss) recognized	Note
				Investor	Investee company	Location	Main busines ses	Initial investment amount			
Bora Pharmaceutical Laboratories Inc.	Bora Pharmaceutical Services Inc.	Province of Ontario, Canada	Pharmaceutical contract development and manufacturing	CAD 10,000	CAD 10,000	100,000,000	50%	$1,532,967	$505,984	$252,992	-
Bora Pharmaceutical Laboratories Inc.	Bora Pharmaceuticals Ophthalmic Inc.	Taipei City, Taiwan	Pharmaceutical contract development and manufacturing	$170,126	$160,126	74,252,492	99%	$90,984	$(110,640)	$(109,368)	-
TWi Pharmaceuticals, Inc.	TWi Pharmaceuticals USA ,Inc.	State of New Jersey, USA	Pharmaceutical wholesale	USD 7,600	USD 7,600	38	100%	$850,974	$(97,581)	$(97,581)	-
Sunway Biotech Co., Ltd.	Sunway Group Holding Limited	Republic of Seychelles	Investment holding	USD 637	USD 637	1,000,000	100%	$1,386	$(1,418)	$(1,418)	-
Sunway Biotech Co., Ltd.	Chen Run Marketing Co., Ltd.	Taipei City, Taiwan	Healthcare product wholesale and retail	$2,550	$2,550	255,000	51%	$2,709	$(17)	$(9)	-
Sunway Biotech Co., Ltd.	Bora Health Inc.	Taipei City, Taiwan	Pharmaceutical wholesale and healthcare product wholesale	$2,141,932	$2,141,932	22,618,880	100%	$397,015	$102,114	$102,114	-
Sunway Biotech Co., Ltd.	GTSW BIOTECH SDN. BHD.	Malaysia	Healthcare product wholesale	MYR 200	MYR -	200,000	40%	$1,370	$(94)	$(36)	(Note2)
Sunway Group Holding Limited	Sunway Investment(H.K.) Limited	Hong Kong	Investment holding	USD 623	USD 623	3,500,000	100%	$3,564	$(1,401)	$(1,401)	-
Bora Health Inc.	Union Chemical & Pharmaceutical Co., Ltd.	Taipei City, Taiwan	Pharmaceutical manufacturing and wholesale	$31,557	$31,557	1,500,000	100%	$31,006	$(241)	$(241)	-
Bora Pharmaceuticals USA Inc.	Bora Pharmaceuticals Injectables Inc.	State of Delaware, USA	Pharmaceutical manufacturing and wholesale	USD 70,000	USD -	1,000	100%	$3,131,983	$819,852	$819,852	-

BORA PHARMACEUTICALS CO., LTD.
(Amounts are expressed in Thousands of New Taiwan Dollars, unless Otherwise Specified)

Investor	Investee company	Location	Main businesses	Initial investment amount		Balance as of December 31, 2024			Net income (loss) of investee	Investment income (loss) recognized	Note
				Investor	Investee company	Location	Main busines ses	Initial investment amount			
Bora Pharmaceuticals USA Inc.	Bora Pharmaceutical Holdings, Inc.	State of Delaware, USA	Investment holding	USD 246,251	USD -	1,000	100%	$9,699,003	$1,592,295	$1,592,295	-
Bora Pharmaceutical Holdings, Inc.	Pyros Pharmaceuticals Inc.	State of Delaware, USA	Pharmaceutical wholesale	USD 47,548	USD -	1,000	100%	$1,400,059	$(744,155)	$(155,552)	(Note1) (Note3)
Bora Pharmaceutical Holdings, Inc.	Upsher-Smith Holdings Inc.	State of Minniesota ,USA	Investment holding	USD 167,355	USD -	230	100%	$6,827,602	$(1,154,723)	$670,190	(Note1)
Bora Pharmaceutical Holdings, Inc.	Upsher-Smith America LLC	State of Minniesota ,USA	Investment holding	USD 41,839	USD -	1	20%	$1,707,390	$(1,441,046)	$168,019	(Note1)
Upsher-Smith Holdings Inc.	Upsher-Smith America LLC	State of Minniesota ,USA	Investment holding	USD 791,481	USD 791,481	4	80%	$7,756,156	$(1,441,046)	$(1,152,804)	-
Upsher-Smith America LLC	Upsher-Smith Laboratories, LLC	State of Minniesota ,USA	Pharmaceutical manufacturing and wholesale	USD 992,546	USD 992,546	5,976,700 Class A units; 116,235,280 Class B units	100%	$8,864,455	$(1,446,193)	$(1,446,193)	-

Note 1: The investment income recognized included the depreciation and amortization expenses resulting from the difference between the identifiable assets at fair value and carrying amount of interests in subsidiary as at the acquisition date.

