

**SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REVIEW REPORT**  
**SEPTEMBER 30, 2024 AND 2023**

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

## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ScinoPharm Taiwan, Ltd.

### ***Introduction***

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

### ***Scope of review***

Except as explained in the following 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 consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Basis for qualified conclusion***

The financial statements of certain insignificant consolidated subsidiaries and supplementary disclosures in Note 13 were not reviewed by independent auditors. Those statements reflect total assets of \$28,612 thousand and \$19,737 thousand, both constituting —% of the consolidated total assets, and total liabilities of \$9,576 thousand and \$3,611 thousand, constituting 1% and —% of the consolidated total liabilities as at September 30, 2024 and 2023, respectively, and total comprehensive income (loss) of \$553 thousand, (\$4,177) thousand, \$2,022 thousand and (\$10,091) thousand, constituting 1%, (6%), 1% and (13%) of the consolidated total comprehensive income for the three-month and nine-month periods then ended, respectively.

### ***Qualified conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries and supplementary disclosures of Note 13 been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2024 and 2023, and its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Yeh, Fang-Ting

Independent Auditors

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

November 4, 2024

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

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

**SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	September 30, 2024		December 31, 2023		September 30, 2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 3,975,691	34	\$ 3,941,524	33	\$ 3,994,616	35
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		1,974	-	8,304	-	-	-
1170	Accounts receivable, net	6(3) and 12	445,565	4	788,221	7	363,585	3
1200	Other receivables		29,346	-	25,230	-	19,355	-
130X	Inventories	6(4)	1,876,599	16	1,511,535	13	1,642,536	14
1410	Prepayments		157,927	1	105,794	1	141,435	1
11XX	<b>Total current assets</b>		<u>6,487,102</u>	<u>55</u>	<u>6,380,608</u>	<u>54</u>	<u>6,161,527</u>	<u>53</u>
<b>Non-current assets</b>								
1517	Financial assets at fair value	6(5)						
	through other comprehensive							
	income - non-current		74,564	1	69,973	1	70,364	1
1600	Property, plant and equipment	6(6)(8) and 7	3,702,367	32	3,762,696	32	3,652,906	32
1755	Right-of-use assets	6(7)	688,527	6	636,748	5	642,151	6
1780	Intangible assets		22,614	-	19,152	-	12,296	-
1840	Deferred income tax assets	6(24)	637,515	5	640,930	6	631,508	5
1915	Prepayments for equipment	6(6)	138,290	1	178,146	2	363,003	3
1920	Guarantee deposits paid		2,385	-	2,393	-	2,399	-
1980	Other financial assets - non-	6(1) and 8						
	current		30,940	-	30,940	-	30,940	-
15XX	<b>Total non-current assets</b>		<u>5,297,202</u>	<u>45</u>	<u>5,340,978</u>	<u>46</u>	<u>5,405,567</u>	<u>47</u>
1XXX	<b>Total assets</b>		<u>\$ 11,784,304</u>	<u>100</u>	<u>\$ 11,721,586</u>	<u>100</u>	<u>\$ 11,567,094</u>	<u>100</u>

(Continued)

**SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	September 30, 2024		December 31, 2023		September 30, 2023	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>								
2100	Short-term borrowings	6(9)	\$ 35,704	-	\$ 32,137	-	\$ 58,292	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	-	-	1,271	-
2130	Contract liabilities - current	6(17)	157,755	2	110,967	1	90,617	1
2150	Notes payable		1,603	-	1,179	-	1,553	-
2170	Accounts payable		126,966	1	101,278	1	140,792	1
2200	Other payables	6(10)	341,918	3	403,739	3	366,080	3
2230	Current income tax liabilities	6(24)	11,803	-	62,597	1	19,315	-
2280	Lease liabilities - current		18,286	-	17,556	-	17,893	-
21XX	<b>Total current liabilities</b>		<u>694,035</u>	<u>6</u>	<u>729,453</u>	<u>6</u>	<u>695,813</u>	<u>6</u>
<b>Non-current liabilities</b>								
2570	Deferred income tax liabilities	6(24)	395	-	1,661	-	792	-
2580	Lease liabilities - non-current		622,136	5	570,231	5	572,728	5
2640	Net defined benefit liabilities - non-current	6(11)	23,489	-	54,514	1	54,495	-
2645	Guarantee deposits received		4,343	-	1,297	-	884	-
25XX	<b>Total non-current liabilities</b>		<u>650,363</u>	<u>5</u>	<u>627,703</u>	<u>6</u>	<u>628,899</u>	<u>5</u>
2XXX	<b>Total liabilities</b>		<u>1,344,398</u>	<u>11</u>	<u>1,357,156</u>	<u>12</u>	<u>1,324,712</u>	<u>11</u>
Equity attributable to owners of the parent								
Share capital 6(12)								
3110	Common stock		7,907,392	67	7,907,392	68	7,907,392	68
3200	Capital surplus	6(13)	1,294,689	11	1,294,689	11	1,294,689	11
Retained earnings 6(15)								
3310	Legal reserve		783,817	7	755,145	6	755,145	7
3320	Special reserve		185,856	2	98,176	1	98,176	1
3350	Unappropriated earnings		383,318	3	494,884	4	337,839	3
3400	Other equity interest	6(16)	( 115,166)	( 1)	( 185,856)	( 2)	( 150,859)	( 1)
3XXX	<b>Total equity</b>		<u>10,439,906</u>	<u>89</u>	<u>10,364,430</u>	<u>88</u>	<u>10,242,382</u>	<u>89</u>
Significant contingent liabilities and unrecognised contract commitments 9								
3X2X	<b>Total liabilities and equity</b>		<u>\$ 11,784,304</u>	<u>100</u>	<u>\$ 11,721,586</u>	<u>100</u>	<u>\$ 11,567,094</u>	<u>100</u>

