Stock Code:1795

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2026 and 2025

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Independent Auditors' Review Report

To the Board of Directors
of Lotus Pharmaceutical Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Lotus Pharmaceutical Co., Ltd. ("the Company") and its subsidiaries ("the Group") as of June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(2), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to $3,265,400 thousand and $3,121,201 thousand, constituting 3% and 8% of the consolidated total assets; and the total liabilities amounting to $969,825 thousand and $414,325 thousand, representing 1% and 2% of the consolidated total liabilities as of both June 30, 2026 and 2025, respectively; as well as the total comprehensive income amounting to $30,918 thousand, $151,959 thousand, $39,660 thousand and $104,591 thousand, constituting 14%, (116)%, 4% and 8% of the total consolidated comprehensive income for the three months and six months ended June 30, 2026 and 2025, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, as well as its consolidated cash flows for the six months ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Cheng, An-Chih and Lu, Chien-Hui.

KPMG

Taipei, Taiwan (Republic of China)
August 13, 2026

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

June 30, 2026, December 31 and June 30, 2025

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2026		December 31, 2025		June 30, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (notes 6(1) and 8)	$ 6,325,432	6	7,739,617	8	4,113,347	11
1140	Contract assets－current (notes 6(23) and 7)	76,070	-	184,878	-	119,363	-
1170	Notes and accounts receivable, net (notes 6(5), (12) and 8)	8,523,230	8	6,677,828	6	2,037,563	5
1180	Accounts receivable－related parties (note 7)	18,566	-	-	-	4,256,242	11
1200	Other receivables	361,811	-	667,266	1	28,671	-
1210	Other receivables－related parties (note 7)	-	-	108	-	20,053	-
1220	Current tax assets	156,729	-	269,183	-	117,639	-
1310	Inventories (notes 6(6) and 8)	8,898,746	8	9,649,408	9	3,890,930	10
1479	Other current assets (note 8)	1,298,717	1	1,264,430	1	521,374	2
	Total current assets	25,659,301	23	26,452,718	25	15,105,182	39
	Non-current assets:						
1510	Financial asset at fair value through profit or loss－non-current (note 6(2))	-	-	-	-	2,867,677	7
1517	Financial asset at fair value through other comprehensive income－non-current (note 6(3))	478,100	1	463,882	-	340,738	1
1600	Property, plant and equipment (notes 6(7), (8) and 8)	6,884,193	6	6,926,706	7	3,332,455	9
1755	Right-of-use assets (notes 6(9) and 8)	687,779	1	680,158	1	220,094	1
1805	Goodwill (notes 6(7) and (10))	32,131,047	29	31,954,931	30	6,016,599	16
1821	Other intangible assets (notes 6(7), (11), 7 and 8)	26,674,850	25	25,323,596	24	9,482,503	25
1840	Deferred tax assets (notes 6(7) and 8)	14,256,488	13	13,942,232	13	513,404	2
1930	Long-term accounts receivable (note 6(12))	97,344	-	113,853	-	122,286	-
1990	Other non-current assets (notes 8, 9 and 11)	1,716,528	2	295,855	-	163,193	-
	Total non-current assets	82,926,329	77	79,701,213	75	23,058,949	61
	Total assets	**$ 108,585,630**	**100**	**106,153,931**	**100**	**38,164,131**	**100**

		June 30, 2026		December 31, 2025		June 30, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note 6(13))	$ 1,897,314	2	1,608,742	2	1,215,504	3
2128	Financial liabilities measured at amortized cost－current (note 6(4))	1,412,415	1	1,332,304	1	2,375	-
2130	Contract liabilities－current (notes 6(23) and 7)	139,557	-	179,157	-	167,879	1
2170	Notes and accounts payable (note 6(7))	2,790,100	3	2,416,233	2	813,700	2
2180	Accounts payable－related parties (note 7)	-	-	-	-	105,585	-
2200	Other payables	2,823,409	3	2,977,111	3	2,450,695	7
2220	Other payables－related parties (note 7)	-	-	40,893	-	101,874	-
2230	Current tax liabilities	931,699	1	1,416,138	1	468,185	2
2250	Provisions－current (notes 6(7) and (17))	3,556,463	3	4,184,295	4	55,179	-
2280	Lease liabilities－current (note 6(15))	163,436	-	159,630	-	87,257	-
2320	Current portion of long-term borrowings (notes 6(14) and 8)	3,761,242	3	2,541,466	3	4,220,718	11
2399	Other current liabilities	46,429	-	22,857	-	79,854	-
	Total current liabilities	17,522,064	16	16,878,826	16	9,768,805	26
	Non-current liabilities:						
2500	Financial liabilities at fair value through profit or loss－non-current (note 6(2))	10,310,360	9	10,187,370	10	-	-
2520	Financial liabilities measured at amortized cost－non-current (note 6(4))	1,198,236	1	1,129,663	1	120,713	-
2527	Contract liabilities－non-current (note 6(23))	11,761	-	16,287	-	20,761	-
2540	Long-term borrowings (notes 6(7)、(14) and 8)	43,259,981	40	42,447,455	40	5,951,380	16
2550	Provisions－non-current (notes 6(7) and (17))	123,539	-	131,309	-	32,496	-
2570	Deferred tax liabilities (note 6(19))	1,789,417	2	1,697,093	1	1,091,376	3
2580	Lease liabilities－non-current (note 6(15))	718,131	1	718,622	1	142,449	-
2635	Preference share liabilities－non-current (notes 6(7) and (16))	8,646,035	8	8,458,032	8	-	-
2640	Defined benefit liabilities, net	656,445	1	641,510	1	664,397	2
2670	Other non-current liabilities	44,299	-	67,908	-	7,568	-
	Total non-current liabilities	66,758,204	62	65,495,249	62	8,031,140	21
	Total liabilities	84,280,268	78	82,374,075	78	17,799,945	47
	Equity (notes 6(20) and (21)):						
3100	Share capital	2,702,903	2	2,668,738	3	2,670,438	7
3200	Capital surplus	7,631,246	7	7,641,635	7	7,663,200	20
3300	Retained earnings	16,405,105	15	15,903,639	15	13,304,354	35
3400	Other equity	(1,609,696)	(1)	(1,609,996)	(2)	(2,449,646)	(7)
3500	Treasury shares	(824,196)	(1)	(824,160)	(1)	(824,160)	(2)
	Total equity	24,305,362	22	23,779,856	22	20,364,186	53
	Total liabilities and equity	**$ 108,585,630**	**100**	**106,153,931**	**100**	**38,164,131**	**100**

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Three Months and Six Months Ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the three months ended June 30,				For the six months ended June 30,			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Net revenue** (notes 6(23) and 7)	$ 8,808,676	100	4,747,025	100	17,453,085	100	9,476,809	100
5000	**Cost of sales** (notes 6(6) and 7)	4,080,462	46	1,953,882	41	8,339,249	48	3,768,364	40
5900	**Gross profit from operations**	4,728,214	54	2,793,143	59	9,113,836	52	5,708,445	60
	Operating expenses (notes 6(7) and 7)**:**								
6100	Selling expenses	1,265,976	15	722,852	15	2,540,139	14	1,401,302	15
6200	Administrative expenses	881,161	10	406,300	9	1,751,582	10	781,785	8
6300	Research and development expenses	246,020	3	164,466	3	525,607	3	309,572	3
6450	Expected credit loss recognized (reversed) (note 6(5))	2,044	-	(4,203)	-	4,298	-	(2,646)	-
	Total operating expenses	2,395,201	28	1,289,415	27	4,821,626	27	2,490,013	26
6900	**Operating income**	2,333,013	26	1,503,728	32	4,292,210	25	3,218,432	34
	Non-operating income and expenses:								
7100	Interest income	28,464	-	31,894	1	61,722	-	55,131	1
7010	Other income (notes 6(3) and 7)	(1,973)	-	17,277	-	22,947	-	31,937	-
7020	Other gains and losses, net (notes 6(25) and 7)	(155,200)	(1)	(592,535)	(12)	(232,236)	(1)	(461,996)	(5)
7050	Finance costs (notes 6(25) and 7)	(1,214,057)	(14)	(133,070)	(3)	(2,428,497)	(14)	(273,824)	(3)
		(1,342,766)	(15)	(676,434)	(14)	(2,576,064)	(15)	(648,752)	(7)
7900	**Income before income tax**	990,247	11	827,294	18	1,716,146	10	2,569,680	27
7950	Less: Income tax expense (note 6(19))	347,995	4	99,031	2	506,693	3	405,986	4
	Net income	642,252	7	728,263	16	1,209,453	7	2,163,694	23
8300	**Other comprehensive income (loss):**								
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**								
8316	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	(90,041)	(1)	12,949	-	37,638	-	(55,136)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(19))	(14,277)	-	-	-	(14,277)	-	-	-
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	(104,318)	(1)	12,949	-	23,361	-	(55,136)	(1)
8360	**Components of other comprehensive income that may be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	(316,780)	(4)	(872,080)	(18)	(148,314)	(1)	(771,569)	(8)
	Components of other comprehensive income that may be reclassified to profit or loss	(316,780)	(4)	(872,080)	(18)	(148,314)	(1)	(771,569)	(8)
8300	**Other comprehensive loss, net**	(421,098)	(5)	(859,131)	(18)	(124,953)	(1)	(826,705)	(9)
8500	**Total comprehensive income (loss)**	**$ 221,154**	**2**	**(130,868)**	**(2)**	**1,084,500**	**6**	**1,336,989**	**14**
	Earnings per share (note 6(22))								
9750	Basic earnings per share	**$**	**2.47**		**2.81**		**4.65**		**8.29**
9850	Diluted earnings per share	**$**	**2.46**		**2.79**		**4.62**		**8.25**

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Six Months Ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	Share capital: Ordinary share	Share capital: Stock dividends to be distributed	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated retained earnings	Retained earnings: Total	Other equity: Exchange differences on translation of foreign financial statements	Other equity: Unrealized gains (losses) on financial asset at fair value through other comprehensive income	Other equity: Unearned share-based payments	Other equity: Total	Treasury shares	Total equity
Balance at January 1, 2025	$ 2,658,583	-	7,430,959	899,209	846,074	10,914,823	12,660,106	(990,465)	(117,745)	(412,626)	(1,520,836)	(48,386)	21,180,426
Net income	-	-	-	-	-	2,163,694	2,163,694	-	-	-	-	-	2,163,694
Other comprehensive loss	-	-	-	-	-	-	-	(771,569)	(55,136)	-	(826,705)	-	(826,705)
Total comprehensive income (loss)	-	-	-	-	-	2,163,694	2,163,694	(771,569)	(55,136)	-	(826,705)	-	1,336,989
Appropriation of earnings:													
Legal reserve appropriated	-	-	-	499,171	-	(499,171)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	262,134	(262,134)	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(1,519,653)	(1,519,653)	-	-	-	-	-	(1,519,653)
Share-based payments	11,855	-	232,241	-	-	207	207	-	-	(102,105)	(102,105)	(775,774)	(633,576)
Balance at June 30, 2025	**$ 2,670,438**	**-**	**7,663,200**	**1,398,380**	**1,108,208**	**10,797,766**	**13,304,354**	**(1,762,034)**	**(172,881)**	**(514,731)**	**(2,449,646)**	**(824,160)**	**20,364,186**
Balance at January 1, 2026	$ 2,668,738	-	7,641,635	1,398,380	1,108,208	13,397,051	15,903,639	(1,206,475)	(49,426)	(354,095)	(1,609,996)	(824,160)	23,779,856
Net income	-	-	-	-	-	1,209,453	1,209,453	-	-	-	-	-	1,209,453
Other comprehensive income (loss)	-	-	-	-	-	-	-	(148,314)	23,361	-	(124,953)	-	(124,953)
Total comprehensive income (loss)	-	-	-	-	-	1,209,453	1,209,453	(148,314)	23,361	-	(124,953)	-	1,084,500
Appropriation of earnings:													
Legal reserve appropriated	-	-	-	476,319	-	(476,319)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	147,692	(147,692)	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(673,843)	(673,843)	-	-	-	-	-	(673,843)
Stock dividends to shareholders	-	34,165	-	-	-	(34,165)	(34,165)	-	-	-	-	-	-
Share-based payments	-	-	(10,389)	-	-	21	21	-	-	125,253	125,253	(36)	114,849
Balance at June 30, 2026	**$ 2,668,738**	**34,165**	**7,631,246**	**1,874,699**	**1,255,900**	**13,274,506**	**16,405,105**	**(1,354,789)**	**(26,065)**	**(228,842)**	**(1,609,696)**	**(824,196)**	**24,305,362**

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the Six Months Ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Cash flows from operating activities:		
Income before income tax	$ 1,716,146	2,569,680
Adjustments:		
Adjustments to reconcile income		
Depreciation expense	387,541	189,674
Amortization expense	881,143	529,254
Expected credit loss recognized (reversed)	4,298	(2,646)
Losses on financial asset at fair value through profit or loss	-	321,182
Finance costs	2,428,497	273,824
Losses (gains) on financial liabilities at amortized cost	6,205	(95,001)
Interest income	(61,722)	(55,131)
Dividend income	(5,637)	(5,394)
Share-based payment costs	114,828	142,007
Losses on disposal of property, plant and equipment	713	10,390
Impairment losses on intangible assets	13,155	-
Unrealized foreign exchange losses	125,432	271,256
Write-downs of inventories	366,775	84,112
Losses (gains) on lease modifications	(1,386)	1,011
Total adjustments to reconcile income	4,259,842	1,664,538
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	108,808	102,246
Notes and accounts receivable, net	(1,900,395)	(163,990)
Accounts receivable－related parties	(18,566)	568,385
Other receivables	308,682	31,346
Other receivables－related parties	108	45,930
Inventories	335,230	(228,878)
Other current assets	(143,627)	(12,626)
Long-term accounts receivable	15,758	-
Other non-current assets	(8,938)	(1,593)
Total changes in operating assets	(1,302,940)	340,820
Changes in operating liabilities:		
Contract liabilities	(43,071)	(17,207)
Notes and accounts payable	322,551	(133,901)
Accounts payable－related parties	-	34,266
Other payables	(746,968)	(118,429)
Other payables－related parties	(40,893)	10,217
Provisions	(670,893)	8,725
Other current liabilities	(31,277)	23,091
Defined benefit liabilities, net	49,339	51,578
Total changes in operating liabilities	(1,161,212)	(141,660)
Total changes in operating assets and liabilities	(2,464,152)	199,160
Total adjustments	1,795,690	1,863,698