Note 2: Investment loss recognized in the reporting period was $(36) thousand, including the investment loss recognized in previous period of $(74) thousand and the investment gain recognized in current period of $38 thousand.

Note 3: Pyros Pharmaceuticals Inc. has completed the issuance of new shares subsequent to the acquisition date.

BORA PHARMACEUTICALS CO., LTD.
(Amounts are expressed in Thousands of New Taiwan Dollars, unless Otherwise Specified)

Table 8

Investment in Mainland China at the end of the reporting period.

Investee company	Main businesses and products	Total amount of paid-in capital (in thousands)	Method of investment *(Note 1)*	Accumulated outflow of investment from Taiwan as of January 1, 2024 (in thousands)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024 (in thousands)	Net income (loss) of investee company	% Ownership of direct or indirect Investment	Investment income (loss) recognized *(Note 2)*	Carrying amount as of December 31, 2024	Accumulated inward remittance of earnings as of December 31, 2024
					Outflow	Inflow						
Sunway (Dongguan) Biotech Co., Ltd.	Healthcare product wholesale and retail	RMB 4,000	(ii)	RMB 4,000	$-	$-	RMB 4,000	$(1,346)	100%	$(1,346)	$2,990	$7,725

Accumulated outward remittance for investments in Mainland China as of December 31, 2024 (in thousands)	Investment amounts authorized by Investment Commission, MOEA	Upper limit on the amount of investments stipulated by the Investment Commission, MOEA *(Note 3)*
RMB 4,000	$19,547	$1,957,622

Note 1 : The methods for engaging in investment in Mainland China include the following:

(i) Direct investment in Mainland China

(ii) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region)

(iii) Other methods.

Note 2：The basis of investment income (loss) recognition is from the financial statements audited by the R.O.C. parent company’s CPA.

Note 3：The consent to invest in SunWay Biotech Co., Ltd.'s investment has been approved by the Investment Commission, MOEA with the Limit of amount of 60% of its net worth.

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Table 9

Information on major shareholders

Name of major shareholders / Shares	Shares	Percentage of Ownership
Baolei Co., Ltd.	18,704,939	18.10%
Reibaoshin Co., Ltd.	11,348,676	10.98%

Note 1: The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

Note 2: If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

BORA PHARMACEUTICALS CO., LTD
The content of statements of major accoutning items
For the year ended December 31, 2024

BORA PHARMACEUTICALS CO., LTD

1.Statement of cash and cash equivalents

As of December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Items	Description (in dollar)		Amount	Note
Cash on hand			$276	
Bank deposits - NTD			411,797	
Bank deposits - Foreign currency	USD	4,143,771.64	135,874	Exchange Rate: 32.79
Bank deposits - Foreign currency	EUR	1,906,265.49	65,080	Exchange Rate: 34.14
Bank deposits - Foreign currency	CHF	735,453.61	26,675	Exchange Rate: 36.27
Bank deposits - Foreign currency			100	
Total			$639,802	

BORA PHARMACEUTICALS CO., LTD

2.Statement of accounts receivable, net and accounts receivable-related parties, net

As of December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Client	Description	Amount	Note
Client A	Centralized procurement	$99,695	1.The amount of individual client
Client B	Centralized procurement	84,944	included in others does not exceed
Client C	CDMO	43,772	5% of the account balance.
Client D	Medication	28,849	
Others		267	
Subtotal		257,527	
Less: Loss allowance		(249)	2.The allowance for loss is
Total		$257,278	estimated based on the collectability.