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

**SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Three months ended September 30				Nine months ended September 30				
		2024		2023		2024		2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(17)	\$ 724,223	100	\$ 659,588	100	\$ 2,369,808	100	\$ 2,062,919	100
5000	Operating costs	6(4)(11)(22)(23)	( 445,235)	( 61)	( 428,110)	( 65)	( 1,446,744)	( 61)	( 1,304,605)	( 63)
5900	Net operating margin		<u>278,988</u>	<u>39</u>	<u>231,478</u>	<u>35</u>	<u>923,064</u>	<u>39</u>	<u>758,314</u>	<u>37</u>
	Operating expenses	6(7)(11)(22)(23), 7 and 12								
6100	Selling expenses		( 29,236)	( 4)	( 31,969)	( 5)	( 109,892)	( 5)	( 111,453)	( 5)
6200	General and administrative expenses		( 80,819)	( 11)	( 88,672)	( 13)	( 266,460)	( 11)	( 261,983)	( 13)
6300	Research and development expenses		( 135,971)	( 19)	( 82,100)	( 13)	( 290,211)	( 12)	( 260,459)	( 13)
6450	Expected credit loss		( 1,126)	-	( 1,262)	-	( 1,681)	-	( 1,531)	-
6000	Total operating expenses		( 247,152)	( 34)	( 204,003)	( 31)	( 668,244)	( 28)	( 635,426)	( 31)
6900	Operating profit		<u>31,836</u>	<u>5</u>	<u>27,475</u>	<u>4</u>	<u>254,820</u>	<u>11</u>	<u>122,888</u>	<u>6</u>
	Non-operating income and expenses									
7100	Interest income	6(18)	15,064	2	13,198	2	45,238	2	39,817	2
7010	Other income	6(19)	2,376	-	1,666	-	4,446	-	10,193	-
7020	Other gains and losses	6(2)(6)(8)(20) and 12	( 13,405)	( 2)	( 1,027)	-	722	-	( 7,957)	-
7050	Finance costs	6(7)(21)	( 1,934)	-	( 2,244)	-	( 6,001)	-	( 7,055)	-
7000	Total non-operating income and expenses		<u>2,101</u>	<u>-</u>	<u>11,593</u>	<u>2</u>	<u>44,405</u>	<u>2</u>	<u>34,998</u>	<u>2</u>
7900	<b>Profit before income tax</b>		<u>33,937</u>	<u>5</u>	<u>39,068</u>	<u>6</u>	<u>299,225</u>	<u>13</u>	<u>157,886</u>	<u>8</u>
7950	Income tax expense	6(24)	( 6,834)	( 1)	( 8,349)	( 1)	( 57,217)	( 3)	( 28,208)	( 2)
8200	<b>Profit for the period</b>		<u>\$ 27,103</u>	<u>4</u>	<u>\$ 30,719</u>	<u>5</u>	<u>\$ 242,008</u>	<u>10</u>	<u>\$ 129,678</u>	<u>6</u>
	<b>Other comprehensive income (loss)</b>									
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>									
8316	Unrealised gain (loss) from equity instruments measured at fair value through other comprehensive income	6(5)(16)	\$ 25,202	3	( \$ 10,270)	( 2)	\$ 4,591	-	( \$ 42,252)	( 2)
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>									
8361	Financial statements translation differences of foreign operations	6(16)	<u>15,637</u>	<u>2</u>	<u>45,288</u>	<u>7</u>	<u>66,099</u>	<u>3</u>	<u>( 10,431)</u>	<u>-</u>
8300	<b>Total other comprehensive income (loss) for the period</b>		<u>\$ 40,839</u>	<u>5</u>	<u>\$ 35,018</u>	<u>5</u>	<u>\$ 70,690</u>	<u>3</u>	<u>( \$ 52,683)</u>	<u>( 2)</u>
8500	<b>Total comprehensive income for the period</b>		<u>\$ 67,942</u>	<u>9</u>	<u>\$ 65,737</u>	<u>10</u>	<u>\$ 312,698</u>	<u>13</u>	<u>\$ 76,995</u>	<u>4</u>
	Profit attributable to:									
8610	Owners of the parent		<u>\$ 27,103</u>	<u>4</u>	<u>\$ 30,719</u>	<u>5</u>	<u>\$ 242,008</u>	<u>10</u>	<u>\$ 129,678</u>	<u>6</u>
	Comprehensive income attributable to:									
8710	Owners of the parent		<u>\$ 67,942</u>	<u>9</u>	<u>\$ 65,737</u>	<u>10</u>	<u>\$ 312,698</u>	<u>13</u>	<u>\$ 76,995</u>	<u>4</u>
	Earnings per share (in dollars)	6(25)								
9750	Basic		<u>\$ 0.03</u>		<u>\$ 0.04</u>		<u>\$ 0.31</u>		<u>\$ 0.16</u>	
9850	Diluted		<u>\$ 0.03</u>		<u>\$ 0.04</u>		<u>\$ 0.31</u>		<u>\$ 0.16</u>	

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

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

	Equity attributable to owners of the parent								
	Notes	Retained Earnings				Other Equity Interest			Total Equity
		Share capital - common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Financial statements translation differences of foreign operations	Unrealised (losses) gains from financial assets measured at fair value through other comprehensive income	
<u>Nine months ended September 30, 2023</u>									
Balance at January 1, 2023		\$ 7,907,392	\$ 1,294,689	\$ 719,584	\$ 61,125	\$ 565,439	(\$ 43,119 )	(\$ 55,057 )	\$ 10,450,053
Net income for the nine-month period ended September 30, 2023		-	-	-	-	129,678	-	-	129,678
Other comprehensive loss for the nine-month period ended September 30, 2023	6(5)(16)	-	-	-	-	-	( 10,431 )	( 42,252 )	( 52,683 )
Total comprehensive income (loss) for the nine-month period ended September 30, 2023		-	-	-	-	129,678	( 10,431 )	( 42,252 )	76,995
Distribution of 2022 net income:									
Legal reserve		-	-	35,561	-	( 35,561 )	-	-	-
Special reserve		-	-	-	37,051	( 37,051 )	-	-	-
Cash dividends	6(15)	-	-	-	-	( 284,666 )	-	-	( 284,666 )
Balance at September 30, 2023		<u>\$ 7,907,392</u>	<u>\$ 1,294,689</u>	<u>\$ 755,145</u>	<u>\$ 98,176</u>	<u>\$ 337,839</u>	<u>(\$ 53,550 )</u>	<u>(\$ 97,309 )</u>	<u>\$ 10,242,382</u>
<u>Nine months ended September 30, 2024</u>									
Balance at January 1, 2024		\$ 7,907,392	\$ 1,294,689	\$ 755,145	\$ 98,176	\$ 494,884	(\$ 88,156 )	(\$ 97,700 )	\$ 10,364,430
Net income for the nine-month period ended September 30, 2024		-	-	-	-	242,008	-	-	242,008
Other comprehensive income for the nine-month period ended September 30, 2024	6(5)(16)	-	-	-	-	-	66,099	4,591	70,690
Total comprehensive income for the nine-month period ended September 30, 2024		-	-	-	-	242,008	66,099	4,591	312,698
Distribution of 2023 net income:									
Legal reserve		-	-	28,672	-	( 28,672 )	-	-	-
Special reserve		-	-	-	87,680	( 87,680 )	-	-	-
Cash dividends	6(15)	-	-	-	-	( 237,222 )	-	-	( 237,222 )
Balance at September 30, 2024		<u>\$ 7,907,392</u>	<u>\$ 1,294,689</u>	<u>\$ 783,817</u>	<u>\$ 185,856</u>	<u>\$ 383,318</u>	<u>(\$ 22,057 )</u>	<u>(\$ 93,109 )</u>	<u>\$ 10,439,906</u>

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



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

	Notes	Nine months ended September 30	
		2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 299,225	\$ 157,886
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on valuation of financial assets and liabilities at fair value through profit or loss		6,330	910
Expected credit loss	12	1,681	1,531
Loss on (reversal of allowance for) inventory market price decline	6(4)	40,049	( 25,354 )
Depreciation of property, plant and equipment	6(6)(22)	345,001	327,313
Depreciation of right-of-use assets	6(7)(22)	12,928	11,878
Gain on reversal of impairment loss	6(6)(8)(20)	-	( 27 )
Loss on disposal of property, plant and equipment	6(20)	4,278	386
Amortisation	6(22)	6,876	4,752
Interest income	6(18)	( 45,238 )	( 39,817 )
Interest expense	6(21)	6,001	7,055
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		340,970	270,139
Other receivables		( 2,809 )	1,449
Inventories		( 408,513 )	( 427,901 )
Prepayments		( 51,503 )	( 9,238 )
Changes in operating liabilities			
Contract liabilities - current		46,788	22,865
Notes payable		424	318
Accounts payable		25,688	15,528
Other payables		( 37,101 )	( 54,768 )
Net defined benefit liabilities - non-current		( 31,025 )	( 19,996 )
Cash inflow generated from operations		560,050	244,909
Interest received		43,931	37,295
Interest paid		( 5,997 )	( 7,068 )
Income tax paid		( 101,714 )	( 102,481 )
Net cash flows from operating activities		<u>496,270</u>	<u>172,655</u>

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

	Notes	Nine months ended September 30	
		2024	2023
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease in other financial assets - current		\$ -	\$ 51,132
Cash paid for acquisition of property, plant and equipment	6(26)	( 88,675 )	( 54,944 )
Proceeds from disposal of property, plant and equipment		6,204	136
Acquisition of intangible assets		( 9,980 )	( 7,133 )
Cash paid for prepayments of equipment	6(26)	( 141,979 )	( 146,607 )
Decrease in guarantee deposits paid		8	151
Net cash flows used in investing activities		( 234,422 )	( 157,265 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings	6(27)	35,250	63,407
Decrease in short-term borrowings	6(27)	( 33,084 )	( 82,081 )
Repayment of the principal portion of lease liabilities	6(27)	( 9,350 )	( 8,453 )
Increase (decrease) in guarantee deposits received	6(27)	2,974	( 1,466 )
Payment of cash dividends	6(15)	( 237,222 )	( 284,666 )
Net cash flows used in financing activities		( 241,432 )	( 313,259 )
Effect of foreign exchange rate changes		13,751	( 2,224 )
Net increase (decrease) in cash and cash equivalents		34,167	( 300,093 )
Cash and cash equivalents at beginning of period	6(1)	3,941,524	4,294,709
Cash and cash equivalents at end of period	6(1)	<u>\$ 3,975,691</u>	<u>\$ 3,994,616</u>