(Continued)

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows (Continued)

For the Six Months Ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30,	
	2026	**2025**
Cash flows generated from operations	3,511,836	4,433,378
Interest received	57,783	50,027
Interest paid	(1,920,462)	(235,538)
Income taxes paid	(972,747)	(587,567)
Net cash flows generated from operating activities	676,410	3,660,300
Cash flows from investing activities:		
Increase in prepayments for investments	(1,289,351)	-
Acquisition of property, plant and equipment	(256,403)	(223,875)
Proceeds from disposal of property, plant and equipment	2,417	38
Decrease (increase) in refundable deposits	(12,852)	1,083
Acquisition of intangible assets (including capitalized development expenses)	(2,047,149)	(2,264,362)
Increase in other current assets	(2,523)	-
Decrease (increase) in other non-current assets	(36,351)	870
Dividends received	5,637	10,761
Net cash flows used in investing activities	(3,636,575)	(2,475,485)
Cash flows from financing activities:		
Proceeds from short-term borrowings	2,673,204	1,400,000
Repayments of short-term borrowings	(2,378,081)	(1,791,418)
Proceeds from long term borrowings	1,886,467	-
Repayments of long-term borrowings	(587,770)	(1,505,399)
Payments of lease liabilities	(97,101)	(59,990)
Payment to acquire treasury shares	-	(780,988)
Treasury shares transferred to employees	-	5,198
Cash dividends returned from unvested restricted stock awards	21	207
Net cash flows generated from (used in) financing activities	1,496,740	(2,732,390)
Effect of exchange rate changes on cash and cash equivalents	49,240	(369,191)
Net decrease in cash and cash equivalents	(1,414,185)	(1,916,766)
Cash and cash equivalents at beginning of period	7,739,617	6,030,113
Cash and cash equivalents at end of period	$ **6,325,432**	**4,113,347**

See accompanying notes to consolidated financial statements.

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

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Notes to the Consolidated Financial Statements

For the Six Months Ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company history

Lotus Pharmaceutical Co., Ltd. (the "Company") was incorporated in Taiwan, the Republic of China (R.O.C.), on June 30, 1966. On January 29, 2010, the Company's shares were traded on the Taipei Exchange and on December 16, 2019, the Company switched the listing venue of its shares to the Taiwan Stock Exchange (the "TWSE").

On August 11, 2014, the Company issued privately placed shares of 151,100,000 shares to Innobic Asia Investment Holding Limited ("INIH", formerly known as Alvogen Emerging Markets Holdings Limited), a wholly owned subsidiary under the Alvogen Group; consequently, INIH becomes the largest shareholder of the Company. The Company subsequently acquired equity interest in certain subsidiaries of the Alvogen Group in South Korea, India and Taiwan (collectively, the "legal subsidiaries"). The consolidated financial statements were issued in the name of the Company but presented as a continuation of the financial statements of the legal subsidiaries.

On April 7, 2022, the Alvogen Group disposed of its investment in INIH to Innobic Hong Kong Biddingco Limited (formerly known as Aztiq II BidCo Limited); consequently, the Company's ultimate controlling party changed to PTT Public Company Limited ("PTT"), a listed company on the Stock Exchange of Thailand. In July 2025, PTT announced a shareholding restructuring plan involving its investment in the Company. On December 31, 2025, the Company ceased to be a subsidiary and become an associate of the PTT Group. Together with the ownership interest held by another PTT's subsidiary, Innobic LL Holding Company Limited, PTT owned an aggregate ownership interest of 37.75% in the Company as of June 30, 2026.

On December 3, 2025, the Company through its subsidiary completed the acquisition of a group of companies in the United States from the Alvogen Group, please refer to note 6(7) for further details.

The Company and its subsidiaries (collectively referred to as the "Group") is engaged mainly in the research and development, manufacturing and sales of generic and branded pharmaceutical products, as well as consulting services.

2. Approval date and procedures of the consolidated financial statements

These consolidated financial statements for the six months ended June 30, 2026 and 2025 were authorized for issuance by the Board of Directors of the Company on August 13, 2026.

3. New standards, amendments and interpretations adopted

(1) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. (the “FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(2) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements:

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

The Group expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

(i) IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

(ii) Amendments to IAS 28 “ The Fair Value Option for Investments in Associates and Joint Ventures”

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

(3) The impact of IFRS Accounting Standards issued by the International Accounting Standards Board but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

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

4. Summary of material accounting policies

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the FSC. The consolidated financial statements do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (altogether referred to “IFRS Accounting Standards” endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except for the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of consolidation

The principles of preparation of the consolidated financial statements are the same as those of the 2025 annual consolidated financial statements. For the related information, please refer to note 4 of the 2025 annual consolidated financial statements.

A. List of subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Nature of business	Shareholding June 30, 2026	Shareholding December 31, 2025	Shareholding June 30, 2025	Notes
The Company	Alvogen Korea Holdings Ltd. (“Alvogen Korea Holdings”)	Investment business	100.00 %	100.00 %	100.00 %	
The Company	Alvogen Pharma India Pvt Ltd. (“Alvogen India”)	Investment business	100.00 %	100.00 %	100.00 %	(Note 1)
The Company	Lotus International Pte. Ltd.	Investment business and sale of medicine	100.00 %	100.00 %	100.00 %	
The Company	Lotus Japan Holdings Co., Ltd.	Sale of medicine and clinical machine retail	-	100.00 %	100.00 %	(Note 4&6)
The Company	Avos Pharma Science Co., Ltd.	Biotech technological consulting services, clinical machine retail and related consulting services	100.00 %	100.00 %	100.00 %	(Note 1)
The Company	Lotus Pharmaceutical HK Ltd.	Data collection and agent services in Hong Kong	1.56 %	1.56 %	1.56 %	(Note 1)
The Company	Alvogen (Thailand) Ltd.	Sale of pharmaceuticals and medicinal chemical products	2.52 %	2.52 %	2.52 %	(Note 1)
The Company	Lotus Pharmaceutical (Thailand) Co., Ltd.	Sale of pharmaceuticals and medicinal chemical products	90.00 %	90.00 %	90.00 %	
The Company	Lotus US Financing S. ā .r.l.	Investment business	100.00 %	100.00 %	-	(Note 2&4)
The Company	Lotus Pharmaceuticals US, Inc.	Data collection and agency affairs in U.S.A.	100.00 %	100.00 %	-	(Note 1&2)
Alvogen Korea Holdings	Alvogen Korea Co., Ltd. (“Alvogen Korea”)	Manufactures and sells medicines	100.00 %	100.00 %	100.00 %	
Alvogen India	Norwich Clinical Services Private Limited (“NCS”)	Contract research organization	100.00 %	100.00 %	100.00 %	(Note 1)
Lotus Pharmaceutical HK Ltd.	Lotus Pharmaceutical (Shanghai) Health Management Consulting Limited	Consultation on health management, health technology, trading information, market planning, and business information	100.00 %	100.00 %	100.00 %	(Note 1)
Lotus Pharmaceutical HK Ltd.	Alvogen (Thailand) Ltd.	Sale of pharmaceuticals and medicinal chemical products	0.03 %	0.03 %	0.03 %	(Note 1)
Lotus US Financing S. ā .r.l.	Lotus Alvogen Group Holdings S. ā .r.l.	Investment business	100.00 %	100.00 %	-	(Note 2&4)

			Shareholding			
Investor	**Subsidiary**	**Nature of business**	**June 30, 2026**	**December 31, 2025**	**June 30, 2025**	**Notes**
Lotus International Pte. Ltd.	Lotus Support Services SRL	Pharmaceutical regulatory affairs project management services	100.00 %	100.00 %	100.00 %	(Note 1)
Lotus International Pte. Ltd.	Alvogen (Thailand) Ltd.	Sale of pharmaceuticals and medicinal chemical products	97.45 %	97.45 %	97.45 %	(Note 1)
Lotus International Pte. Ltd.	Lotus Alvogen Malta Ltd.	Marketing activities and healthcare consultancy	100.00 %	100.00 %	100.00 %	(Note 1)
Lotus International Pte. Ltd.	Lotus Pharmaceutical HK Ltd.	Data collection and agent services in Hong Kong	98.44 %	98.44 %	98.44 %	(Note 1)
Lotus International Pte. Ltd.	Lotus Healthcare Malaysia Sdn. Bhd.	Marketing activities and healthcare consultancy	100.00 %	100.00 %	100.00 %	(Note 1)
Lotus International Pte. Ltd.	Lotus Healthcare Philippines Corp.	Sale of pharmaceuticals and medicinal chemical products	100.00 %	100.00 %	100.00 %	(Note 1)
Lotus International Pte. Ltd.	Lotus Pharma Bulgaria EOOD	Sale of pharmaceuticals and medicinal chemical products	100.00 %	100.00 %	100.00 %	
Lotus International Pte. Ltd.	Lotus Pharma ehf.	Marketing activities and healthcare consultancy	100.00 %	100.00 %	100.00 %	(Note 1&7)
Lotus International Pte. Ltd.	Meishi Pharma Services Private Limited	Pharmaceutical research and development service	100.00 %	100.00 %	100.00 %	(Note 1)
Lotus International Pte. Ltd.	Meishi Pharma Service Pte. Ltd.	Management consultancy service	100.00 %	100.00 %	100.00 %	(Note 1)
Lotus International Pte. Ltd.	Lotus Pharmaceutical (Thailand) Co., Ltd.	Sale of pharmaceuticals and medicinal chemical products	10.00 %	10.00 %	10.00 %	
Lotus International Pte. Ltd.	Lotus Pharmaceutical (Vietnam) LLC	Sale of pharmaceuticals and medicinal chemical products	100.00 %	-	-	(Note 1&5)
Lotus International Pte. Ltd.	Lotus Japan Holdings Co., Ltd.	Sale of medicine and clinical machine retail	100.00 %	-	-	(Note 4&6)
Lotus Alvogen Group Holdings S. ā .r.l.	New Alvogen Group Holding Inc. ("NAGH")	Investment business	100.00 %	100.00 %	-	(Note 3&4)
NAGH	Alvogen Group Inc.	Investment business	100.00 %	100.00 %	-	(Note 3&4)
Alvogen Group Inc.	Alvogen Pharma US Inc.	Investment business and financing activities	100.00 %	100.00 %	-	(Note 3&4)
Alvogen Pharma US Inc.	Alvogen Inc.	Sale of pharmaceuticals and medicinal chemical products	100.00 %	100.00 %	-	(Note 3&4)

			Shareholding			
Investor	**Subsidiary**	**Nature of business**	**June 30, 2026**	**December 31, 2025**	**June 30, 2025**	**Notes**
Alvogen Pharma US Inc.	Norwich Pharmaceutical, Inc.	Manufactures and sells medicines	100.00 %	100.00 %	-	(Note 3&4)
Alvogen Pharma US Inc.	Alvogen PB Research & Development LLC	Pharmaceutical research and development service	100.00 %	100.00 %	-	(Note 3&4)
Alvogen Pharma US Inc.	Almaject, Inc.	Sale of pharmaceuticals and medicinal chemical products	100.00 %	100.00 %	-	(Note 3&4)
Alvogen Pharma US Inc.	Alvogen AMO B Share Holdings LLC	Investment business	100.00 %	100.00 %	-	(Note 3&4)
Alvogen Inc.	Almatica Pharma LLC	Sale of pharmaceuticals and medicinal chemical products	100.00 %	100.00 %	-	(Note 3&4)

Note 1: Non-significant subsidiary, which was not reviewed by independent auditors.

Note 2: Newly incorporated subsidiary in the third quarter of 2025.

Note 3: On December 3, 2025, the Company through its subsidiary, Lotus US Financing S. ā .r.l., completed the acquisition of 100% equity interest in NAGH. Please refer to note 6(7) for more details.

Note 4: Since the first quarter of 2026, Lotus Japan Holdings Co., Ltd., Lotus US Financing S. ā .r.l., Lotus Alvogen Group Holdings S. ā .r.l., NAGH and its subsidiaries have been reviewed by independent auditors.

Note 5: Newly incorporated subsidiary in the second quarter of 2026.

Note 6: On May 11, 2026, the Company contributed its 100% equity interest in Lotus Japan Holdings Co., Ltd. as an in-kind capital contribution to Lotus International Pte. Ltd.

Note 7: Lotus Pharma ehf is currently under liquidation process.

B. List of subsidiaries not included in the consolidated financial statements: None.

(3) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events, if any.

(4) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34, “Interim Financial Reporting”.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management’s best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

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

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

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

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the 2025 annual consolidated financial statements. For related information, please refer to note 5 of the 2025 annual consolidated financial statements.

6. Explanation of significant accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the consolidated financial statements for the current period and the 2025 annual consolidated financial statements. Please refer to note 6 of the 2025 annual consolidated financial statements.

(1) Cash and cash equivalents

		June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and demand deposits	$	6,315,321	7,425,191	4,113,347
Cash equivalents		10,111	314,426	-
	$	6,325,432	7,739,617	4,113,347

As of June 30, 2026 and December 31, 2025, certain cash and cash equivalents were pledged as collateral; please refer to note 8. None of the cash and cash equivalents were pledged as collateral as of June 30, 2025.