BORA PHARMACEUTICALS CO., LTD

3.Statement of inventories,net

As of December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Items	Amount		Note
	Cost	Net Realized Value	
Raw materials	$3,133	$3,133	Net realizable value
Work in process	320	320	
Finished goods	15,608	15,608	
Merchandise	13,667	13,667	
Subtotal	32,728	$32,728	
Less: Allowance for inventory valuation losses	(468)		
Total	$32,260		

BORA PHARMACEUTICALS CO., LTD
4.Statement of changes in investments accounted for using the equity method
From January 1 2024 to December 31 2024
(Expressed in Thousands of New Taiwan Dollars)

Investees	Balance, January 1, 2024		Increase			Decrease			Balance, December 31, 2024			Fair Value or Net Asset Value		Collateral	Note
	Shares (thousand)	Amount	Shares (thousand)	Amount		Shares (thousand)	Amount		Number of shares (thousand)	Ownership %	Amount	Unit Price (NTD)	Total Price		
1.Bora Pharmaceutical Laboratories Inc.	165,000	2,270,850		441,775	(Note1)		57,124	(Note2)	165,000	100.00%	2,307,608	14.63	2,413,779	None	(Note6)
				5,693	(Note9)		330,000	(Note3)							
							22,574	(Note5)							
							1,012	(Note8)							
2.Bora Pharmaceuticals USA Inc.	500	70,098		2,179,149	(Note1)				500	100.00%	14,858,045	29,716.09	14,858,045	None	
				12,275,720	(Note4)										
				4,367	(Note9)										
				328,711	(Note5)										
3.Bora Pharmaceutical Services Inc.	100,000	1,418,525		252,992	(Note1)		27,446	(Note5)	100,000	50.00%	1,532,967	15.33	3,065,934	None	(Note7)
				5,693	(Note9)		116,797	(Note3)							
4.Bora Management Consulting Co., Ltd	100	4,389					3,083	(Note1)	100	100.00%	1,306	13.06	1,306	None	
5.Bora Biologics Co., Ltd.	39,425	1,194,554		3,187	(Note1)				72,708	98.14%	2,407,647	33.11	2,453,278	None	(Note12)
			33,283	1,184,073	(Note4)										
				15,721	(Note9)										
				10,112	(Note8)										
6.Bora Pharmaceutical and Consumer Health Inc.	10	(41)	30	300	(Note4)		87	(Note1)	40	100.00%	172	4.30	172	None	
7.TWi Pharmaceuticals, Inc.	60,000	7,364,161		2,351,324	(Note1)		1,050,535	(Note2)	60,000	100.00%	5,593,972	77.10	4,625,993	None	
				47,432	(Note5)		3,157,710	(Note3)							
				18,115	(Note9)		135	(Note13)							
				21,320	(Note11)										
8.Sunway Biotech Co., Ltd.	21,257	1,143,896		43,158	(Note1)		21,257	(Note3)	21,615	35.79%	1,167,719	78.09	4,716,165	None	(Note14)
				476	(Note2)										
				73	(Note5)										
				1,373	(Note11)										
			358	-	(Note10)										
Total		$13,466,432		$19,190,764			$4,787,760				$27,869,436				

Note1：Share of profit and loss of associates accounted for using equity method (including the elimination of unrealized gains
Note2：Intercompany Transaction - downstream: Elimination.
Note3：Cash dividend.
Note4：Increase in investment.
Note5：Exchange differences resulting from translating the financial statements of foreign operations.
Note6：Including the elimination of unrealized gains and losses on the upstream transactions between the Company and its.
Note7：The difference between balance at December 31, 2024 and net asset value is due to the Company held 50% of shares.
Note8：Acquisition of new shares in a subsidiary not in proportionate to ownership interest.
Note9： Intercompany share-based payment transactions.
Note10：Capital reserve distribution of stock dividends.
Note11：Unrealized gains and losses on finanacial assets.
Note12：The difference between balance at December 31, 2024 and net asset value is due to the company only held 98.14% of shares.
Note13：Remeasurement of defined benefit plan of subsidiary according to the shareholding ratio.
Note14：The market price is calculated based on the average transaction price on December 31, 2024.

BORA PHARMACEUTICALS CO., LTD

5. Statement of short-term loans

As of December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Type	Bank	Ending balance	Contract Term	Interest Rate	Collateral	Note
Unsecured loan	Chang Hwa Commercial Bank	$500,000	113.08.26-114.08.26	1.98%	None	-
Unsecured loan	Mega International Commercial Bank	300,000	113.08.27-114.08.27	2.07%	None	-
Unsecured loan	Land Bank of Taiwan	400,000	113.08.26-114.08.26	1.98%	None	-
Unsecured loan	Land Bank of Taiwan	200,000	113.10.29-114.01.24	2.18%	None	-
Total		$1,400,000				