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

SCINOPHARM TAIWAN, LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

- (1) ScinoPharm Taiwan, Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on November 11, 1997. The Company and its subsidiaries (the “Group”) are primarily engaged in the manufacture of western medicines and other chemical materials, biological technology services, intellectual property rights, international trade and research, development, produce, manufacture and sales of Active Pharmaceutical Ingredients (“API”), albumin medicines, oligonucleotide medicines, peptide medicines, injections and new small molecule drugs, as well as the provision of related consulting and technical services and international trade for the above products. In addition, the Company sells the chemical material which is reprocessed from the material recycled from the Company’s manufacturing process. For more information regarding the manufacturing and trading activities the Group are engaged in, refer to Note 4(3), “Basis of consolidation”.
- (2) The common shares of the Company have been listed on the Taiwan Stock Exchange since September 2011.
- (3) Uni-President Enterprises Corp., the Company’s ultimate parent company, holds 37.94% equity interest in the Company.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on November 4, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board (“IASB”)</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board (“IASB”)
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IAS 21, ‘Lack of Exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

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

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

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
IFRS Accounting Standards 「Annual Improvements – Volume 11」	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’

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

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and the additional descriptions described below, the other principal accounting policies are in agreement with Note 4 of the consolidated financial statements for the year ended December 31, 2023. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and IAS 34, ‘Interim Financial Reporting’ that came into effect as endorsed by the FSC.
- B. The consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2023.

##### (2) Basis of preparation

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

##### (3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements is consistent with those for the preparation of consolidated financial statements for the year ended December 31, 2023.

B. Subsidiaries included in the consolidated financial statements:

Name of Investors	Name of Subsidiaries	Business Activities	Percentage owned by the Company			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
ScinoPharm Taiwan, Ltd.	SPT International, Ltd.	Professional investment	100.00	100.00	100.00	—
ScinoPharm Taiwan, Ltd.	ScinoPharm Singapore Pte Ltd.	Professional investment	100.00	100.00	100.00	(Note)
SPT International, Ltd.	SciAnda (Changshu) Pharmaceuticals, Ltd.	Research, development and manufacture of API and new drugs, sales of self-produced products, etc.	100.00	100.00	100.00	—
SPT International, Ltd.	SciAnda Shanghai Biochemical Technology, Ltd.	Import, export and sales of API and intermediates, etc.	100.00	100.00	100.00	(Note)

Note : The financial statements of the entity as of and for the nine-month periods ended September 30, 2024 and 2023 were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Defined benefit plans

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

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

There have been no significant changes during the period. Refer to Note 5 of the consolidated financial statements for the year ended December 31, 2023.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) CASH AND CASH EQUIVALENTS

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash:			
Cash on hand	\$ 128	\$ 134	\$ 128
Checking accounts and demand deposits	<u>237,063</u>	<u>152,890</u>	<u>125,988</u>
	<u>237,191</u>	<u>153,024</u>	<u>126,116</u>
Cash equivalents:			
Time deposits	3,648,500	3,648,500	3,648,500
Bills under repurchase agreements	<u>90,000</u>	<u>140,000</u>	<u>220,000</u>
	<u>3,738,500</u>	<u>3,788,500</u>	<u>3,868,500</u>
	<u>\$ 3,975,691</u>	<u>\$ 3,941,524</u>	<u>\$ 3,994,616</u>

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

B. Details of the Group's time deposits pledged to others as collateral (listed as "Other financial assets - non-current") as of September 30, 2024, December 31, 2023, and September 30, 2023 are provided in Note 8, "Pledged assets".

(2) FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current items:			
Financial assets (liabilities) mandatorily measured at fair value through profit or loss			
Derivatives	<u>\$ 1,974</u>	<u>\$ 8,304</u>	<u>(\$ 1,271)</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Unlisted stocks	\$ 4,620	\$ 4,620	\$ 4,620
Valuation adjustment	<u>(4,620)</u>	<u>(4,620)</u>	<u>(4,620)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A. The Group recognised net gain (loss) of \$1,506, (\$11,265), (\$21,178) and (\$18,967) on financial assets and liabilities at fair value through profit or loss (listed as "Other gains and losses") for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively.

B. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below (Units in thousands of currencies indicated):

<u>Items</u>	<u>September 30, 2024</u>	
	<u>Contract amount</u>	<u>Contract period</u>
Forward foreign exchange contracts	USD 6,360	8.2024~11.2024

  

<u>Items</u>	<u>December 31, 2023</u>	
	<u>Contract amount</u>	<u>Contract period</u>
Forward foreign exchange contracts	USD 11,860	11.2023~3.2024
	CNY 4,300	12.2023~1.2024

  

<u>Items</u>	<u>September 30, 2023</u>	
	<u>Contract amount</u>	<u>Contract period</u>
Forward foreign exchange contracts	USD 3,640	8.2023~11.2023

The Group entered into forward foreign exchange contracts to hedge exchange rate risk of operating activities. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others as of September 30, 2024, December 31, 2023, and September 30, 2023.

(3) ACCOUNTS RECEIVABLE, NET

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accounts receivable	\$ 447,482	\$ 788,452	\$ 365,427
Less: Loss allowance	( 1,917)	( 231)	( 1,842)
	<u>\$ 445,565</u>	<u>\$ 788,221</u>	<u>\$ 363,585</u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Not past due	\$ 332,958	\$ 696,509	\$ 324,727
Less than 30 days	81,468	67,927	37,649
Between 31 to 90 days	30,987	22,686	1,242
Between 91 to 180 days	316	1,330	-
Over 181 days	1,753	-	1,809
	<u>\$ 447,482</u>	<u>\$ 788,452</u>	<u>\$ 365,427</u>

The above ageing analysis is based on past due date.

B. As of September 30, 2024, December 31, 2023, and September 30, 2023, accounts receivable arose from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers amounted to \$635,566.

C. As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group does not hold any collateral as security.



D. As of September 30, 2024, December 31, 2023, and September 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s notes and accounts receivable was the book value amount.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2), “Financial instruments”.

(4) INVENTORIES

	September 30, 2024		
	Cost	Allowance for market price decline	Book value
Raw materials	\$ 380,299	(\$ 71,014)	\$ 309,285
Supplies	55,655	( 4,645)	51,010
Work in process	645,705	( 101,430)	544,275
Finished goods	1,241,463	( 269,434)	972,029
	<u>\$ 2,323,122</u>	<u>(\$ 446,523)</u>	<u>\$ 1,876,599</u>
	December 31, 2023		
	Cost	Allowance for market price decline	Book value
Raw materials	\$ 364,396	(\$ 67,533)	\$ 296,863
Supplies	43,619	( 5,216)	38,403
Work in process	544,873	( 96,287)	448,586
Finished goods	961,721	( 234,038)	727,683
	<u>\$ 1,914,609</u>	<u>(\$ 403,074)</u>	<u>\$ 1,511,535</u>
	September 30, 2023		
	Cost	Allowance for market price decline	Book value
Raw materials	\$ 456,295	(\$ 60,067)	\$ 396,228
Supplies	43,489	( 4,215)	39,274
Work in process	564,616	( 87,097)	477,519
Finished goods	930,640	( 201,125)	729,515
	<u>\$ 1,995,040</u>	<u>(\$ 352,504)</u>	<u>\$ 1,642,536</u>

The cost of inventories recognised as expense for the period:

	<u>For the three-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Cost of goods sold	\$ 292,118	\$ 296,075
Loss on scrap inventory	-	41,756
Loss on physical inventory	156	141
Under applied manufacturing overhead	114,903	102,112
Loss on (reversal of allowance for) inventory market price decline (Note)	17,958 (	19,758)
Revenue from sale of scraps	( 462)	( 629)
	<u>\$ 424,673</u>	<u>\$ 419,697</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Cost of goods sold	\$ 1,057,298	\$ 899,077
Loss on scrap inventory	-	59,851
Loss on physical inventory	559	511
Under applied manufacturing overhead	316,862	338,990
Loss on (reversal of allowance for) inventory market price decline (Note)	40,049 (	25,354)
Revenue from sale of scraps	( 1,375)	( 1,718)
	<u>\$ 1,413,393</u>	<u>\$ 1,271,357</u>

Note: For the three-month and nine-month periods ended September 30, 2023, the Group scrapped certain inventories which could no longer be used for commercial mass production, resulting to a reversal inventory write-down.