(2) Financial asset and liabilities measured at fair value through profit or loss ("FVTPL")

		June 30, 2026	December 31, 2025	June 30, 2025
Financial asset mandatorily measured at FVTPL:				
Foreign preferred stock－NAGH	$	-	-	2,867,677
Financial liabilities measured at FVTPL:				
Contingent consideration from business combinations	$	10,310,360	10,187,370	-

In December 2025, in connection with the Group's acquisition of 100% equity interest in NAGH, the Company's investment in the preferred stock issued by NAGH was converted into the common shares of NAGH. The consideration transferred by the Group to the selling shareholders of NAGH included contingent consideration based on the achievement of certain agreed-upon performance targets over the next three years. The Group has included such additional consideration as contingent consideration, which represents the fair value at the date of acquisition. Please refer to note 6(7).

For the information of fair value of financial instruments, please refer to note 6(26)D.

(3) Financial asset at fair value through other comprehensive income ("FVOCI")

	June 30, 2026	December 31, 2025	June 30, 2025
Financial asset at FVOCI:			
Foreign listed stock－Fuji Pharma Co., Ltd.	$ 478,100	463,882	340,738

A. The Group designated above investment as financial asset at FVOCI because it intends to hold the investment for long-term strategic purposes.

B. During the three months and six months ended June 30, 2026 and 2025, dividends of $0, $0, $5,637 and $5,394, respectively, relating to the above investment were recognized in other income.

C. There was no disposal of the above investment nor transfer of any cumulative gain or loss within equity relating to the above investment for the six months ended June 30, 2026 and 2025.

(4) Financial liabilities measured at amortized cost

	June 30, 2026	December 31, 2025	June 30, 2025
Products related milestone payments:			
Current	$ 1,412,415	1,332,304	2,375
Non-current	$ 1,198,236	1,129,663	120,713

Please refer to note 6(7) of the assumed liabilities through a business combination for further details.

(5) Notes and accounts receivable, net

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ -	-	138
Accounts receivable	8,555,095	6,707,088	2,073,020
Less: Expected credit loss allowance	(31,865)	(29,260)	(35,595)
	$ 8,523,230	6,677,828	2,037,563

The Group applies the simplified approach to measure the expected credit loss allowance, which uses lifetime expected loss provision for all notes and accounts receivable. To measure the expected credit losses, notes and accounts receivable are grouped based on shared credit risk characteristics and the days past due.

The expected credit loss allowances were determined as follows:

	June 30, 2026		
	Gross carrying amount	Weighted average loss rate	Expected credit loss allowance
Group 1			
Current	$ 2,951,571	- %	82
1 to 60 days past due	195,113	- %	3
61 to 90 days past due	14,573	0.44 %	64
91 to 120 days past due	71,907	0.40 %	286
121 to 150 days past due	4,128	3.59 %	148
151 to 180 days past due	87,900	- %	-
181 to 360 days past due	4,427	47.96 %	2,123
More than 360 days past due	29,593	98.53 %	29,159
	$ 3,359,212		**31,865**
Group 2			
Current	**$ 5,195,883**	- %	**-**

	December 31, 2025		
	Gross carrying amount	Weighted average loss rate	Expected credit loss allowance
Group 1			
Current	$ 2,558,606	- %	31
1 to 60 days past due	78,052	0.02 %	13
61 to 90 days past due	11,287	2.14 %	241
91 to 120 days past due	3,027	- %	-
121 to 150 days past due	63	- %	-
151 to 180 days past due	131	7.63 %	10
181 to 360 days past due	879	8.65 %	76
More than 360 days past due	29,449	98.10 %	28,889
	$ 2,681,494		**29,260**
Group 2			
Current	**$ 4,025,594**	- %	**-**

	June 30, 2025		
	Gross carrying amount	**Weighted average loss rate**	**Expected credit loss allowance**
Group 1			
Current	$ 1,286,249	- %	10
1 to 60 days past due	24,753	0.02 %	5
61 to 90 days past due	4,190	1.89 %	79
91 to 120 days past due	4,596	5.27 %	242
121 to 150 days past due	44	6.82 %	3
151 to 180 days past due	18	33.33 %	6
181 to 360 days past due	9,487	66.48 %	6,307
More than 360 days past due	29,028	99.71 %	28,943
	$ 1,358,365		35,595
Group 2			
Current	$ 714,793	- %	-

Group 1: Customer of general risk.
Group 2: Customer of low risk.

The movement in the expected credit loss allowance was as follows:

	2026	2025
Balance at January 1	$ 29,260	38,628
Expected credit loss recognized (reversed)	4,298	(2,646)
Amounts written off	(1,555)	-
Effect of exchange rate changes	(138)	(387)
Balance at June 30	$ 31,865	35,595

As of June 30, 2026 and December 31, 2025, certain accounts receivable were pledged as collateral; please refer to note 8. None of the notes and accounts receivable were pledged as collateral as of June 30, 2025.

(6) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	$ 2,497,176	2,595,257	1,263,602
Work in progress	1,382,908	1,373,164	550,330
Finished goods and merchandise	4,865,029	5,454,743	1,886,931
Inventory in transit	153,633	226,244	190,067
	$ 8,898,746	9,649,408	3,890,930

For the three months and six months ended June 30, 2026 and 2025, write-downs of inventories to net realizable value in the amount of $185,819, $43,872, $366,775 and $84,112, respectively, were included in the cost of sales.

As of June 30, 2026 and December 31, 2025, certain inventories were pledged as collateral; please refer to note 8. None of the inventories were pledged as collateral as of June 30, 2025.

(7) Acquisition of subsidiary

On September 23, 2025, to support the Company's strategic development and business expansion in the United States, the Company's Board of Directors approved the acquisition of 100% equity interest in NAGH through its subsidiary, Lotus US Financing S. ā .r.l. The purchase price for the acquisition was amounting to USD 1,096,647 thousand ($34,483,181). Lotus US Financing S. ā .r.l. subsequently transferred the acquired 100% equity interest in NAGH to another subsidiary of the Company, Lotus Alvogen Group Holdings S. ā .r.l. followed the Group's restructuring plan. The business combination was consummated on December 3, 2025.

If the acquisition had occurred on January 1, 2025, management estimates that consolidated revenue and consolidated net income for the six months ended June 30, 2025 would have been $19,465,892 and $2,950,994, respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2025.

The Group incurred the acquisition related costs of $256,004 on legal fees and due diligence costs. These costs have been included in operating expenses in the consolidated statements of comprehensive income.

A. The fair value of identifiable net assets acquired, and liabilities assumed at the acquisition date were as follows:

Cash and cash equivalents	$ 3,960,733
Accounts receivable, net	4,754,692
Other receivables	521,214
Inventories and other current assets	6,075,919
Property, plant and equipment	3,604,987
Right-of-use assets	479,830
Other intangible assets	15,900,045
Deferred tax assets	12,849,618
Other non-current assets	161,171
Short-term borrowings	(103,781)
Financial liabilities measured at amortized cost	(2,300,214)
Accounts payable	(4,443,714)
Other payables and other current liabilities	(3,299,997)
Long-term borrowings (including current portion)	(23,635,264)
Provisions	(4,253,773)
Deferred tax liabilities	(984,955)
Lease liabilities	(660,746)
Other non-current liabilities	(55,888)
Fair value of identifiable net assets	**$ 8,569,877**

The fair value of other intangible assets (including product use rights) of $15,900,045 has been determined provisionally pending completion of an independent valuation.

B. Goodwill

(a) Goodwill arising from the acquisition has been recognized as follows.

Consideration transferred	$	34,483,181
Less: Fair value of identifiable net assets		(8,569,877)
Goodwill	**$**	**25,913,304**

The goodwill is attributable mainly to the synergies expected to be achieved from integrating NAGH and its subsidiaries with the Group's existing business in the United States. None of the goodwill recognized is expected to be deductible for tax purposes.

The fair value of the assets acquired and the liabilities assumed by the Company were determined provisionally, and those amounts are subject to final evaluation. The Company will continue to review the aforesaid matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date which leads to an adjustment to the above provisional amounts, or any additional provisions as at the acquisition date, then the accounting for the acquisition will be revised.

(b) Consideration transferred (translated at the exchange rates on December 3, 2025)

The detail of the consideration transferred was as follows:

Cash consideration	$	12,254,794
Fair value of previously held interest (note 6(2))		3,741,860
Preference share liabilities at fair value (Note 1)		8,458,490
Contingent consideration (Note 2)		10,187,920
Closing adjustment		(159,883)
Total	**$**	**34,483,181**

Note 1: Preference shares with fair value of $8,458,490 were issued as part of the consideration transferred for the purchase of NAGH and its subsidiaries.

Note 2: In accordance with the arrangement, if NAGH and its subsidiaries achieve the agreed-upon performance targets over the next three years, the Group shall pay the former shareholders of NAGH consideration of up to USD 500,000 thousand. Under this arrangement, the undiscounted range of all potential future payments that the Company may be required to make is between USD 0 and USD 500,000 thousand. The fair value of the contingent consideration arrangement, measured using an income approach, amounted to $10,187,920. The fair value measurement is based on significant unobservable inputs, which are classified as Level 3 inputs under IFRS 13 "Fair Value Measurement" as endorsed by the FSC; please refer to note 6(26) for further details. As of June 30, 2026 and December 31, 2025, the amount recognized in respect of this contingent consideration arrangement was measured at fair value, with changes recognized in profit or loss as a financial liability measured at fair value through profit or loss. The valuation range and the assumptions used in the estimation remained unchanged.

(8) Property, plant and equipment

The movement in the property, plant and equipment of the Group for the six months ended June 30, 2026 and 2025, was as follows:

		Land	Buildings and plant equipment	Machinery and experiment equipment	Miscellaneous equipment	Construction in progress and inspection equipment	Leasehold improvements	Total
Cost:								
Balance at January 1, 2026	$	624,650	4,031,316	3,348,989	272,545	657,970	127,334	9,062,804
Additions		-	4,242	7,101	17,420	271,817	15,494	316,074
Disposals		-	-	(40,781)	(7,115)	-	-	(47,896)
Reclassification		-	31,241	113,427	10,212	(163,808)	8,928	-
Effect of exchange rate changes		(16,498)	(4,515)	(28,758)	298	(22,541)	(6,454)	(78,468)
Balance at June 30, 2026	$	**608,152**	**4,062,284**	**3,399,978**	**293,360**	**743,438**	**145,302**	**9,252,514**
Balance at January 1, 2025	$	599,333	2,073,578	1,651,786	213,225	706,377	100,146	5,344,445
Additions		-	2,961	16,232	11,913	85,322	130	116,558
Disposals		-	(2,265)	(9,878)	(7,022)	-	(15,931)	(35,096)
Reclassification		-	48,437	127,470	15,365	(191,272)	-	-
Effect of exchange rate changes		(13,611)	(22,306)	(28,580)	(9,001)	(8,300)	(6,367)	(88,165)
Balance at June 30, 2025	$	**585,722**	**2,100,405**	**1,757,030**	**224,480**	**592,127**	**77,978**	**5,337,742**
Accumulated depreciation:								
Balance at January 1, 2026	$	-	715,118	1,206,240	152,490	-	62,250	2,136,098
Depreciation		-	78,750	174,260	25,189	-	19,267	297,466
Disposals		-	-	(39,707)	(5,059)	-	-	(44,766)
Effect of exchange rate changes		-	(18,591)	2,887	863	-	(5,636)	(20,477)
Balance at June 30, 2026	$	**-**	**775,277**	**1,343,680**	**173,483**	**-**	**75,881**	**2,368,321**
Balance at January 1, 2025	$	-	657,122	1,082,935	149,976	-	59,052	1,949,085
Depreciation		-	30,756	78,359	13,782	-	8,242	131,139
Disposals		-	(2,265)	(9,862)	(6,848)	-	(5,693)	(24,668)
Effect of exchange rate changes		-	(14,764)	(23,176)	(7,158)	-	(5,171)	(50,269)
Balance at June 30, 2025	$	**-**	**670,849**	**1,128,256**	**149,752**	**-**	**56,430**	**2,005,287**
Carrying amounts:								
Balance at January 1, 2026	$	**624,650**	**3,316,198**	**2,142,749**	**120,055**	**657,970**	**65,084**	**6,926,706**
Balance at June 30, 2026	$	**608,152**	**3,287,007**	**2,056,298**	**119,877**	**743,438**	**69,421**	**6,884,193**
Balance at January 1, 2025	$	**599,333**	**1,416,456**	**568,851**	**63,249**	**706,377**	**41,094**	**3,395,360**
Balance at June 30, 2025	$	**585,722**	**1,429,556**	**628,774**	**74,728**	**592,127**	**21,548**	**3,332,455**

As of June 30, 2026, December 31 and June 30, 2025, certain property, plant and equipment were pledged as collateral; please refer to note 8.

(9) Right-of-use assets

The Group leases certain buildings, office equipment and vehicles. The carrying amounts of the leases for which the Group is a lessee were as follows:

	Buildings	Office equipment	Vehicles	Total
Carrying amounts:				
Balance at January 1, 2026	$ 649,750	16,877	13,531	680,158
Balance at June 30, 2026	$ 656,584	16,293	14,902	687,779
Balance at January 1, 2025	$ 242,893	19,871	8,207	270,971
Balance at June 30, 2025	$ 191,593	16,142	12,359	220,094

There was no significant addition, disposal, or recognition and reversal of impairment losses of right-of-use assets for the six months ended June 30, 2026 and 2025. Please refer to note 6(9) of the 2025 annual consolidated financial statements for other related information.

Information on depreciation for the periods was as follow:

	Buildings	Office equipment	Vehicles	Total
Depreciation:				
For the six months ended June 30, 2026	$ 81,739	5,106	3,230	90,075
For the six months ended June 30, 2025	$ 50,532	4,641	3,362	58,535

As of June 30, 2026 and December 31, 2025, certain right of use assets were pledged as collateral; please refer to note 8. None of the right of use assets were pledged as collateral as of June 30, 2025.