BORA PHARMACEUTICALS CO., LTD

6.Statement of accounts payable (including related parties)

As of December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Vendor	Description	Amount	Note
Vendor A		$68,475	The amount of individual supplier included in others does not exceed 5% of the account balance.
Vendor B		7,165	
Others		22,664	
Total		$98,304	

BORA PHARMACEUTICALS CO., LTD

7.Statement of long-term loans

As of December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Bank	Type	Ending balance	Current Portion	Non-current Portion	Contract Term	Interest Rate	Collateral	Repayment
Chang Hwa Commercial Bank	Secured loan	$421,502	$38,417	383,085	108.12.23-123.12.23	2.03%	Land and Buildings	156 monthly instalment (principal and interests) starting from 23 January , 2022.
CTBC Bank	Unsecured loan	116,000	48,000	68,000	111.06.17-116.06.17	2.50%	None	17 quarterly instalments (principal), starting from 17 June 2023.
CTBC Bank	Unsecured loan	347,298	240,000	107,298	112.06.27-115.06.27	2.68%	None	5 semi-annually instalments (principal), starting from 30 June 2024.
CTBC Bank	Unsecured loan	1,311,075	360,000	951,075	113.03.28-118.03.28	2.88%	None	10 quarterly instalments (principal), starting from 28 March 2024.Repay 12% for each of the 1st to 5th periods, and repay 8% for each of the 6th to 10th periods.
KGI Bank	Unsecured loan	500,000		500,000	113.09.24-116.03.29	2.45%	None	Starting from March 24, each period will be three months. For the 1st to 6th periods, repay 5% of the principal for each period, and the remaining principal will be settled in the last period.
Hua Nan Commercial Bank, Ltd.	Unsecured loan	1,000,000		1,000,000	113.05.14-116.05.14	2.33%	None	At maturity, repay the principal in one lump sum.
Hua Nan Commercial Bank, Ltd.	Unsecured loan	3,000,000	300,000	2,700,000	113.06.27-118.06.27	2.33%	None	16 quarterly instalments (principal), starting from 27 September 2025.Repay 5% of the principal for each of the 1st to 12th periods, and repay 10% of the principal for each of the 13th to 16th periods
O-Bank	Unsecured loan	888,863	100,000	788,863	113.09.20-116.09.20	1.98%	None	9 quarterly instalments (principal), starting from 1 Octorber 2025.
	Total	$7,584,738	$1,086,417	$6,498,321				

BORA PHARMACEUTICALS CO., LTD
8.Statement of operating costs
As of December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Items	Ending balance	Note
Cost of self-made product		
Direct material		
Balance, beginning of year	$9,548	
Add: Raw material purchased	1,440	
Gain on physical count	126	
Less: Raw material, end of year	(3,133)	
raw materials sold	(1,974)	
Raw materials scraped	(773)	
Other	(57)	
Direct material used	5,177	
Direct labor	31,918	
Manufacturing Expenses	90,032	
Manufacturing costs	127,127	
Add: Work in process, beginning of year	6,071	
Less: Work in process, end of year	(320)	
Other	(5)	
Cost of Finished goods	132,873	
Add: Finished goods, beginning of year	4,843	
Other	930	
Less: Finished goods, end of year	(15,608)	
Finished goods scrap	(1,062)	
Subtotal of self-made product	121,976	
Cost of merchandise		
Merchandise, Beginning of year	17,503	
Add: Merchandise purchased	87,792	
Less: Merchandise, end of year	(13,667)	
Merchandise scraped	(59)	
Subtotal of merchandise	91,569	
Other operating cost		
reversal of write-down of inventories	468	
Materials sold	1,974	
Centralized procurement	727,489	
Gain on physical count	(126)	
Idle capability	889	
Other	98	
Total Operating Costs	$944,337	

BORA PHARMACEUTICALS CO., LTD

9.Statement of operating expenses

As of December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Items	Sales and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll and related expense	$1,563	$314,459	$-	$316,022
Insurance	209	9,977	-	10,186
Depreciation	-	13,985	689	14,674
Research and development expense	-	-	406	406
Miscellaneous expenses	56	32,111	-	32,167
Professional fee	-	23,260	2	23,262
Others (Note)	320	37,896	23	38,239
Total	$2,148	$431,688	$1,120	$434,956

Note: The item included others does not exceed 5% of the account balance.