(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

<u>Items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Equity instruments			
Unlisted stocks	\$ 167,673	\$ 167,673	\$ 167,673
Valuation adjustment	( 93,109)	( 97,700)	( 97,309)
	<u>\$ 74,564</u>	<u>\$ 69,973</u>	<u>\$ 70,364</u>

A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments is the book value as of September 30, 2024, December 31, 2023, and September 30, 2023.

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

Equity instruments at fair value through other comprehensive income	For the three-month periods ended September 30,	
	2024	2023
Fair value change recognised in other comprehensive income	\$ 25,202	(\$ 10,270)
Equity instruments at fair value through other comprehensive income	For the nine-month periods ended September 30,	
	2024	2023
Fair value change recognised in other comprehensive income	\$ 4,591	(\$ 42,252)

C. The Group has no financial assets at fair value through other comprehensive income pledged to others as of September 30, 2024, December 31, 2023, and September 30, 2023.

(6) PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment before acceptance inspection	Total
<u>January 1, 2024</u>							
Cost	\$ 4,249,075	\$ 5,998,911	\$ 26,907	\$ 244,141	\$ 165,103	\$ 77,715	\$ 10,761,852
Accumulated depreciation	( 1,875,104)	( 4,772,711)	( 21,402)	( 195,193)	( 131,732)	-	( 6,996,142)
Accumulated impairment	-	( 3,014)	-	-	-	-	( 3,014)
	<u>\$ 2,373,971</u>	<u>\$ 1,223,186</u>	<u>\$ 5,505</u>	<u>\$ 48,948</u>	<u>\$ 33,371</u>	<u>\$ 77,715</u>	<u>\$ 3,762,696</u>
<u>For the nine-month period ended</u>							
<u>September 30, 2024</u>							
At January 1	\$ 2,373,971	\$ 1,223,186	\$ 5,505	\$ 48,948	\$ 33,371	\$ 77,715	\$ 3,762,696
Additions	-	136	-	18	-	45,976	46,130
Reclassified from prepayments for equipment	-	-	-	-	-	201,670	201,670
Reclassified upon completion	25,829	184,834	1,154	14,164	2,967	( 228,948)	-
Depreciation charge	( 141,562)	( 186,687)	( 1,277)	( 12,938)	( 2,537)	-	( 345,001)
Disposals – Cost	( 9,300)	( 40,042)	( 351)	( 15,224)	( 1,069)	-	( 65,986)
– Accumulated depreciation	2,046	36,907	351	15,202	998	-	55,504
Net currency exchange differences	30,666	13,817	126	705	1,113	927	47,354
At September 30	<u>\$ 2,281,650</u>	<u>\$ 1,232,151</u>	<u>\$ 5,508</u>	<u>\$ 50,875</u>	<u>\$ 34,843</u>	<u>\$ 97,340</u>	<u>\$ 3,702,367</u>
<u>September 30, 2024</u>							
Cost	\$ 4,310,459	\$ 6,177,089	\$ 27,990	\$ 246,216	\$ 173,640	\$ 97,340	\$ 11,032,734
Accumulated depreciation	( 2,028,809)	( 4,941,924)	( 22,482)	( 195,341)	( 138,797)	-	( 7,327,353)
Accumulated impairment	-	( 3,014)	-	-	-	-	( 3,014)
	<u>\$ 2,281,650</u>	<u>\$ 1,232,151</u>	<u>\$ 5,508</u>	<u>\$ 50,875</u>	<u>\$ 34,843</u>	<u>\$ 97,340</u>	<u>\$ 3,702,367</u>

	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment before acceptance inspection	Total
<u>January 1, 2023</u>							
Cost	\$ 4,094,506	\$ 5,846,575	\$ 25,270	\$ 220,531	\$ 160,003	\$ 155,618	\$ 10,502,503
Accumulated depreciation	( 1,705,956)	( 4,603,390)	( 21,775)	( 190,718)	( 134,271)	-	( 6,656,110)
Accumulated impairment	-	( 3,015)	-	-	-	-	( 3,015)
	<u>\$ 2,388,550</u>	<u>\$ 1,240,170</u>	<u>\$ 3,495</u>	<u>\$ 29,813</u>	<u>\$ 25,732</u>	<u>\$ 155,618</u>	<u>\$ 3,843,378</u>
<u>For the nine-month period ended</u> <u>September 30, 2023</u>							
At January 1	\$ 2,388,550	\$ 1,240,170	\$ 3,495	\$ 29,813	\$ 25,732	\$ 155,618	\$ 3,843,378
Additions	-	-	1,118	19	879	60,435	62,451
Reclassified from prepayments for equipment	-	-	-	-	-	82,192	82,192
Reclassified upon completion	16,349	64,082	2,492	20,699	2,538	( 106,160)	-
Depreciation charge	( 134,538)	( 179,479)	( 922)	( 11,190)	( 1,184)	-	( 327,313)
Disposals – Cost	( 2,540)	( 41,967)	( 1,772)	( 3,217)	( 630)	-	( 50,126)
– Accumulated depreciation	2,540	41,852	1,595	3,013	604	-	49,604
Reversal of impairment loss	-	27	-	-	-	-	27
Net currency exchange differences	( 5,102)	( 1,889)	( 19)	( 62)	( 104)	( 131)	( 7,307)
At September 30	<u>\$ 2,265,259</u>	<u>\$ 1,122,796</u>	<u>\$ 5,987</u>	<u>\$ 39,075</u>	<u>\$ 27,835</u>	<u>\$ 191,954</u>	<u>\$ 3,652,906</u>
<u>September 30, 2023</u>							
Cost	\$ 4,101,440	\$ 5,864,248	\$ 27,055	\$ 237,615	\$ 161,808	\$ 191,954	\$ 10,584,120
Accumulated depreciation	( 1,836,181)	( 4,738,464)	( 21,068)	( 198,540)	( 133,973)	-	( 6,928,226)
Accumulated impairment	-	( 2,988)	-	-	-	-	( 2,988)
	<u>\$ 2,265,259</u>	<u>\$ 1,122,796</u>	<u>\$ 5,987</u>	<u>\$ 39,075</u>	<u>\$ 27,835</u>	<u>\$ 191,954</u>	<u>\$ 3,652,906</u>

- A. The Group has not capitalised borrowing costs as part of property, plant and equipment for the three-month and nine-month periods ended September 30, 2024 and 2023.
- B. The Group's property, plant and equipment were owner-occupied for the nine-month periods ended September 30, 2024 and 2023.
- C. As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group has not pledged any property, plant and equipment as collateral.

(7) LEASING ARRANGEMENTS – LESSEE

- A. The Group leases land and buildings and structures. Rental contracts are typically made for periods of 50 (including the option to extend the leases) and 2 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions, with no restrictions other than the use of the subject matter of the lease in accordance with relevant laws and regulations.
- B. Short-term leases with a lease term of 12 months or less pertain to office premises and low-value assets pertain to computers.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 688,527	\$ 635,741	\$ 640,808
Buildings and structures	-	1,007	1,343
	<u>\$ 688,527</u>	<u>\$ 636,748</u>	<u>\$ 642,151</u>
	<u>For the three-month periods ended September 30,</u>		
	<u>2024</u>		<u>2023</u>
	<u>Depreciation charge</u>		<u>Depreciation charge</u>
Land	\$ 3,980		\$ 3,621
Buildings and structures	335		336
	<u>\$ 4,315</u>		<u>\$ 3,957</u>
	<u>For the nine-month periods ended September 30,</u>		
	<u>2024</u>		<u>2023</u>
	<u>Depreciation charge</u>		<u>Depreciation charge</u>
Land	\$ 11,921		\$ 10,871
Buildings and structures	1,007		1,007
	<u>\$ 12,928</u>		<u>\$ 11,878</u>

- D. For the three-month and nine-month periods ended September 30, 2024 and 2023, there were no additions to right-of-use assets; the remeasurements of right-of-use assets were \$ —, \$ —, \$61,985 and \$ —, respectively.