(10) Goodwill

The carrying amounts of goodwill of the Group were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Goodwill	$ 32,131,047	31,954,931	6,016,599

There was no significant addition, disposal, or recognition of impairment losses of goodwill for the six months ended June 30, 2026 and 2025. Please refer to note 6(10) of the 2025 annual consolidated financial statements for other related information.

(11) Other intangible assets

The movement in the intangible assets of the Group for the six months ended June 30, 2026 and 2025, was as follows:

	Product Rights	Brand	In-process R&D	Capitalization of Development Expenses	Customer Relationship	Others	Total
Cost:							
Balance at January 1, 2026	$ 13,058,227	616,549	294,386	14,254,158	3,860,798	518,654	32,602,772
Additions	415,541	-	-	1,726,434	-	3,854	2,145,829
Reclassification	158,011	-	-	(166,157)	-	8,146	-
Effect of exchange rate changes	151,301	(31,840)	(15,202)	206,365	42,041	(9,142)	343,523
Balance at June 30, 2026	**$ 13,783,080**	**584,709**	**279,184**	**16,020,800**	**3,902,839**	**521,512**	**35,092,124**
Balance at January 1, 2025	$ 8,562,401	635,995	303,671	3,537,101	362,708	416,277	13,818,153
Additions	1,524,714	-	-	843,330	-	317	2,368,361
Disposals	-	-	-	-	-	(8,621)	(8,621)
Reclassification	137,440	-	-	(154,517)	-	17,077	-
Effect of exchange rate changes	(274,885)	(25,601)	(12,223)	(77,610)	-	(12,837)	(403,156)
Balance at June 30, 2025	**$ 9,949,670**	**610,394**	**291,448**	**4,148,304**	**362,708**	**412,213**	**15,774,737**
Accumulated amortization and impairment losses:							
Balance at January 1, 2026	$ 5,011,756	489,361	259,102	1,135,026	77,397	306,534	7,279,176
Amortization	622,396	-	4,585	-	211,174	42,988	881,143
Impairment losses	8,682	-	-	4,473	-	-	13,155
Effect of exchange rate changes	294,856	(25,272)	(13,532)	(4,957)	1,774	(9,069)	243,800
Balance at June 30, 2026	**$ 5,937,690**	**464,089**	**250,155**	**1,134,542**	**290,345**	**340,453**	**8,417,274**
Balance at January 1, 2025	$ 4,021,754	504,795	257,630	897,983	13,237	284,669	5,980,068
Amortization	487,936	-	4,799	-	15,886	20,633	529,254
Disposals	-	-	-	-	-	(8,621)	(8,621)
Effect of exchange rate changes	(150,703)	(20,320)	(10,542)	(15,082)	-	(11,820)	(208,467)
Balance at June 30, 2025	**$ 4,358,987**	**484,475**	**251,887**	**882,901**	**29,123**	**284,861**	**6,292,234**
Carrying amounts:							
Balance at January 1, 2026	**$ 8,046,471**	**127,188**	**35,284**	**13,119,132**	**3,783,401**	**212,120**	**25,323,596**
Balance at June 30, 2026	**$ 7,845,390**	**120,620**	**29,029**	**14,886,258**	**3,612,494**	**181,059**	**26,674,850**
Balance at January 1, 2025	**$ 4,540,647**	**131,200**	**46,041**	**2,639,118**	**349,471**	**131,608**	**7,838,085**
Balance at June 30, 2025	**$ 5,590,683**	**125,919**	**39,561**	**3,265,403**	**333,585**	**127,352**	**9,482,503**

As of June 30, 2026, December 31, 2025, certain other intangible assets were pledged as collateral; please refer to note 8. None of the other intangible assets were pledged as collateral as of June 30, 2025.

(12) Long-term accounts receivable

The long-term accounts receivable were summarized as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Long-term accounts receivable	$ 166,479	217,619	185,872
Less: Discount	(11,421)	(15,605)	(19,946)
	155,058	202,014	165,926
Less: Current portion (classified as accounts receivable, net)	(57,714)	(88,161)	(43,640)
Total	**$ 97,344**	**113,853**	**122,286**

In the first quarter of 2024, the Group entered into an agreement with a third-party distributor for a total consideration of KRW 3.15 billion ($65,027), payable in equal instalments over six years from 2024 to 2029.

In the third quarter of 2023, the Court issued final judgment requiring a third-party distributor to pay KRW 9 billion ($185,792) in compensation, payable in equal instalments over six years from 2023 to 2028.

As of June 30, 2026, December 31 and June 30, 2025, no expected credit loss was recognized.

(13) Short-term borrowings

The short-term borrowings were summarized as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loans	$ 1,883,767	1,517,678	1,215,504
Unsecured loans from other financial institutions	13,547	91,064	-
	$ 1,897,314	**1,608,742**	**1,215,504**
Unused credit line	**$ 898,664**	**195,910**	**293,954**
Range of interest rates	**2.08%~6.94%**	**2.08%~6.94%**	**2.10%~3.86%**

(14) Long-term borrowings

The long-term borrowings were summarized as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loans	$ 206,436	217,677	215,504
Secured bank loans	22,139,847	20,815,963	9,423,228
Secured loans from other financial institutions	24,674,940	23,955,281	533,366
	47,021,223	44,988,921	10,172,098
Less: Current portion	(3,761,242)	(2,541,466)	(4,220,718)
Total	**$ 43,259,981**	**42,447,455**	**5,951,380**
Unused credit line	**$ 5,018,652**	**4,973,100**	**1,500,000**
Range of maturity period (year/month)	**2026/10~2029/03**	**2026/05~2029/03**	**2025/10~2026/10**
Range of interest rates	**3.20%~14.81%**	**3.20%~14.81%**	**3.10%~5.98%**

In September 2025, the Company entered into a syndicated loan facility in an aggregate amount of $21,730,000 equivalent with a syndicate of banks led by CTBC. Pursuant to the terms set forth in the loan agreement, the facility is subject to the following financial covenants: (i) the net leverage ratio of the Group shall not exceed 3.75 times and the net leverage ratio of the Group (excluding subsidiaries in Korea and the United States) shall not exceed 3.5 times, and (ii) interest cover ratio of the Group must exceed 3 times.

In December 2025, the Group’s subsidiary in Korea entered into a syndicated loan facility in an aggregate amount of KRW 120 billion ($2,477,231) with the banks led by Shinhan Bank. Pursuant to the terms set forth in the loan agreement, the net leverage ratio of Alvogen Korea must be less than 4.25 times.

For the borrowings of Alvogen Pharma US Inc., pursuant to the relevant loan agreements, the net leverage ratio, calculated on an annualized basis using the financial results of the most recent two quarters, must not exceed 3.5 times; on a full-year basis, the net leverage ratio must not exceed 3 times.

The Group complied with the abovementioned financial covenants as of June 30, 2026 and December 31, 2025.

For assets pledged as collateral for aforementioned long-term borrowings, please refer to note 8.

(15) Lease liabilities－current and non-current

The carrying amounts of the lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	$ 163,436	159,630	87,257
Non-current	$ 718,131	718,622	142,449

Please refer to note 6(26) for the maturity analysis.

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Interest expenses on lease liabilities	$ 13,828	3,726	27,834	7,742
Expenses relating to short-term leases	$ 3,172	3,575	5,917	7,031
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 247	151	538	355

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

	For the six months ended June 30,	
	2026	2025
Total cash outflow for leases	$ 131,390	75,118

A. Real estate leases

The Group leases buildings for its office space and residential property. The leases typically run for a period of one to ten years. Certain leases include an option to renew the lease for an additional period after the end of the contract term.

Certain leases also require the Group to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

B. Other leases

The Group leases transportation equipment and office equipment with contract terms of one to five years. In certain cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

Certain of the transportation equipment and office equipment leases are short-term or for low-value items. The Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(16) Preference share liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Redeemable Preferred Stock	$ 8,646,035	8,458,032	-

On December 3, 2025, the Company's subsidiary, Lotus US Financing S.ā.r.l. issued 228,387 redeemable preferred shares as part of the consideration for the 100% equity acquisition of NAGH, please refer to note 6(7) for further details.

According to the issuance terms, the key features of the shares are as follows:

A. Redemption Obligation: The term is three years from the closing date. The Group is obligated to redeem all outstanding preferred shares at maturity, with an option for early redemption.

B. Dividend Distribution: Dividends are set at escalating annual rates (11%, 17.5%, and 20% for Years 1 to 3, respectively) payable in kind or in cash, or a combination thereof, as determined by the agreement.

C. Conversion Rights: Any portion not fully redeemed at maturity will be automatically converted into common shares of Lotus Alvogen Group Holdings S.ā.r.l. at an conversion ratio determined in the agreement.

For the three months and six months ended June 30, 2026, the Group recognized $36,670 and $85,617 of interest expense on preference share liabilities, respectively. Please refer to note 6(25).

(17) Provisions－current and non-current

	Estimated return of goods	Employee benefit obligations	Rebate	Other	Total
Balance at January 1, 2026	$ 1,311,868	126,013	2,849,867	27,856	4,315,604
Provisions made	293,606	23,435	2,390,997	94	2,708,132
Provisions used	(290,210)	(29,752)	(3,061,086)	(2,053)	(3,383,101)
Effect of exchange rate changes	12,291	(1,270)	29,725	(1,379)	39,367
Balance at June 30, 2026	1,327,555	118,426	2,209,503	24,518	3,680,002
Less: current	(1,327,555)	-	(2,209,503)	(19,405)	(3,556,463)
Non-current	$ -	118,426	-	5,113	123,539
Balance at January 1, 2025	$ 43,374	32,312	-	10,745	86,431
Provisions made	12,588	2,206	-	93	14,887
Provisions used	(300)	(6,081)	-	(3,413)	(9,794)
Effect of exchange rate changes and others	(2,330)	(1,092)	-	(427)	(3,849)
Balance at June 30, 2025	53,332	27,345	-	6,998	87,675
Less: current	(53,332)	-	-	(1,847)	(55,179)
Non-current	$ -	27,345	-	5,151	32,496

(18) Employee benefits

A. Defined benefit plans

Management believes that there were no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial reports as of December 31, 2025 and 2024.

The pension cost recognized in profit or loss for the three months and six months ended June 30, 2026 and 2025 were $53,259, $32,607, $102,030 and $68,698, respectively.

B. Defined contribution plans

In accordance with the provisions of the Labor Pension Act, the Company contributes 6% of its employees' monthly wages to their labor pension personal accounts of the Bureau of Labor Insurance, Ministry of Labor (hereinafter referred to as the Bureau of Labor Insurance).

Under this defined contribution plan, the Company contributes a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

Foreign subsidiaries within the Group have also set up defined contribution plans, as necessary, in accordance with the regulations in respective countries.

The total pension costs under the defined contribution plans were $59,705, $13,640, $99,280 and $27,962 for the three months and six months ended June 30, 2026 and 2025, respectively.

(19) Income tax

A. Income tax expense

The components of income tax for the three months and six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Current tax expense				
Current period	$ 228,861	98,543	387,247	405,875
Adjustments in respect of prior years	13,968	488	14,280	111
Unappropriated earnings tax	105,166	-	105,166	-
Income tax expense	**$ 347,995**	**99,031**	**506,693**	**405,986**

B. The amounts of income tax recognized in other comprehensive income for the three months and six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Items that will not be reclassified subsequently to profit or loss:				
Unrealized losses on equity instruments at fair value through other comprehensive income	$ (14,277)	-	(14,277)	-

C. Income tax assessments

As of June 30, 2026, the tax authorities have completed the examination of the Company's income tax returns through 2022, except for 2021, for which the examination has not yet been finalized.

(20) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to June 30, 2026 and 2025. For the related information, please refer to note 6(20) of the 2025 annual consolidated financial statements.

A. Share capital

On June 18, 2025, November 7, 2024, August 8, 2024, March 14, 2024 and August 10, 2023, the Board of Directors approved the issuance of 1,230 thousand, 200 thousand, 170 thousand, 560 thousand and 2,487 thousand shares, respectively, under the 2023 RSA Plan. Please refer to note 6(21). The relevant statutory registration procedures have since been completed.

About the cancellation of the forfeited shares under the 2019 Employee Restricted Stock Awards Plan (the "2019 RSA Plan") and the 2023 Employee Restricted Stock Awards Plan (the "2023 RSA Plan"), please refer to note 6(21).

On June 16, 2026, the shareholders approved to appropriate NT$34,165 thousand from the earnings for 2025 as stock dividends and issue 3,417 thousand new shares through capitalization with a par value of NT$10 per share in the shareholders' meeting. The Company designated September 6, 2026 as the record date for the capital increase, and the capital is recognized under stock dividends to be distributed as of June 30, 2026.

B. Capital surplus

The ending balances of capital surplus were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Additional paid-in capital	$ 5,781,484	5,692,533	5,528,830
Treasury share transactions	35,951	37,131	35,106
Conversion of convertible bonds	1,268,876	1,268,876	1,268,876
Restricted stock awards	544,935	643,095	830,388
	$ 7,631,246	**7,641,635**	**7,663,200**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends.

For the details about treasury share transactions and restricted stock awards, please refer to note 6(21).

C. Retained earnings

According to the articles of incorporation, in years of earnings, the Company has to offset any accumulated deficit, pay income tax, and appropriate 10% of the balance as a legal reserve before distribution of earnings, unless the amount in the legal reserve is already equal to or greater than the total paid-in capital. Thereafter, any remainder shall be set aside or reversed as special reserve in accordance with the relevant laws and regulations. Distribution of the remaining profit after setting aside the abovementioned amounts, together with the balance of the unappropriated retained earnings of the previous year, shall be proposed by the Board of Directors during the shareholders' meeting for approval.

The Board of Directors is authorized to pay dividends and bonuses, legal reserves, and capital surpluses in whole or in part in cash, providing a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and such a resolution shall be reported to the shareholders' meeting. If the Company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

In allocating dividends from distributable earnings, among which cash dividend shall not be less than 10% of total distribution, the Company takes into consideration its future capital demand, long-term financial planning, the cash inflow demand of the shareholders, plans for corporate growth, and the operating environment. During their meeting, the shareholders may adjust the Board of Directors' proposal and percentage of appropriations depending on the Company's actual profit and capital situation.

Pursuant to relevant laws or regulations or as requested by the local authority, total net debit balance of the other components of equity shall be set aside from current earnings as special reserve, and not for distribution. Subsequent decrease pertaining to items that are accounted for as a reduction to the other components of equity shall be reclassified from special reserve to undistributed earnings.

D. Earnings distribution

The appropriation of earnings for 2024 was approved by the Board of Directors on March 6, 2025; cash dividend at $5.73 dollars per share in the amount of $1,519,653 was approved. The appropriation of earnings to legal reserve and special reserve was approved in the shareholders' meeting held on June 26, 2025.

The appropriation of earnings for 2025 was approved by the Board of Directors on March 12, 2026; cash dividend at $2.56 dollars per share in the amount of $673,843 and stock dividend at $0.13 dollars per share in the amount of $34,165 were approved. Stock dividend and the remaining items were approved in the shareholders' meeting held on June 16, 2026.

The information related to the appropriation of earnings is available on the Market Observation Post System website.

E. Treasury shares

During the second quarter of 2025 and during the third quarter of 2021, the Company repurchased 3,650 thousand and 550 thousand shares as treasury shares with an amount of $780,988 and $57,354, respectively, for the purposes of transferring to employees in accordance with the requirements under section 28(2) of the Securities and Exchange Act.

On March 6, 2025, April 30, 2024 and August 10, 2023, the Board of Directors approved the transfer of 50 thousand, 26 thousand and 66 thousand treasury shares, respectively, to employees. As of June 30, 2026, December 31 and June 30, 2025, 136 thousand treasury shares were transferred. Please refer to note 6(21) for the details.

As of June 30, 2026, December 31 and June 30, 2025, the number of the shares yet to be transferred were 4,064 thousand shares.

About the information of forfeited shares under the 2023 RSA Plans, please refer to note 6(21).

In accordance with the Securities and Exchange Act, treasury shares held by the Company should not be pledged and should not hold any shareholder rights before their transfer.

(21) Share-based payment

A. 2019 RSA Plan

On June 24, 2019, the Company’ s shareholders approved the 2019 RSA Plan for eligible employees. On May 14 and November 12, 2020, the Board of Directors approved the issuance of 2,190 thousand and 50 thousand shares, respectively, under the 2019 RSA Plan. The Plan was executed and completed in the second quarter of 2025. Please refer to note 6(21) to the consolidated financial statements for the year ended December 31, 2025.

B. 2023 RSA Plan

On June 15, 2023, the Company's shareholders approved the 2023 RSA Plan to issue new ordinary shares. Except for the following disclosure, there was no significant change in the 2023 RSA Plan for the periods from January 1 to June 30, 2026 and 2025. For the related information, please refer to note 6(21) of the 2025 annual consolidated financial statements.

As of June 30, 2026, the number of shares forfeited under the 2023 RSA Plan was 268 thousand shares. On December 18, 2025, November 12, 2025, January 21, 2025 and August 8, 2024, the Board of Directors approved to cancel 50 thousand, 120 thousand, 32 thousand and 30 thousand of the forfeited shares, respectively.

As of June 30, 2026, December 31 and June 30, 2025, there were 0 thousand, 0 thousand and 353 thousand shares, respectively, available for future grants under the 2023 RSA Plan.

C. The movement in the unearned share-based payments was as follows:

		2026	2025
Balance at January 1	$	(353,768)	(410,771)
Granted		-	(237,626)
Share-based payment costs		114,501	134,430
Change of estimation		10,425	-
Balance at June 30	**$**	**(228,842)**	**(513,967)**

D. Employee treasury shares

The Company used Black-Scholes option pricing model in measuring the fair value of the share-based payment at the grant date. The Company recognized compensation cost amounting to $327 and $7,577 for the six months ended June 30, 2026 and 2025, respectively.

Grant date	Total shares vested (thousands)	Vesting conditions	Share price	Exercise price	Fair value per unit
May 19, 2024	26	Note	301	10	291
April 1, 2025	50	Vest immediately	234	104.28	129.72

Note: 14,000 shares will be vested immediately on the grant date and 12,000 shares will be vested in two equal annual instalments upon satisfaction of service condition.

The movement in the unearned share-based payments related to the employee treasury shares was as follows:

		2026	2025
Balance at January 1	$	(327)	(1,855)
Share-based payment costs		327	1,091
Balance at June 30	**$**	**-**	**(764)**

(22) Earnings per share

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

		For the three months ended June 30,		For the six months ended June 30,	
		2026	2025	2026	2025
Basic earnings per share					
Net income attributable to owners of the Company	**$**	**642,252**	**728,263**	**1,209,453**	**2,163,694**
Weighted average number of ordinary shares (in thousands)		**260,001**	**259,523**	**259,949**	**260,979**
Basic earnings per share (in dollars)	**$**	**2.47**	**2.81**	**4.65**	**8.29**

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Diluted earnings per share				
Net income attributable to owners of the Company	$ **642,252**	**728,263**	**1,209,453**	**2,163,694**
Weighted average number of ordinary shares (in thousands)	260,001	259,523	259,949	260,979
Effect of dilutive potential ordinary shares				
Share-based payment to employees (in thousands)	1,316	1,254	1,498	1,342
Remuneration to employees (in thousands)	82	101	82	101
Weighted average number of ordinary shares (diluted) (in thousands)	**261,399**	**260,878**	**261,529**	**262,422**
Diluted earnings per share (in dollars)	$ **2.46**	**2.79**	**4.62**	**8.25**

On June 16, 2026, the shareholders approved the distribution of stock dividends, with September 6, 2026 as the record date for the capitalization. If the stock dividend had been issued before the authorization of these financial consolidated statements for issue, the pro forma retrospectively adjusted basic and diluted earnings per share would have been as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Basic earnings per share	$ **2.44**	**2.77**	**4.59**	**8.18**
Diluted earnings per share	$ **2.43**	**2.76**	**4.57**	**8.14**

(23) Revenue from contracts with customers

A. Disaggregation of revenue

	For the three months ended June 30, 2026		
	Pharmaceuticals Segment	**Other Segment**	**Total**
Primary geographical markets:			
United States	$ 5,729,285	1,930	5,731,215
South Korea	1,320,563	-	1,320,563
Malta	414,506	3,255	417,761
Taiwan	626,413	43	626,456
Others	693,134	19,547	712,681
	$ **8,783,901**	**24,775**	**8,808,676**

	For the three months ended June 30, 2026		
	Pharmaceuticals Segment	**Other Segment**	**Total**
Major products/services lines:			
Sale of goods	$ 8,701,283	-	8,701,283
Out-licensing of IP rights	67,984	-	67,984
Services and others	14,634	24,775	39,409
	$ 8,783,901	**24,775**	**8,808,676**

	For the three months ended June 30, 2025		
	Pharmaceuticals Segment	**Other Segment**	**Total**
Primary geographical markets:			
United States	$ 1,908,655	21,007	1,929,662
South Korea	1,410,918	-	1,410,918
Malta	231,307	12,430	243,737
Taiwan	647,736	-	647,736
Others	494,780	20,192	514,972
	$ 4,693,396	**53,629**	**4,747,025**
Major products/services lines:			
Sale of goods	$ 4,662,171	-	4,662,171
Out-licensing of IP rights	30,293	-	30,293
Services and others	932	53,629	54,561
	$ 4,693,396	**53,629**	**4,747,025**

	For the six months ended June 30, 2026		
	Pharmaceuticals Segment	**Other Segment**	**Total**
Primary geographical markets:			
United States	$ 10,509,562	3,685	10,513,247
South Korea	2,902,043	-	2,902,043
Malta	1,475,516	6,781	1,482,297
Taiwan	1,267,483	43	1,267,526
Others	1,253,497	34,475	1,287,972
	$ 17,408,101	**44,984**	**17,453,085**
Major products/services lines:			
Sale of goods	$ 17,225,896	-	17,225,896
Out-licensing of IP rights	154,133	-	154,133
Services and others	28,072	44,984	73,056
	$ 17,408,101	**44,984**	**17,453,085**

	For the six months ended June 30, 2025		
	Pharmaceuticals Segment	**Other Segment**	**Total**
Primary geographical markets:			
United States	$ 3,834,787	33,139	3,867,926
South Korea	2,881,359	-	2,881,359
Malta	422,718	17,484	440,202
Taiwan	1,297,854	-	1,297,854
Others	952,917	36,551	989,468
	$ 9,389,635	**87,174**	**9,476,809**
Major products/services lines:			
Sale of goods	$ 9,316,032	-	9,316,032
Out-licensing of IP rights	71,686	-	71,686
Services and others	1,917	87,174	89,091
	$ 9,389,635	**87,174**	**9,476,809**

B. Contract balances

	June 30, 2026	**December 31, 2025**	**June 30, 2025**	**January 1, 2025**
Contract assets－current	**$ 76,070**	**184,878**	**119,363**	**221,774**
Contract liabilities－current	**$ 139,557**	**179,157**	**167,879**	**180,900**
Contract liabilities－non-current	**$ 11,761**	**16,287**	**20,761**	**26,563**

For details on notes and accounts receivable, net and expected credit loss allowance, please refer to note 6(5). For details on accounts receivable－related parties, please refer to note 7.

The amount of $69,069 and $32,531 included in contract liabilities balance at the beginning of the year has been recognized as revenue for the six months ended June 30, 2026 and 2025, respectively.

(24) Remuneration to employees and directors

On June 26, 2025, the Company resolved at the shareholders’ meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. Then, a minimum of 1% will be distributed as employee remuneration, with at least one-third of this amount distributed to non-executive employees, and no more than 10% of the annual profit as directors’ remuneration. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company’ s subsidiaries who meet certain specific requirements.

For the three months and six months ended June 30, 2026 and 2025, the Company accrued and recognized employee remuneration amounting to $10,122, $6,717, $15,784 and $22,483, respectively; however, no remuneration to directors was accrued for both periods. These amounts were calculated by using the Company's income before income tax for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under cost of sales or expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year. If, however, the Board of Directors determines that the employee remuneration is to be distributed through stock dividends, the calculation, based on the shares, shall be calculated using the stock price on the day before the approval by the Board of Directors.

For the years ended December 31, 2025 and 2024, the remunerations to employees amounted to $55,296 and $61,832, respectively, and no remunerations to directors. There is no difference between the remuneration to employees and directors and the actual distribution in 2025 and 2024. The related information about remuneration to employees and directors is available at the Market Observation Post System website.

(25) Non-operating income and expenses

A. Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Gains (losses) on disposal of property, plant and equipment	$ 1,381	(10,353)	(713)	(10,390)
Losses on financial asset at FVTPL	-	(355,289)	-	(321,182)
Foreign exchange losses	(35,802)	(317,576)	(203,808)	(216,081)
Gains (losses) on financial liabilities at amortized cost	(91,428)	95,001	(6,205)	95,001
Others	(29,351)	(4,318)	(21,510)	(9,344)
	$ (155,200)	**(592,535)**	**(232,236)**	**(461,996)**

B. Finance costs

The details of finance costs were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Interest expenses on borrowings	$ 1,155,784	121,693	2,300,913	256,755
Interest expenses on lease liabilities	13,828	3,726	27,834	7,742
Interest expenses on preference share liabilities	36,670	-	85,617	-
Others	7,775	7,651	14,133	9,327
	$ 1,214,057	**133,070**	**2,428,497**	**273,824**

(26) Financial instruments

Except as described in the following paragraphs, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(26) of the 2025 annual consolidated financial statements.

A. Credit risk

For credit risk exposure of notes and accounts receivable (including related parties), please refer to notes 6(5) and 7.

The Group deposits its cash and cash equivalents with various reputable financial institutions. Management performs periodic evaluation on the relative credit standing of these financial institutions and limits the amount of credit exposure with any one institution. Management believes that there is a limited concentration of credit risk in cash and cash equivalents.