E. The information on income and expense accounts relating to lease contracts is as follows:

	For the three-month periods ended September 30,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,815	\$ 1,676
Expense on short-term lease contracts	220	519
Expense on leases of low-value assets	1,068	836
	For the nine-month periods ended September 30,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 5,473	\$ 5,052
Expense on short-term lease contracts	461	823
Expense on leases of low-value assets	3,143	2,444

F. For the nine-month periods ended September 30, 2024 and 2023, the Group's total cash outflow for leases were \$18,427 and \$16,772, respectively.

(8) Impairment of non-financial assets

A. The Group recognised the reversal of impairment loss amounting to \$—, \$27, \$— and \$27 for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively (listed as “Other gains and losses”) as some of the idle machineries were again utilised in production. For details of accumulated impairment, refer to Note 6(6).

B. The reversal of impairment loss reported by operating segments is as follows:

	For the three-month periods ended September 30,			
	2024		2023	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
ScinoPharm Taiwan	\$ -	\$ -	\$ 27	\$ -
	For the nine-month periods ended September 30,			
	2024		2023	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
ScinoPharm Taiwan	\$ -	\$ -	\$ 27	\$ -

(9) SHORT-TERM BORROWINGS

<u>Type of borrowings</u>	<u>September 30, 2024</u>	<u>Interest rate</u>	<u>Collateral</u>
Bank loans			
Unsecured loans	\$ <u>35,704</u>	2.9% ~ 3.0%	None

<u>Type of borrowings</u>	<u>December 31, 2023</u>	<u>Interest rate</u>	<u>Collateral</u>
Bank loans			
Unsecured loans	\$ <u>32,137</u>	3.40% ~ 3.50%	None

<u>Type of borrowings</u>	<u>September 30, 2023</u>	<u>Interest rate</u>	<u>Collateral</u>
Bank loans			
Unsecured loans	\$ <u>58,292</u>	3.40%	None

Refer to Note 6(21), "Finance costs" for interest expense recognised in profit or loss for the three-month and nine-month periods ended September 30, 2024 and 2023.

(10) OTHER PAYABLES

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Accrued salaries and bonuses	\$ 96,100	\$ 100,306	\$ 98,056
Accrued employees' compensation and directors' remuneration	33,788	39,472	18,119
Payables on equipment	32,035	56,759	61,482
Others	<u>179,995</u>	<u>207,202</u>	<u>188,423</u>
	\$ <u>341,918</u>	\$ <u>403,739</u>	\$ <u>366,080</u>

(11) PENSIONS

A. The Company has set up a defined benefit pension plan in accordance with the Labor Standards Law, which applies to all regular employees' service years prior to the enforcement of the Labor Pension Act (the "Act") on July 1, 2005 and service years thereafter of employees who chose to continue to be covered under the pension scheme of the Labor Standards Law after the enforcement of the Act. In accordance with the Company's retirement plan, an employee may retire when the employee either (i) attains the age of 55 with 15 years of service, (ii) has more than 25 years of service, (iii) has reached the age of 65, or (iv) is incapacitated to work (compulsory retirement). The employees earn two units for each year of service for the first 15 years, and one unit for each additional year thereafter up to a maximum of 45 units. Any fraction of a year equal to or more than six months shall be counted as one year of service, and any fraction of a year less than six months shall be counted as half a year. According to the provisions, employees who retired due to their duties shall get additional 20%. Pension payments are based on the number of units earned and the average salary of the last six months prior to retirement. Calculation of average salary is in accordance with the Labor Standards Law of the R.O.C. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and



wages to the retirement fund deposited with Bank of Taiwan under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by end of March next year.

- (a) The pension costs under the aforementioned defined benefit pension plan of the Company for the three-month and nine-month periods ended September 30, 2024 and 2023 were \$272, \$313, \$817 and \$938, respectively.
- (b) The Company's expected contributions to the pension plan for the year 2024 amounted to \$2,830.
- B. As a result of the enforcement of the Act, the Company set up a defined contribution pension plan which took effect on July 1, 2005. The local employees are eligible for the defined contribution plan. For employees who choose to be covered under the pension scheme of the Act, the Company contributes monthly an amount of not less than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. Pensions are paid by monthly installments or in lump sum based on the accumulated balances of the employees' individual pension accounts. The subsidiaries in Mainland China (SciAnda (Changshu) Pharmaceuticals, Ltd., and SciAnda Shanghai Biochemical Technology, Ltd.) are subject to a government sponsored defined contribution plan. In accordance with the related Laws of the People's Republic of China, the subsidiaries in Mainland China contribute monthly 18% of the employees' monthly salaries and wages to an independent fund administered by the government. Other than the monthly contributions, these subsidiaries do not have further obligations. The other subsidiaries, SPT International, Ltd. and ScinoPharm Singapore Pte Ltd., had no employees. For the three-month and nine-month periods ended September 30, 2024 and 2023, the pension costs recognised under the aforementioned defined contribution pension plans were \$10,410, \$9,910, \$31,047 and \$29,377, respectively.

(12) SHARE CAPITAL

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

	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
At January 1 and September 30	<u>790,739</u>	<u>790,739</u>

- B. As of September 30, 2024, the Company's authorised capital was \$10,000,000, and the paid-in capital was \$7,907,392 (790,739 thousand shares) with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(13) CAPITAL RESERVES

A. Pursuant to the R.O.C. Company Act, capital reserve arising from paid-in capital in excess of par value on issuance of common stocks and donations shall be exclusively used to cover accumulated deficit or, distribute cash or stocks in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the capital reserve to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. Movements on the Company's capital reserve are as follows:

	<u>For the nine-month period ended September 30, 2024</u>		
	<u>Share premium</u>	<u>Stock options</u>	<u>Total</u>
At January 1	\$ 1,265,336	\$ 29,353	\$ 1,294,689
Employee stock options forfeited			
- Company	482	( 482)	-
At September 30	<u>\$ 1,265,818</u>	<u>\$ 28,871</u>	<u>\$ 1,294,689</u>

  

	<u>For the nine-month period ended September 30, 2023</u>		
	<u>Share premium</u>	<u>Stock options</u>	<u>Total</u>
At January 1 and September 30	<u>\$ 1,256,454</u>	<u>\$ 38,235</u>	<u>\$ 1,294,689</u>

(14) SHARE-BASED PAYMENT – EMPLOYEES' COMPENSATION

A. The Company issued 1 million units, 1.5 million units and 1.5 million units of employee stock options on December 3, 2013, November 6, 2015 and October 14, 2016, respectively (the 'Grant Date'). The exercise price of the options was set at \$91.70 (in dollars), \$41.65 (in dollars) and \$40.55 (in dollars), respectively, which was based on the closing market price of the Company's common shares on the Grant Dates. Each option gives the holder the right to purchase one share of the Company's common stocks. The exercise price is subject to further adjustments when there is a change in the number of shares of the Company's common stocks, the cash dividend of the common stocks is more than 1.5% of the current price per share or there is a decrease in common stocks caused by capital reduction not due to the retirement of treasury share after the Grant Date. Contract period of the employee stock option plans is 10 years, and options are exercisable in 2 years after the Grant Date.

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

	For the nine-month period ended September 30, 2024	
	Number of options (in thousand units)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the period	1,164	\$ 36.07
Options forfeited	(36)	36.13
Options outstanding at end of the period	<u>1,128</u>	36.07
Options exercisable at end of the period	<u>1,128</u>	36.07

  

	For the nine-month period ended September 30, 2023	
	Number of options (in thousand units)	Weighted-average exercise price (in dollars)
Options outstanding at beginning and end of the period	<u>1,526</u>	\$ 43.50
Options exercisable at end of the period	<u>1,526</u>	43.50

C. The expiry date, exercisable shares and exercise prices of the employee stock options at balance sheet date are as follows:

Grant date	Expiry date	September 30, 2024		December 31, 2023	
		No. of stocks (unit in thousands)	Exercise price (in dollars) (Note)	No. of stocks (unit in thousands)	Exercise price (in dollars) (Note)
11.6.2015	11.5.2025	515	\$ 35.80	527	\$ 35.80
10.14.2016	10.13.2026	613	36.30	637	36.30

  

Grant date	Expiry date	September 30, 2023	
		No. of stocks (unit in thousands)	Exercise price (in dollars) (Note)
12.3.2013	12.2.2023	319	\$ 71.60
11.6.2015	11.5.2025	539	35.80
10.14.2016	10.13.2026	668	36.30

Note: Exercise price is adjusted according to a specific formula.

D. The fair value of the Group's employee stock options on Grant Date was evaluated using the combination of Hull & White and the Ritchken trinomial option valuation model. Related information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Price volatility	Option life	Expected dividends	Interest rate	Fair value per unit (in dollars)
Employee stock options	12.3.2013	\$ 91.70	\$ 91.70	28.50% (Note)	10 years	1.5%	1.7145%	\$ 26.045
Employee stock options	11.6.2015	41.65	41.65	37.63% (Note)	10 years	1.5%	1.2936%	13.799
Employee stock options	10.14.2016	40.55	40.55	37.20% (Note)	10 years	1.5%	0.9223%	13.171

Note: According to daily returns of the Company's stock for the previous year, the annualized volatility were 28.50%, 37.63% and 37.20%, respectively.

(15) RETAINED EARNINGS

- A. Pursuant to the amended R.O.C. Company Act, the current year's after-tax earnings should be used initially to cover any accumulated deficit; thereafter 10% of the remaining earnings should be set aside as legal reserve until the balance of legal reserve is equal to that of paid-in capital. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks, or to distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- B. According to the Articles of Incorporation of the Company, since the Company is in a changeable industry environment and the life cycle of the Company is in a stable growth, the appropriation of earnings should consider fund requirements and capital budget to decide how much earnings will be kept or distributed and how much cash dividends will be distributed. According to the Company's Articles of Incorporation, 10% of the annual net income, except for offsetting any loss of prior years and paying all taxes and dues according to laws, after adding items other than net profit after taxes for the year into undistributed surplus earnings of current year, 10% of the remaining shall be set aside as legal reserve. The remaining net income and the unappropriated retained earnings from prior years can be distributed in accordance with a resolution passed during a meeting of the Board of Directors and approved at the stockholders' meeting. Of the amount to be distributed by the Company, stockholders' dividends shall comprise 50% to 100% of the unappropriated retained earnings, and the percentage of cash dividends shall not be less than 30% of dividends distributed.

- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. As of September 30, 2024, the amount of special reserve on initial application of IFRSs provided in accordance with the order from Financial Supervisory Committee was \$22,829.
- D. The Company recognised cash dividends distributed to owners amounting to \$284,666 (\$0.36 (in dollars) per share) for the year ended December 31, 2023. On May 28, 2024, the Company's stockholders approved the distribution of cash dividends of \$237,222 (\$0.3 (in dollars) per share) from 2023 earnings.

(16) OTHER EQUITY ITEMS

	<u>For the nine-month period ended September 30, 2024</u>		
		Unrealised loss	
	<u>Currency translation</u>	<u>on valuation</u>	<u>Total</u>
At January 1	(\$ 88,156)	(\$ 97,700)	(\$ 185,856)
Revaluation	-	4,591	4,591
Currency translation differences			
- Group	<u>66,099</u>	<u>-</u>	<u>66,099</u>
At September 30	<u>(\$ 22,057)</u>	<u>(\$ 93,109)</u>	<u>(\$ 115,166)</u>
	<u>For the nine-month period ended September 30, 2023</u>		
		Unrealised loss	
	<u>Currency translation</u>	<u>on valuation</u>	<u>Total</u>
At January 1	(\$ 43,119)	(\$ 55,057)	(\$ 98,176)
Revaluation	-	( 42,252)	( 42,252)
Currency translation differences			
- Group	<u>( 10,431)</u>	<u>-</u>	<u>( 10,431)</u>
At September 30	<u>(\$ 53,550)</u>	<u>(\$ 97,309)</u>	<u>(\$ 150,859)</u>

(17) OPERATING REVENUE

A. Disaggregation of revenue from contracts with customers

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

	API	Injection	Technical	Other	
	Income	Product	Service	Operating	Total
		Income	Income	Income	
For the three-month period ended September 30, 2024					
Timing of revenue recognition:					
At a point in time	\$ 577,488	\$ 20,512	\$ -	\$ 49	\$ 598,049
Over time	-	-	126,174	-	126,174
	<u>\$ 577,488</u>	<u>\$ 20,512</u>	<u>\$ 126,174</u>	<u>\$ 49</u>	<u>\$ 724,223</u>
For the three-month period ended September 30, 2023					
Timing of revenue recognition:					
At a point in time	\$ 589,850	\$ 40,084	\$ -	\$ 5,701	\$ 635,635
Over time	-	-	23,953	-	23,953
	<u>\$ 589,850</u>	<u>\$ 40,084</u>	<u>\$ 23,953</u>	<u>\$ 5,701</u>	<u>\$ 659,588</u>
For the nine-month period ended September 30, 2024					
Timing of revenue recognition:					
At a point in time	\$2,087,535	\$ 58,991	\$ -	\$ 35,168	\$2,181,694
Over time	-	-	188,114	-	188,114
	<u>\$2,087,535</u>	<u>\$ 58,991</u>	<u>\$ 188,114</u>	<u>\$ 35,168</u>	<u>\$2,369,808</u>
For the nine-month period ended September 30, 2023					
Timing of revenue recognition:					
At a point in time	\$1,911,906	\$ 40,084	\$ -	\$ 15,661	\$1,967,651
Over time	-	-	95,268	-	95,268
	<u>\$1,911,906</u>	<u>\$ 40,084</u>	<u>\$ 95,268</u>	<u>\$ 15,661</u>	<u>\$2,062,919</u>

B. The Group has recognised contract liabilities related to the contract revenue from advance customer payment of \$157,755, \$110,967, \$90,617 and \$67,752 as of September 30, 2024, December 31, 2023, September 30, 2023 and January 1, 2023, respectively.

C. The revenue recognised that was included in the contract liability balance at the beginning of the period amounted to \$6,393, \$19,635, \$64,416 and \$31,845 for the three-month and nine-month periods ended September 30, 2024 and 2023, respectively.

(18) INTEREST INCOME

	<u>For the three-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Interest income from bank deposits	<u>\$ 15,064</u>	<u>\$ 13,198</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Interest income from bank deposits	<u>\$ 45,238</u>	<u>\$ 39,817</u>

(19) OTHER INCOME

	<u>For the three-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Government grants income	\$ 2,078	\$ 1,068
Others	298	598
	<u>\$ 2,376</u>	<u>\$ 1,666</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Government grants income	\$ 2,078	\$ 1,068
Income from counterparty default	-	1,970
Others	2,368	7,155
	<u>\$ 4,446</u>	<u>\$ 10,193</u>

(20) OTHER GAINS AND LOSSES

	<u>For the three-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Net currency exchange (loss) gain	(\$ 10,958)	\$ 11,313
Gain on reversal of impairment loss	-	27
Net gain (loss) on financial assets/liabilities at fair value through profit or loss	1,506	( 11,265)
Loss on disposal of property, plant and equipment	( 3,588)	( 58)
Others	( 365)	( 1,044)
	<u>(\$ 13,405)</u>	<u>(\$ 1,027)</u>

	For the nine-month periods ended September 30,	
	2024	2023
Net currency exchange gain	\$ 28,626	\$ 14,444
Gain on reversal of impairment loss	-	27
Net loss on financial assets/liabilities at fair value through profit or loss	( 21,178)	( 18,967)
Loss on disposal of property, plant and equipment	( 4,278)	( 386)
Others	( 2,448)	( 3,075)
	<u>\$ 722</u>	<u>(\$ 7,957)</u>