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1~2 years	2~3 years	3~5 years	Over 5 years
June 30, 2026							
Non-derivative financial liabilities							
Financial liabilities measured at FVTPL－non-current	$ 10,310,360	13,739,656	-	-	13,739,656	-	-
Financial liabilities measured at amortized cost－current and non-current	2,610,651	3,020,416	1,483,768	1,488,908	-	-	47,740
Short-term borrowings	1,897,314	1,914,634	1,914,634	-	-	-	-
Notes and accounts payable	2,790,100	2,790,100	2,790,100	-	-	-	-
Other payables (including related parties)	2,823,409	2,823,409	2,823,409	-	-	-	-
Long-term borrowings (including current portion)	47,021,223	57,025,069	6,695,600	17,282,586	33,046,883	-	-
Lease liabilities－current and non-current	881,567	1,119,225	212,550	211,467	157,063	217,069	321,076
Preference share liabilities－non- current	8,646,035	8,784,063	-	-	8,784,063	-	-
	$ 76,980,659	**91,216,572**	**15,920,061**	**18,982,961**	**55,727,665**	**217,069**	**368,816**

	Carrying amount	Contractual cash flows	Within 1 year	1~2 years	2~3 years	3~5 years	Over 5 years
December 31, 2025							
Non-derivative financial liabilities							
Financial liabilities measured at FVTPL－non-current	$ 10,187,370	13,573,727	-	-	13,573,727	-	-
Financial liabilities measured at amortized cost－current and non-current	2,461,967	2,854,407	1,395,104	1,203,046	209,093	-	47,164
Short-term borrowings	1,608,742	1,617,999	1,617,999	-	-	-	-
Notes and accounts payable	2,416,233	2,416,233	2,416,233	-	-	-	-
Other payables (including related parties)	3,018,004	3,018,004	3,018,004	-	-	-	-
Long-term borrowings (including current portion)	44,988,921	56,471,516	6,244,587	11,583,192	35,923,526	2,720,211	-
Lease liabilities－current and non-current	878,252	1,068,783	206,085	181,847	153,374	210,278	317,199
Preference share liabilities－non- current	8,458,032	8,677,981	-	-	8,677,981	-	-
	$ 74,017,521	89,698,650	14,898,012	12,968,085	58,537,701	2,930,489	364,363
June 30, 2025							
Non-derivative financial liabilities							
Financial liabilities measured at amortized cost－current and non-current	$ 123,088	158,817	-	-	158,817	-	-
Short-term borrowings	1,215,504	1,225,559	1,225,559	-	-	-	-
Notes and accounts payable (including related parties)	919,285	919,285	919,285	-	-	-	-
Other payables (including related parties)	2,552,569	2,552,569	2,552,569	-	-	-	-
Long-term borrowings (including current portion)	10,172,098	10,651,781	4,547,080	6,104,701	-	-	-
Lease liabilities－current and non-current	229,706	253,098	98,235	74,466	56,571	23,826	-
	$ 15,212,250	15,761,109	9,342,728	6,179,167	215,388	23,826	-

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

C. Market risk

(a) Currency risk

The Group's significant exposure of financial assets and liabilities to foreign currency risk was as follows:

	June 30, 2026			December 31, 2025			June 30, 2025		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets									
Monetary items									
USD	$ 67,560	31.82	2,149,901	105,735	31.44	3,324,573	111,768	29.41	3,287,153
EUR	46,781	36.16	1,691,650	25,744	37.07	954,348	30,026	34.12	1,024,514
Non-monetary items									
USD	-	-	-	-	-	-	97,505	29.41	2,867,677

	June 30, 2026			December 31, 2025			June 30, 2025		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial liabilities									
Monetary items									
USD	392,757	31.82	12,498,353	403,539	31.44	12,688,275	44,703	29.41	1,314,738
EUR	7,206	36.16	260,576	6,536	37.07	242,294	2,050	34.12	69,948

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including related parties), financial asset at FVTPL, notes and accounts payable (including related parties), other payables (including related parties), long-term borrowings and other non-current liabilities that are denominated in foreign currency.

A weakening or strengthening of 5% of the NTD against the USD and EUR for the six months ended June 30, 2026 and 2025, with all other variable factors remaining constant, would have increased or decreased the income before income tax by ($445,869) and $146,349, respectively.

With varieties of functional currencies within the Group, the information on foreign exchange gain or loss on monetary items was disclosed based on the total amount. For the three months and six months ended June 30, 2026 and 2025, the foreign exchange losses (including realized and unrealized portions) amounted to $35,802, $317,576, $203,808 and $216,081, respectively.

(b) Interest rate risk

The Group’s exposure to interest rate risk arises mainly from outstanding bank and other financial institutions borrowings carried at floating interest rates, wherein the cash flow risk arises from the changes in interest rates.

Assuming the amount of floating-rate bank borrowings at the reporting date had been outstanding throughout the year, with all other variable factors remaining constant, as the interest rate increases or decreases by 0.05%, the Group’s income before income tax would have decreased or increased by $10,449 and $1,848 for the six months ended June 30, 2026 and 2025, respectively.

(c) Other market value risk

The Group’s exposure to equity price risk arises from its investment in financial asset at FVOCI.

Assuming an increase or a decrease by 10% in the securities price at the reporting date, the Group’s other comprehensive income would have increased or decreased by $47,810 and $34,074 for the six months ended June 30, 2026 and 2025, respectively.

D. Fair value of financial instruments

The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

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

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date.

Except as described in the following table, the Group considers the carrying amounts of financial instruments, including cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), long-term accounts receivable, notes and accounts payable (including related parties), other payables (including related parties) and lease liabilities, approximate their fair value, disclosure of fair value information is not required.

The following table presents the carrying amount and fair value of the Group' s financial instruments measured at fair value on a recurring basis:

	June 30, 2026				
	Book	Fair Value			
	Value	Level 1	Level 2	Level 3	Total
Financial asset at FVOCI					
Foreign listed stock	$ 478,100	478,100	-	-	478,100
Financial liabilities at FVTPL					
Contingent consideration from business combinations	$ 10,310,360	-	-	10,310,360	10,310,360

	December 31, 2025				
	Book	Fair Value			
	Value	Level 1	Level 2	Level 3	Total
Financial asset at FVOCI					
Foreign listed stock	$ 463,882	463,882	-	-	463,882
Financial liabilities at FVTPL					
Contingent consideration from business combinations	$ 10,187,370	-	-	10,187,370	10,187,370

	June 30, 2025				
	Book	Fair Value			
	Value	Level 1	Level 2	Level 3	Total
Financial asset at FVTPL					
Foreign preferred stock	$ 2,867,677	-	-	2,867,677	2,867,677
Financial asset at FVOCI					
Foreign listed stock	$ 340,738	340,738	-	-	340,738

(a) Valuation techniques and assumptions used in fair value measurement

The Group's investment in foreign listed stock is traded in an active market. The fair value is determined with reference to quoted market prices.

The Group's investment in foreign preferred stock without an active market is initially recognized at the fair value of the cash consideration paid and is subsequently remeasured to fair value based on valuation technique. Management reviews the policy and procedures of fair value measurement at least once at the end of the annual reporting period, or more frequently as deemed necessary.

For the measurement of contingent consideration from business combination, please refer note 6(26)D(d) for more details.

(b) Transfer between levels

There was no transfer between levels for the six months ended June 30, 2026 and 2025.

(c) Reconciliation of Level 3 fair values

For the six months ended June 30, 2025, the changes of fair values ($321,182) was recognized in profit or loss.

About the conversion of the preferred stock investment to the common shares investment in NAGH, please refer to note 6(2).

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

The Group's financial instrument that use Level 3 inputs to measure fair value is financial asset or liabilities at FVTPL.

Quantified information of significant unobservable inputs was as follows:

Item	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Financial asset at FVTPL－non-current	Binomial Trees model method	· Duration (0.5 year at June 30, 2025.)	· The estimated fair value would increase if the duration were shorter.
		· Estimated stock price (USD 906.21 at June 30, 2025.)	· The estimated fair value would increase if the estimated stock price were higher.
		· Discount rate (28.2% at June 30, 2025.)	· The estimated fair value would decrease if the discount rate were higher.

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial liabilities at FVTPL－non-current	Discounted Cash Flow method	· Discount rate (9.8% and 9.8% at June 30, 2026 and Dec 31, 2025, respectively.)	· The estimated fair value would decrease if the discount rate were higher.

(e) Fair value measurements in Level 3－sensitivity analysis of reasonably possible alternative assumptions

If there is a change in assumption as of June 30, 2026, December 31 and June 30, 2025, the impact on the fair value of financial asset or liabilities at FVTPL would be as follows:

	Impact on income statement	
	Increased	**Decreased**
Financial liabilities at FVTPL－non-current:		
Balance at June 30, 2026		
Discount rate (1.00% movement)	$ **309,387**	**(267,592)**
Balance at December 31, 2025		
Discount rate (1.00% movement)	$ **305,697**	**(264,400)**
Financial asset at FVTPL－non-current:		
Balance at June 30, 2025		
Discount rate (5.00% movement)	$ **(243,320)**	**319,399**

(27) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the 2025 annual consolidated financial statements. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2025. Please refer to note 6(27) of the 2025 annual consolidated financial statements for further details.

(28) Financing activities not affecting current cash flow

The Group's financing activities which did not affect the current cash flow were as follows:

A. For leased right-of-use assets, please refer to note 6(9).

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

	January 1, 2026	Cash flow	Foreign exchange movement	Others	June 30, 2026
Short-term borrowings	$ 1,608,742	295,123	(6,551)	-	1,897,314
Long-term borrowings (including current portion) (Note 1)	44,988,921	1,298,697	320,051	413,554	47,021,223
Lease liabilities (Note 2)	878,252	(97,101)	299	100,117	881,567
Total liabilities from financing activities	**$ 47,475,915**	**1,496,719**	**313,799**	**513,671**	**49,800,104**

	January 1, 2025	Cash flow	Foreign exchange movement	Others	June 30, 2025
Short-term borrowings	$ 1,614,619	(391,418)	(7,697)	-	1,215,504
Long-term borrowings (including current portion) (Note 1)	11,773,507	(1,505,399)	(132,168)	36,158	10,172,098
Lease liabilities (Note 2)	278,378	(59,990)	(12,611)	23,929	229,706
Total liabilities from financing activities	**$ 13,666,504**	**(1,956,807)**	**(152,476)**	**60,087**	**11,617,308**

Note 1: Other items include the amortization of deferred financing cost.

Note 2: Other items include the addition and other changes in lease liabilities.

7. Related-party transactions

(1) Parent company and ultimate controlling party

Upon deconsolidation by the PTT Group on December 31, 2025, the Company is the ultimate parent company of the Group and it is considered that there is no ultimate controlling party; please refer to note 1.

(2) Name and relationship with related parties

The following is a summary of related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

Name of related parties	Relationship with the Group
INIH	Other related party (Note1)
Adalvo Competence Center SRL	Other related party (Note2)
Adalvo Limited	Other related party (Note2)
Alvogen Holding (Thailand) Ltd.	Other related party
Alvogen Inc.	Other related party (Note3)
Alvogen PB Research & Development LLC (“Alvogen PB R&D”)	Other related party (Note3)
Alvotech hf.	Other related party
AZTIQ Consulting ehf.	Other related party

Name of related parties	Relationship with the Group
Innobic (Asia) Co., Ltd.	Other related party
Innobic LL Holding Company Limited	Other related party
Innobic Asia Investment Holding Limited	Other related party
NAGH	Other related party (Note3)
Norwich Pharmaceuticals, Inc.	Other related party (Note3)

Note 1: INIH is no longer the Company's parent company since December 31, 2025; please refer to note 7(1).

Note 2: The company ceased to be a related party to the Company effective from October 2025.

Note 3: Due to the acquisition of 100% equity interest in NAGH, the company became the Company's subsidiary effective from December 3, 2025. Please refer to note 6(7) for more details.

(3) Significant transactions with related parties

A. Sales

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

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Alvotech hf.	$ 23,815	-	23,815	-
Alvogen Inc.	-	1,902,464	-	3,839,114
Adalvo Limited	-	243,224	-	439,689
INIH	-	932	-	1,917
Other related parties	-	25,536	-	25,536
	$ 23,815	**2,172,156**	**23,815**	**4,306,256**

When there is a substantial price decline in the market, revenue deduction provision for shelf stock adjustment is estimated based on the inventory level held by the related parties and the anticipated decline in the market price. Shelf stock adjustment accrual is recorded in other payables－related parties.

The selling prices for sales to related parties were determined by market price and adjusted according to the sales area and sales volume. The credit terms were mainly 90~180 days, which were similar to transactions with unrelated customers.

B. Receivables from related parties

Accounts	Name of related parties	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable－related parties	Alvotech hf.	$ 18,566	-	-
	Alvogen Inc.	-	-	3,665,266
	Adalvo Limited	-	-	568,648
	INIH	-	-	294
	Other related parties	-	-	22,034
		$ 18,566	-	4,256,242

Accounts	Name of related parties	June 30, 2026	December 31, 2025	June 30, 2025
Other receivables－related parties	Adalvo Limited	$ -	-	18,295
	Alvogen Inc.	-	-	1,571
	Other related parties	-	108	187
		$ -	108	20,053

Receivables from related parties were not pledged as collateral, and were assessed not to provide for any loss allowance.

C. Payables to related parties

Accounts	Names of related parties	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable－related parties	Alvogen Inc.	$ -	-	105,585
Other payables－related parties	AZTIQ Consulting ehf.	$ -	39,882	-
	Alvogen Inc.	-	-	70,357
	Adalvo Limited	-	-	15,950
	Alvogen PB R&D	-	-	15,440
	INIH	-	256	-
	Other related parties	-	755	127
		$ -	40,893	101,874

D. Acquisition of intangible assets

Prices of intangible assets purchased from related parties were summarized as follows:

Names of related parties	Accounts	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Adalvo Limited	Intangible assets	$ -	620	-	620

E. Others

(a)

Accounts	Names of related parties	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Cost of sales	Other related parties	$ -	25,164	-	41,910
Operating expenses	Other related parties	$ 66,347	28,818	131,936	49,891
Other income	Alvogen Inc.	$ -	1,628	-	1,628
	Adalvo Limited	-	12,420	-	17,727
	Other related parties	-	297	-	576
		$ -	14,345	-	19,931
Reimbursed income recognized as an offset to cost of sales	Alvogen Inc.	$ -	(3,066)	-	(3,066)

(b)

Accounts	Names of related parties	June 30, 2025
Contract assets－current	Adalvo Limited	$ 100,634
	Alvogen Inc.	15,330
		115,964

(c)

Accounts	Names of related parties	June 30, 2025
Contract liabilities－current	Adalvo Limited	$ 140,361

(4) Key management personnel compensation

	For the three months ended June 30,		For the six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Short-term employee benefits	$ 97,381	75,734	141,995	114,317
Share-based payments	25,526	48,695	55,802	101,964
	$ 122,907	**124,429**	**197,797**	**216,281**

8. Assets pledged as security

As of June 30, 2026, December 31 and June 30, 2025, the following assets were pledged as collaterals:

Asset	**Purpose of pledge**	**June 30, 2026**	**December 31, 2025**	**June 30, 2025**
Bank demand deposits and others (classified as cash and cash equivalents)	Long-term borrowings	$ 479,746	1,797,884	-
Bank demand deposits (classified as other current assets)	Compensation balances	15,000	15,000	15,000
Bank demand deposits (classified as other non-current assets)	Deposit for drug application, performance guarantee and customs, etc.	-	65	65
Accounts receivable	Long-term borrowings	5,273,628	4,213,863	-
Inventories	Long-term borrowings	5,241,507	5,372,814	-
Prepayments and other current assets	Long-term borrowings	1,018,524	1,232,975	-
Land	Long-term borrowings	608,152	624,650	543,753
Buildings and plant equipment	Long-term borrowings	3,286,253	2,814,036	1,428,594
Machinery equipment	Long-term borrowings	1,590,106	1,575,049	129,435
Other property, plant and equipment	Long-term borrowings	194,114	723,047	-
Right-of-use assets	Long-term borrowings	447,038	474,361	-
Other intangible assets	Long-term borrowings	13,656,308	13,139,201	-
Deferred tax assets and other non-current assets	Long-term borrowings	13,260,599	12,908,018	-
		$ 45,070,975	**44,890,963**	**2,116,847**

In addition, as of June 30, 2026, December 31 and June 30, 2025, the entire shares of Alvogen Korea Holdings were pledged as collateral to secure the Company’s bank loan facility; and as of the same dates, the entire shares of Alvogen Korea were pledged as collateral. As of June 30, 2026 and December 31, 2025, the entire shares of Lotus US Financing S. ā .r.l. were pledged as collateral to secure the Company’s bank loan facility.

9. Commitments and contingencies

(1) On May 12, 2021, the Company was informed of the resolution by the Fair Trade Commission ("FTC") in Taiwan on incompliance of the exclusive out-licensing agreement entered into between the Company and TTY Biopharm Company Limited for product Furil Capsules "LOTUS" used in the treatment of colorectal cancer with the Taiwanese competition laws; as a result, the FTC imposed a fine of $65,000 on the Company. In 2021, the Company deposited the full amount of fine, which is presented in other non-current assets. The Company retained legal counsel and initiated litigation in July 2021 through administrative legal procedures before Taipei High Administrative Court; the case is in progress. The Company believes that the aforementioned business arrangement was implemented in a legally compliant manner and intends to pursue available legal remedies to defend the Company's interests.

(2) During the second quarter of 2026, the Group initiated the termination of a distribution agreement with a distributor related to a specific product in a particular country. Pursuant to the termination clause in the distribution agreement, the Group has the option to repurchase inventories remaining unsold by the distributor. The quantity subject to repurchase and other related terms and conditions remained under negotiation as of June 30, 2026. The Group has assessed that the matter is not expected to have a material impact on the consolidated financial statements.

10. Losses due to major disasters: None.

11. Subsequent events:

(1) On April 1, 2026, the Company' s Board of Directors approved the acquisition of Sandoz AG' s business in Philippines and entered into an Asset Purchase Agreement by its subsidiary, Lotus International Pte. Ltd. The consideration of USD 40 million ($1,273,047) was paid in June 2026 pursuant to the agreement and the transaction was closed on July 1,2026.

(2) On June 11, 2026, the Company' s Board of Directors approved the first issuance of unsecured overseas convertible bonds with a maximum aggregate principal amount of up to USD 300 million ($9,546,630). This issuance was approved and declared effective by the FSC on August 4, 2026, and the overseas offering process is currently in progress.

(3) On August 5, 2026, the Company' s Board of Directors approved the transfer of 912 thousand treasury shares to employees.

(4) On August 13, 2026, the Company's Board of Directors approved the withdrawal and cancellation of 136 thousand Employee Restricted Stock Award shares.

12. Other

(1) A summary of employee benefits, depreciation and amortization expenses, by function, was as follows:

By function / By item	For the three months ended June 30,					
	2026			2025		
	Cost of Sales	Operating Expenses	Total	Cost of Sales	Operating Expenses	Total
Employee benefits						
Salary	464,250	610,659	1,074,909	211,940	355,862	567,802
Labor and health insurance	9,982	7,307	17,289	8,798	8,202	17,000
Pension	34,081	78,883	112,964	14,609	31,638	46,247
Others	35,779	192,540	228,319	12,738	111,141	123,879
Depreciation	123,315	69,683	192,998	54,292	41,877	96,169
Amortization	5,038	439,069	444,107	5,025	266,239	271,264

By function / By item	For the six months ended June 30,					
	2026			2025		
	Cost of Sales	Operating Expenses	Total	Cost of Sales	Operating Expenses	Total
Employee benefits						
Salary	915,111	1,221,479	2,136,590	421,276	737,517	1,158,793
Labor and health insurance	19,383	13,800	33,183	17,339	15,598	32,937
Pension	99,280	102,030	201,310	29,800	66,860	96,660
Others	78,020	398,057	476,077	24,205	227,142	251,347
Depreciation	247,890	139,651	387,541	105,741	83,933	189,674
Amortization	10,023	871,120	881,143	10,055	519,199	529,254

(2) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicality factors.

13. Other disclosures

(1) Information on significant transactions:

The following is the information on significant transactions required by the Regulations for the Group for the six months ended June 30, 2026:

A. Loans to other parties: Please refer to Table 1.

B. Guarantees and endorsements for other parties: None.

C. Material securities held as of June 30, 2026 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 2.

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

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

F. Business relationships and significant intercompany transactions: Please refer to Table 3.

(2) Information on investees (excluding information on investees in Mainland China): Please refer to Table 4.

(3) Information on investment in Mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information: Please refer to Table 5.

B. Limitation on investment in Mainland China: Please refer to Table 5.

C. Significant transactions: None.

14. Segment information

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

	For the three months ended June 30, 2026			
	Pharmaceuticals Segment	**Other Segment**	**Elimination**	**Total**
Net revenue:				
Revenue from external customers	$ 8,783,901	24,775	-	8,808,676
Intersegment revenues	-	129,350	(129,350)	-
Total net revenue	**$ 8,783,901**	**154,125**	**(129,350)**	**8,808,676**
Operating income	**$ 2,267,894**	**20,051**	**45,068**	**2,333,013**
Reportable segment assets	**$ 98,306,925**	**23,438,761**	**(13,160,056)**	**108,585,630**

	For the three months ended June 30, 2025			
	Pharmaceuticals Segment	**Other Segment**	**Elimination**	**Total**
Net revenue:				
Revenue from external customers	$ 4,693,396	53,629	-	4,747,025
Intersegment revenues	-	46,088	(46,088)	-
Total net revenue	**$ 4,693,396**	**99,717**	**(46,088)**	**4,747,025**
Operating income	**$ 1,494,072**	**12,306**	**(2,650)**	**1,503,728**
Reportable segment assets	**$ 38,113,993**	**787,342**	**(737,204)**	**38,164,131**

	For the six months ended June 30, 2026			
	Pharmaceuticals Segment	Other Segment	Elimination	Total
Net revenue:				
Revenue from external customers	$ 17,408,101	44,984	-	17,453,085
Intersegment revenues	-	223,240	(223,240)	-
Total net revenue	**$ 17,408,101**	**268,224**	**(223,240)**	**17,453,085**
Operating income (loss)	**$ 4,182,872**	**6,388**	**102,950**	**4,292,210**
Reportable segment assets	**$ 98,306,925**	**23,438,761**	**(13,160,056)**	**108,585,630**

	For the six months ended June 30, 2025			
	Pharmaceuticals Segment	Other Segment	Elimination	Total
Net revenue:				
Revenue from external customers	$ 9,389,635	87,174	-	9,476,809
Intersegment revenues	-	96,658	(96,658)	-
Total net revenue	**$ 9,389,635**	**183,832**	**(96,658)**	**9,476,809**
Operating income	**$ 3,202,346**	**19,199**	**(3,113)**	**3,218,432**
Reportable segment assets	**$ 38,113,993**	**787,342**	**(737,204)**	**38,164,131**

Lotus Pharmaceutical Co., Ltd. and Subsidiaries
Loans to other parties
For the six months ended June 30, 2026

Table 1 (Amounts in Thousands)

No. (Note 1)	Name of Lender	Name of Borrower	Account Name	Related Party	Highest Balance of Financing to Other Parties During the Period	Ending Balance (Note 4)	Actual Usage Amount During the Period	Range of Interest Rates During the Period	Purposes of Fund Financing for the Borrower (Note 2)	Transaction Amount for Business Between Two Parties	Reasons for Short-Term Financing	Loss Allowance	Collateral		Individual Funding Loan Limits (Note 3)	Maximum Limit of Fund Financing (Note 3)	Note
													Item	Value			
0	The Company	Alvogen Korea Holdings	Other receivables from related parties	Yes	471,266	-	-	-	2	-	Operating funding	-	-	-	9,722,144	9,722,144	Note 5
0	The Company	Lotus International Pte. Ltd.	Other receivables from related parties	Yes	628,354	-	-	-	2	-	Operating funding	-	-	-	9,722,144	9,722,144	Note 5
1	Lotus International Pte. Ltd.	Alvogen (Thailand) Ltd.	Other receivables from related parties	Yes	1,320,585	1,209,240	986,485	5.1%	2	-	Operating funding	-	-	-	2,672,226	2,672,226	Note 5
1	Lotus International Pte. Ltd.	Lotus Healthcare Philippines Corp.	Other receivables from related parties	Yes	162,293	162,293	162,293	5.0%~ 5.1%	2	-	Operating funding	-	-	-	2,672,226	2,672,226	Note 5
1	Lotus International Pte. Ltd.	The Company	Other receivables from related parties	Yes	1,886,550	-	-	-	2	-	Operating funding	-	-	-	2,672,226	2,672,226	Note 5
2	NCS	Meishi Pharma Services Private Limited	Other receivables from related parties	Yes	104,791	102,453	102,453	10.0%	2	-	Operating funding	-	-	-	154,172	154,172	Note 5

No. (Note 1)	Name of Lender	Name of Borrower	Account Name	Related Party	Highest Balance of Financing to Other Parties During the Period	Ending Balance (Note 4)	Actual Usage Amount During the Period	Range of Interest Rates During the Period	Purposes of Fund Financing for the Borrower (Note 2)	Transaction Amount for Business Between Two Parties	Reasons for Short-Term Financing	Loss Allowance	Collateral		Individual Funding Loan Limits (Note 3)	Maximum Limit of Fund Financing (Note 3)	Note
													Item	Value			
3	Lotus Pharma Bulgaria EOOD	Lotus International Pte. Ltd.	Other receivables from related parties	Yes	2,736,701	2,736,701	2,736,701	4.9%~ 5.0%	2	-	Operating funding	-	-	-	2,813,234	2,813,234	Note 5
4	Alvogen Inc.	Alvogen Group Inc.	Other receivables from related parties	Yes	18,112,942	18,040,123	18,040,123	6.0%	2	-	Operating funding	-	-	-	92,175,534	92,175,534	Note 5
5	Alvogen Group Inc.	Alvogen Inc.	Other receivables from related parties	Yes	3,830,060	3,814,662	3,814,662	0.2%	2	-	Operating funding	-	-	-	76,463,607	76,463,607	Note 5
6	Alvogen Pharma US Inc.	Norwich Pharmaceutical, Inc.	Other receivables from related parties	Yes	1,023,449	1,019,334	1,019,334	2.3%	2	-	Operating funding	-	-	-	82,580,577	82,580,577	Note 5
6	Alvogen Pharma US Inc.	Alvogen Inc.	Other receivables from related parties	Yes	44,353,708	43,882,387	43,882,387	2.3%~ 7.3%	2	-	Operating funding	-	-	-	82,580,577	82,580,577	Note 5
6	Alvogen Pharma US Inc.	Almatica Pharma LLC	Other receivables from related parties	Yes	5,869,775	5,802,394	5,802,394	2.2%~ 7.3%	2	-	Operating funding	-	-	-	82,580,577	82,580,577	Note 5
7	Alvogen Korea Holdings	Alvogen Korea	Other receivables from related parties	Yes	415,092	412,872	412,872	4.0%	2	-	Operating funding	-	-	-	1,580,004	1,580,004	Note 5

Note 1: The numbers denote the following:
(1) The issuer is number 0.
(2) Investees are listed in accordance with names and in sequential order starting with 1.

Note 2: Purposes of fund financing for the borrower:

1. For those companies with business transactions with the company, please fill in 1.
2. For those companies with short-term financing needs, please fill in 2.

Note 3: For transaction No. 0, the individual funding loan limits and the maximum limit of fund financing were both 40% of the Company's net worth as stated in its latest financial statement. Transactions No. 1 through No. 7 are inter-company loan transactions among the foreign subsidiaries that are directly or indirectly 100% owned by the Company. According to the lenders' policy, the related information of loan limits are described as follows:

(1) For No.1 and No.3, the individual funding loan limits and the maximum limit of fund financing were both 100% of the lender's net worth as stated in its latest financial statement.

(2) For No.2, the individual funding loan limits and the maximum limit of fund financing were both 60% of the lender's audited net worth.

(3) For No.4, No.5 and No.6, the individual funding loan limits and the maximum limit of fund financing were both 300% of the lender's net worth as stated in its latest financial statement.

(4) For No.7, the individual funding loan limits and the maximum limit of fund financing were both 40% of the lender's net worth as stated in its latest financial statement.

Note 4: The ending balance is the valid loan amount approved by the Board of Directors.

Note 5: The inter-company transactions and balances had been eliminated in the consolidated financial statements.