(21) FINANCE COSTS

	For the three-month periods ended September 30,	
	2024	2023
Interest expense:		
Bank loans	\$ 119	\$ 568
Interest on lease liabilities	1,815	1,676
	<u>\$ 1,934</u>	<u>\$ 2,244</u>

	For the nine-month periods ended September 30,	
	2024	2023
Interest expense:		
Bank loans	\$ 528	\$ 2,003
Interest on lease liabilities	5,473	5,052
	<u>\$ 6,001</u>	<u>\$ 7,055</u>

(22) EXPENSES BY NATURE

	For the three-month period ended September 30, 2024		
	Operating costs	Operating expenses	Total
Employee benefit expenses	\$ 166,166	\$ 78,635	\$ 244,801
Depreciation of property, plant and equipment	99,085	18,042	117,127
Depreciation of right-of-use assets	-	4,315	4,315
Amortisation	680	1,799	2,479

	For the three-month period ended September 30, 2023		
	Operating costs	Operating expenses	Total
Employee benefit expenses	\$ 159,193	\$ 81,705	\$ 240,898
Depreciation of property, plant and equipment	90,869	16,872	107,741
Depreciation of right-of-use assets	-	3,957	3,957
Amortisation	589	1,192	1,781



	For the nine-month period ended September 30, 2024		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expenses	\$ 499,039	\$ 253,946	\$ 752,985
Depreciation of property, plant and equipment	293,108	51,893	345,001
Depreciation of right-of-use assets	-	12,928	12,928
Amortisation	2,062	4,814	6,876

	For the nine-month period ended September 30, 2023		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expenses	\$ 460,718	\$ 240,807	\$ 701,525
Depreciation of property, plant and equipment	276,769	50,544	327,313
Depreciation of right-of-use assets	-	11,878	11,878
Amortisation	1,872	2,880	4,752

(23) EMPLOYEE BENEFIT EXPENSES

	For the three-month period ended September 30, 2024		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Salaries and wages	\$ 140,373	\$ 65,268	\$ 205,641
Labor and health insurance expenses	11,617	5,066	16,683
Pension costs	7,382	3,300	10,682
Other personnel expenses	6,794	5,001	11,795
	<u>\$ 166,166</u>	<u>\$ 78,635</u>	<u>\$ 244,801</u>

	For the three-month period ended September 30, 2023		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Salaries and wages	\$ 135,047	\$ 68,811	\$ 203,858
Labor and health insurance expenses	11,176	4,892	16,068
Pension costs	7,081	3,142	10,223
Other personnel expenses	5,889	4,860	10,749
	<u>\$ 159,193</u>	<u>\$ 81,705</u>	<u>\$ 240,898</u>

	For the nine-month period ended September 30, 2024		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Salaries and wages	\$ 420,602	\$ 213,705	\$ 634,307
Labor and health insurance expenses	36,256	16,302	52,558
Pension costs	22,532	9,332	31,864
Other personnel expenses	19,649	14,607	34,256
	<u>\$ 499,039</u>	<u>\$ 253,946</u>	<u>\$ 752,985</u>

	<u>For the nine-month period ended September 30, 2023</u>		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Salaries and wages	\$ 389,154	\$ 203,365	\$ 592,519
Labor and health insurance expenses	33,409	15,103	48,512
Pension costs	21,206	9,109	30,315
Other personnel expenses	16,949	13,230	30,179
	<u>\$ 460,718</u>	<u>\$ 240,807</u>	<u>\$ 701,525</u>

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the three-month and nine-month periods ended September 30, 2024 and 2023, the employees' compensation was accrued at \$3,392, \$3,906, \$29,916 and \$15,785, respectively, while the directors' remuneration was accrued at \$433, \$553, \$3,872 and \$2,334, respectively. The aforementioned amounts were recognised in salary expenses and were estimated and accrued based on the earnings of current period and the percentage specified in the Articles of Incorporation of the Company. The actual amount approved at the Board of Directors' meeting for employees' compensation and directors' remuneration for 2023 was \$39,472, which was the same as the amount estimated in the 2023 financial statements. The employees' compensation was distributed in the form of cash for 2023. Information about the appropriation of employees' compensation and directors' remuneration by the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) INCOME TAX

A. Income tax expense

Components of income tax expense:

	<u>For the three-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Current income tax:		
Income tax for the period	\$ 12,814	\$ 1,579
Deferred income tax:		
Origination and reversal of temporary differences	( 5,980)	6,770
Income tax expense	<u>\$ 6,834</u>	<u>\$ 8,349</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Current income tax:		
Income tax for the period	\$ 58,035	\$ 26,183
Over provision of prior year's income tax	( 2,967)	( 4,694)
Total current tax	<u>55,068</u>	<u>21,489</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>2,149</u>	<u>6,719</u>
Income tax expense	<u>\$ 57,217</u>	<u>\$ 28,208</u>

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority, and there were no disputes existing between the Company and the Authority as of November 4, 2024.

(25) EARNINGS PER SHARE ("EPS")

	<u>For the three-month period ended September 30, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of shares outstanding (shares in thousands)</u>	<u>EPS (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary stockholders of the parent	<u>\$ 27,103</u>	<u>790,739</u>	<u>\$ 0.03</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary stockholders of the parent	\$ 27,103	790,739	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock options	-	-	
Employees' compensation	-	<u>1,178</u>	
Profit attributable to ordinary stockholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 27,103</u>	<u>791,917</u>	<u>\$ 0.03</u>

<u>For the three-month period ended September 30, 2023</u>			
	<u>Amount after tax</u>	<u>Weighted average number of shares outstanding (shares in thousands)</u>	<u>EPS (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary stockholders of the parent	\$ 30,719	790,739	\$ 0.04
<u>Diluted earnings per share</u>			
Profit attributable to ordinary stockholders of the parent	\$ 30,719	790,739	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock options	-	-	
Employees' compensation	-	580	
Profit attributable to ordinary stockholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 30,719</u>	<u>791,319</u>	<u>\$ 0.04</u>
<u>For the nine-month period ended September 30, 2024</u>			
	<u>Amount after tax</u>	<u>Weighted average number of shares outstanding (shares in thousands)</u>	<u>EPS (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary stockholders of the parent	\$ 242,008	790,739	\$ 0.31
<u>Diluted earnings per share</u>			
Profit attributable to ordinary stockholders of the parent	\$ 242,008	790,739	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock options	-	-	
Employees' compensation	-	1,471	
Profit attributable to ordinary stockholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 242,008</u>	<u>792,210</u>	<u>\$ 0.31</u>

	<u>For the nine-month period ended September 30, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of shares outstanding (shares in thousands)</u>	<u>EPS (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary stockholders of the parent	\$ 129,678	790,739	\$ 0.16
<u>Diluted earnings per share</u>			
Profit attributable to ordinary stockholders of the parent	\$ 129,678	790,739	
Assumed conversion of all dilutive potential ordinary shares			
Employees' stock options	-	-	
Employees' compensation	-	918	
Profit attributable to ordinary stockholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 129,678	791,657	\$ 0.16

For the three-month and nine-month periods ended September 30, 2024 and 2023, some abovementioned stock options issued were anti-dilutive; therefore they were not included in the diluted EPS calculation.