Lotus Pharmaceutical Co., Ltd. and Subsidiaries

Material securities held as of June 30, 2026 (excluding investment in subsidiaries, associates and joint ventures)

June 30, 2026

Table 2 (Shares in Thousands/ Amounts in Thousands)

Company Names	Marketable Securities Types and Names	Relationship with the Company	Financial Statement Accounts	Ending Balance				Note
				Shares/Units	Carrying Amount	Percentages of Ownership	Fair Value	
Lotus Japan Holdings Co., Ltd.	Fuji Pharma Co., Ltd.	-	FVOCI - non-current	1,219	478,100	4.59 %	478,100	

Lotus Pharmaceutical Co., Ltd. and Subsidiaries
Business relationships and significant intercompany transactions
For the six months ended June 30, 2026

Table 3 (Amounts in Thousands)

No. (Note 1)	Company Names	Counterparties	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Items	Amounts	Trading Terms	Percentages of the Consolidated Net Revenue or Total Assets (Note 4)
0	The Company	Lotus Pharma Bulgaria EOOD	1	Sales	295,818	(Note 3)	1.69 %
0	The Company	Lotus International Pte. Ltd.	1	Purchases	353,647	(Note 3)	2.03 %
0	The Company	Alvogen Inc.	1	Sales	2,178,919	(Note 3)	12.48 %
0	The Company	Alvogen Inc.	1	Accounts receivable－related parties	3,304,638	(Note 3)	3.04 %
1	Alvogen Group Inc.	Alvogen Inc.	2	Accounts receivable－related parties	5,879,184	(Note 3)	5.41 %
1	Alvogen Group Inc.	Alvogen PB R&D	2	Accounts payable－related parties	2,437,228	(Note 3)	2.24 %
1	Alvogen Group Inc.	Alvogen Inc.	2	Interest expense	380,567	(Note 3)	2.18 %
2	Alvogen Pharma US Inc.	Norwich Pharmaceutical, Inc.	2	Accounts receivable－related parties	31,585,009	(Note 3)	29.09 %
2	Alvogen Pharma US Inc.	Alvogen Inc.	2	Accounts payable－related parties	59,720,310	(Note 3)	55.00 %
2	Alvogen Pharma US Inc.	Almatica Pharma LLC	2	Accounts payable－related parties	19,763,750	(Note 3)	18.20 %
2	Alvogen Pharma US Inc.	Alvogen PB R&D	2	Accounts receivable－related parties	14,210,483	(Note 3)	13.09 %
2	Alvogen Pharma US Inc.	Alvogen Inc.	2	Interest income	965,092	(Note 3)	5.53 %
3	Norwich Pharmaceutical, Inc.	Alvogen Inc.	2	Sales	2,010,922	(Note 3)	11.52 %
3	Norwich Pharmaceutical, Inc.	Alvogen Inc.	2	Purchases	539,813	(Note 3)	3.09 %
3	Norwich Pharmaceutical, Inc.	Alvogen Inc.	2	Accounts receivable－related parties	23,006,152	(Note 3)	21.19 %

No. (Note 1)	Company Names	Counterparties	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Items	Amounts	Trading Terms	Percentages of the Consolidated Net Revenue or Total Assets (Note 4)
3	Norwich Pharmaceutical, Inc.	Almatica Pharma LLC	2	Accounts receivable－related parties	1,129,819	(Note 3)	1.04 %
3	Norwich Pharmaceutical, Inc.	Alvogen PB R&D	2	Accounts receivable－related parties	4,358,357	(Note 3)	4.01 %
4	Alvogen Inc.	Almatica Pharma LLC	2	Sales	180,025	(Note 3)	1.03 %
4	Alvogen Inc.	Almatica Pharma LLC	2	Accounts receivable－related parties	12,199,012	(Note 3)	11.23 %
4	Alvogen Inc.	Alvogen PB R&D	2	Accounts payable－related parties	7,925,722	(Note 3)	7.30 %
4	Alvogen Inc.	Almaject, Inc.	2	Accounts receivable－related parties	1,508,090	(Note 3)	1.39 %
5	Alvogen PB R&D	Almatica Pharma LLC	2	Accounts receivable－related parties	2,263,604	(Note 3)	2.08 %

Note 1: The characters of business transactions between the parent company and its subsidiaries are coded as follows:

(1) The parent company is number 0.

(2) Investees are listed in accordance with names and in sequential order starting with 1.

Note 2: The nature of relationship is as follows:

(1) represents parent company to subsidiary

(2) represents subsidiary to subsidiary

Note 3: The intercompany transaction terms are determined in accordance with mutual agreements.

Note 4: Other transactions with an amount less than 1% of the consolidated net revenue or total assets were not disclosed.

Note 5: For information of loans to others, please refer to Table 1.

Lotus Pharmaceutical Co., Ltd. and Subsidiaries
Information on investees (excluding information on investees in Mainland China)
For the six months ended June 30, 2026

Table 4

(Shares in Thousands)
(Amounts in Thousands)

Investor Companies	Investee Companies	Locations	Main Businesses and Products	Original Investment Amounts: June 30, 2026	Original Investment Amounts: December 31, 2025	Balance as of June 30, 2026: Shares	Balance as of June 30, 2026: Percentages of Ownership	Balance as of June 30, 2026: Carrying Amount (Note 1)	Net Income (Losses) of Investee	Investment Income (Losses) (Note 1)	Notes
The Company	Lotus International Pte. Ltd.	Singapore	Investment business and sale of medicine	2,714,534 (USD 86,100)	3,473,141 (USD 110,100)	86,100	100.00 %	5,223,682	65,763	51,940	
The Company	Lotus Pharmaceutical HK Ltd.	Hong Kong	Data collection and agent services in Hong Kong	967 (HKD 250)	967 (HKD 250)	250	1.56 %	18	598	9	
The Company	Alvogen Korea Holdings	Korea	Investment business	5,279,755 (USD 170,274)	4,858,270 (USD 157,029)	1,608	100.00 %	4,604,869	85,096	182,692	Note 2
The Company	Alvogen India	India	Investment business	298,509 (USD 9,950)	298,509 (USD 9,950)	512	100.00 %	239,311	31,934	19,199	Note 2
The Company	Lotus Japan Holdings Co., Ltd.	Japan	Sale of medicine and clinical machine retail	-	623,647 (JPY 2,225,400)	-	-	-	4,041	4,103	Note 4
The Company	Alvogen (Thailand) Ltd.	Thailand	Sale of pharmaceuticals and medicinal chemical products	3,859 (USD 131)	3,859 (USD 131)	40	2.52 %	14,698	48,683	1,227	
The Company	Avos Pharma Science Co., Ltd.	Taiwan	Biotech technological consulting services, clinical machine retail and related consulting services	100	100	-	100.00 %	271	(3)	(3)	
The Company	Lotus Pharmaceutical (Thailand) Co., Ltd.	Thailand	Sale of pharmaceuticals and medicinal chemical products	1,368,693 (USD 41,648)	1,368,693 (USD 41,648)	462	90.00 %	1,440,894	43,844	23,703	
The Company	Lotus US Financing S. a .r.l.	Luxembourg	Investment business	15,936,884 (USD 509,113)	15,936,884 (USD 509,113)	15,509	100.00 %	16,428,456	225,614	225,614	
The Company	Lotus Pharmaceuticals US, Inc.	U.S.A.	Data collection and agency affairs in U.S.A.	179,082 (USD 5,677)	-	1	100.00 %	163,082	(14,951)	(14,951)	
Lotus International Pte. Ltd.	Lotus Support Services SRL	Romania	Pharmaceutical regulatory affairs project management services	3,010 (RON 445)	3,010 (RON 445)	44	100.00 %	18,512	1,126	1,126	

Investor Companies	Investee Companies	Locations	Main Businesses and Products	Original Investment Amounts		Balance as of June 30, 2026			Net Income (Losses) of Investee	Investment Income (Losses) (Note 1)	Notes
				June 30, 2026	December 31, 2025	Shares	Percentages of Ownership	Carrying Amount (Note 1)			
Lotus International Pte. Ltd.	Alvogen (Thailand) Ltd.	Thailand	Sale of pharmaceuticals and medicinal chemical products	142,237 (USD 4,655)	142,237 (USD 4,655)	1,530	97.45 %	353,246	48,683	47,442	
Lotus International Pte. Ltd.	Lotus Alvogen Malta Ltd.	Malta	Marketing activities and healthcare consultancy	1,419 (EUR 42)	1,419 (EUR 42)	42	100.00 %	2,363	(3,203)	(3,203)	
Lotus International Pte. Ltd.	Lotus Pharmaceutical HK Ltd.	Hong Kong	Data collection and agent services in Hong Kong	59,029 (HKD 15,749)	59,029 (HKD 15,749)	15,749	98.44 %	1,115	598	589	
Lotus International Pte. Ltd.	Lotus Healthcare Malaysia Sdn. Bhd.	Malaysia	Marketing activities and healthcare consultancy	7 (MYR 1)	7 (MYR 1)	1	100.00 %	1,314	294	294	
Lotus International Pte. Ltd.	Lotus Healthcare Philippines Corp.	Philippines	Sale of pharmaceuticals and medicinal chemical products	59,763 (PHP 106,485)	59,763 (PHP 106,485)	106,485	100.00 %	(38,134)	(20,967)	(20,967)	
Lotus International Pte. Ltd.	Lotus Pharma Bulgaria EOOD	Bulgaria	Sale of pharmaceuticals and medicinal chemical products	8,503 (BGN 538)	8,503 (BGN 538)	538	100.00 %	2,812,819	9,265	9,265	
Lotus International Pte. Ltd.	Lotus Pharma ehf.	Iceland	Marketing activities and healthcare consultancy	106 (ISK 500)	106 (ISK 500)	500	100.00 %	2,506	-	-	Note 3
Lotus International Pte. Ltd.	Meishi Pharma Services Private Limited	India	Pharmaceutical research and development service	158,658 (INR 436,463)	158,658 (INR 436,463)	91	100.00 %	115,825	(7,874)	4,919	
Lotus International Pte. Ltd.	Meishi Pharma Service Pte. Ltd.	Singapore	Management consultancy service	-	-	-	100.00 %	(90)	-	-	
Lotus International Pte. Ltd.	Lotus Pharmaceutical (Thailand) Co., Ltd.	Thailand	Sale of pharmaceuticals and medicinal chemical products	152,076 (USD 4,628)	152,076 (USD 4,628)	51	10.00 %	160,099	43,844	2,634	
Lotus International Pte. Ltd.	Lotus Pharmaceutical (Vietnam) LLC	Vietnam	Sale of pharmaceuticals and medicinal chemical products	-	-	-	100.00 %	-	-	-	
Lotus International Pte. Ltd.	Lotus Japan Holdings Co., Ltd.	Japan	Sale of medicine and clinical machine retail	572,798 (USD 18,000)	-	-	100.00 %	502,546	4,041	(62)	Note 4
Lotus Pharmaceutical HK Ltd.	Alvogen (Thailand) Ltd.	Thailand	Sale of pharmaceuticals and medicinal chemical products	30 (USD 1)	30 (USD 1)	-	0.03 %	109	48,683	14	

Investor Companies	Investee Companies	Locations	Main Businesses and Products	Original Investment Amounts June 30, 2026	Original Investment Amounts December 31, 2025	Balance as of June 30, 2026 Shares	Balance as of June 30, 2026 Percentages of Ownership	Balance as of June 30, 2026 Carrying Amount (Note 1)	Net Income (Losses) of Investee	Investment Income (Losses) (Note 1)	Notes
Lotus US Financing S. ā .r.l.	Lotus Alvogen Group Holdings S. ā .r.l.	Luxembourg	Investment business	21,867,440 (USD 695,440)	21,867,440 (USD 695,440)	516	100.00 %	22,352,393	314,012	314,012	
Lotus Alvogen Group Holdings S. ā .r.l.	NAGH	U.S.A.	Investment business	21,701,261 (USD 698,189)	21,701,261 (USD 698,189)	576	100.00 %	34,691,751	242,735	315,347	Note 2

Note 1: The inter-company transactions and balances had been eliminated in the consolidated financial statements.
Note 2: The main financial statements of the Company’s subsidiary Alvogen Korea Holdings, NAGH and Alvogen India are their consolidated financial statements.
Note 3: Lotus Pharma ehf. is currently under liquidation process.
Note 4: On May 11, 2026, the Company contributed its 100% equity interest in Lotus Japan Holdings Co., Ltd. as an in-kind capital contribution to Lotus International Pte. Ltd.

Lotus Pharmaceutical Co., Ltd. and Subsidiaries
Information on investment in Mainland China
For the six months ended June 30, 2026

Table 5 (Amounts in Thousands)

(1) The names of investees in Mainland China, the main businesses and products, and other information

Investee Companies	Main Businesses and Products	Total Amounts of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2026	Net Income of the Investee	Percentages of Ownership	Investment Income	Carrying Amount	Accumulated Inward Remittance of Earnings as of June 30, 2026
					Outflow	Inflow						
Lotus Pharmaceutical (Shanghai) Health Management Consulting Limited (Note 2)	Consultation on health management, health technology, trading information, market planning, and business information	911	(Note 1)	911	-	-	911	143	100.00%	143	(541)	-
Lotus Biotech (Shanghai) Limited (Note 3)	Consulting on health technology, chemical drugs, chemical reagents, biotech technology consulting, and biotech production	20,100	(Note 1)	20,100	-	-	20,100	-	-	-	-	-

(2) Limitation on investment in Mainland China

Accumulated Investment in Mainland China as of June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 4)
21,011	21,011	14,583,217

Note 1: Reinvestment in Mainland China through another investee in a third area.

Note 2: The investment amount has been approved by the Investment Commission, MOEA No. 10700074190.

Note 3: The investment amount has been approved by the Investment Commission, MOEA No. 092031304 and No. 09500181300. Lotus Biotech (Shanghai) Limited has been divested in 2017, with the approval of the Investment Commission, MOEA No. 10800070030.

Note 4: The amount limit is in accordance with No. 006130 issued by the Ministry of Finance on November 16, 2001 and No. 09704604680 issued by the Investment Commission, MOEA on August 29, 2008.