(26) SUPPLEMENTAL CASH FLOW INFORMATION

A. Investing activities with partial cash payments:

	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Purchase of property, plant and equipment	\$ 46,130	\$ 62,451
Add: Beginning balance of payable on equipment (listed as "Other payables")	56,759	53,975
Less: Ending balance of payable on equipment (listed as "Other payables")	(14,214)	(61,482)
Cash paid for acquisition of property, plant and equipment	\$ 88,675	\$ 54,944
	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Purchase of prepayments for equipment	\$ 159,800	\$ -
Less: Ending balance of payable on equipment (listed as "Other payables")	(17,821)	-
Cash paid for prepayments for equipment	\$ 141,979	\$ -

B. Investing activities with no cash flow effects:

	For the nine-month periods ended September 30,	
	2024	2023
Prepayments for equipment reclassified to property, plant and equipment	\$ 201,670	\$ 82,192

(27) CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES

For the nine-month period ended September 30, 2024	Short-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2024	\$ 32,137	\$ 587,787	\$ 1,297	\$ 621,221
Changes in cash flow from financing activities	2,166	( 9,350)	2,974	( 4,210)
Impact of changes in foreign exchange rate	1,401	-	72	1,473
Changes in other non-cash items	-	61,985	-	61,985
At September 30, 2024	<u>\$ 35,704</u>	<u>\$ 640,422</u>	<u>\$ 4,343</u>	<u>\$ 680,469</u>
For the nine-month period ended September 30, 2023	Short-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2023	\$ 77,599	\$ 599,074	\$ 2,357	\$ 679,030
Changes in cash flow from financing activities	( 18,674)	( 8,453)	( 1,466)	( 28,593)
Impact of changes in foreign exchange rate	( 633)	-	( 7)	( 640)
At September 30, 2023	<u>\$ 58,292</u>	<u>\$ 590,621</u>	<u>\$ 884</u>	<u>\$ 649,797</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The ultimate parent and ultimate controlling party of the Company is Uni-President Enterprises Corp.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Company
Uni-President Enterprises Corp.	Ultimate parent company
President Securities Corp.	Associate of ultimate parent company
President Transnet Corp.	Associate of ultimate parent company
President Tokyo Corp.	Associate of ultimate parent company
Mech-President Corp.	Associate of ultimate parent company
President Chain Store Corp.	Associate of ultimate parent company
President Chain Store Tokyo Marketing Corp.	Associate of ultimate parent company
President Information Corp.	Associate of ultimate parent company
Duskin Serve Taiwan Co., Ltd.	Associate of ultimate parent company
Uni-President Enterprises (China) Investment Corp.	Associate of ultimate parent company
Uni-President Shanghai Pearly Century Co., Ltd.	Associate of ultimate parent company

(3) Significant transactions and balances with related parties

1. Transaction of assets

	For the nine-month periods ended September 30,	
	2024	2023
Acquisition of property, plant and equipment		
– Associate of ultimate parent company	\$ <u>1,017</u>	\$ <u>-</u>

For the three-month periods ended September 30, 2024 and 2023, there was no acquisition of property, plant and equipment.

2. Other expenses

	For the three-month periods ended September 30,	
	2024	2023
Management service fees:		
– Ultimate parent company	\$ 51	\$ 2,190
– Associate of ultimate parent company	764	662
	\$ <u>815</u>	\$ <u>2,852</u>

	For the nine-month periods ended September 30,	
	2024	2023
Management service fees:		
– Ultimate parent company	\$ 1,963	\$ 2,357
– Associate of ultimate parent company	2,285	2,374
	\$ <u>4,248</u>	\$ <u>4,731</u>

(4) Key management compensation

	For the three-month periods ended September 30,	
	2024	2023
Salaries and other short-term employee benefits	\$ 11,344	\$ 11,884
Post-employment benefits	121	160
Termination benefits	400	398
	\$ <u>11,865</u>	\$ <u>12,442</u>

	For the nine-month periods ended September 30,	
	2024	2023
Salaries and other short-term employee benefits	\$ 40,176	\$ 35,816
Post-employment benefits	435	480
Termination benefits	1,196	1,143
	\$ <u>41,807</u>	\$ <u>37,439</u>

## 8. PLEDGED ASSETS

Details of the Group's assets pledged as collateral are as follows:

<u>Assets</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>Purpose of collateral</u>
Pledged time deposits (Note)	\$ <u>30,940</u>	\$ <u>30,940</u>	\$ <u>30,940</u>	Performance guarantee, customs duty and guarantee for credit card

Note : Listed as "Other financial assets - non-current".

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group's unused letters of credit amounted to \$—, \$4,597 and \$—, respectively.

(2) As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group's remaining balance due for construction in progress and prepayments for equipment was \$97,955, \$15,258 and \$21,068, respectively.

(3) The amounts of endorsements and guarantees for subsidiaries were as follows:

	<u>Nature</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
SciAnda (Changshu) Pharmaceuticals, Ltd.	Guarantee for financing amount	\$ <u>180,375</u>	\$ <u>302,725</u>	\$ <u>309,523</u>

As of September 30, 2024, December 31, 2023, and September 30, 2023, the actual amount drawn down for endorsements and guarantees to subsidiaries was \$—.

10. SIGNIFICANT DISASTER LOSS: None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE: None.

## 12. OTHERS

### (1) Capital management

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

### (2) Financial instruments

#### A. Financial instruments

For details of the Group's financial instruments by category, refer to Note 6.

#### B. Risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

(b) The Group's treasury identifies, evaluates and hedges financial risks closely with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as use of derivative financial



instruments and investment of excess liquidity.

- (c) Information about derivative financial instruments that are used to hedge financial risk are provided in Note 6(2), “Financial assets and liabilities at fair value through profit or loss”.

C. Significant financial risks and degrees of financial risks

(a) Market risk

I. Foreign exchange rate risk

- (i) The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- (ii) To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group are required to hedge their foreign exchange risk exposure using forward foreign exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2), “Financial assets and liabilities at fair value through profit or loss”.
- (iii) The Group’s businesses involve some non-functional currency operations (the Company’s and certain subsidiaries’ functional currency: NTD; other subsidiaries’ functional currency: CNY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	September 30, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 16,303	31.65	\$ 515,990
USD:CNY	319	7.019	10,096
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	571	31.65	18,072
EUR:NTD	104	35.38	3,680

December 31, 2023					
		Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$	25,330	30.71	\$	777,884
CNY:NTD		8,780	4.325		37,974
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD		712	30.71		21,866
CHF:NTD		132	36.49		4,817

September 30, 2023					
		Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$	11,554	32.27	\$	372,848
CNY:NTD		1,140	4.422		5,041
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD		167	32.27		5,389
CNY:NTD		875	4.422		3,869
EUR:NTD		72	33.91		2,442
CHF:NTD		48	33.28		1,597

(iv) As of September 30, 2024 and 2023, if the NTD:USD exchange rate appreciates/depreciates by 5% with all other factors remaining constant, the Group's net profit after tax for the nine-month periods ended September 30, 2024 and 2023 would increase/decrease by \$19,917 and \$14,698, respectively. If the exchange rate of NTD to other currencies had appreciated/depreciated by 5% with all other factors remaining constant, the effect on the Group's net profit after tax for the nine-month periods ended September 30, 2024 and 2023 is immaterial.

(v) Total exchange (loss) gain including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and nine-month periods ended September 30, 2024 and 2023 amounted to (\$10,958), \$11,313, \$28,626 and \$14,444 respectively.

## II. Price risk

The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio and set stop-loss amounts for these instruments. The Group expects no significant market risk.

## III. Cash flow and fair value interest rate risk

- (i) The Group's main interest rate risk arises from short-term borrowings with variable rates and exposes the Group to cash flow interest rate risk. During the nine-month periods ended September 30, 2024 and 2023, the Group's borrowings at variable rate were denominated in CNY.
- (ii) The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- (iii) If the borrowing interest rates had increased/decreased by 10% with all other variables held constant, the effect on post-tax profit for the nine-month periods ended September 30, 2024 and 2023 is immaterial.

## (b) Credit risk

- I. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- II. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- III. The Group adopts the following assumption under IFRS 9: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- IV. The Group manages its credit risk, whereby if the contract payments are past due over 180 days based on the terms, there has been impairment.

V. The Group classifies customers' accounts receivable in accordance with the credit rating of the customer and credit risk on trade. The Group applies the simplified approach using the provision matrix to estimate expected credit loss, and use the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	For the nine-month periods ended September 30,	
	2024	2023
At January 1	\$ 231	\$ 303
Expected credit loss	1,681	1,531
Impact of foreign exchange rate	5	8
At September 30	<u>\$ 1,917</u>	<u>\$ 1,842</u>

(c) Liquidity risk

- I. Cash flow forecasting is performed by the Group's treasury department which monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- II. The Group has undrawn borrowing facilities amounting to \$5,067,660, \$4,755,797 and \$5,138,532 as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively.
- III. The following table comprises the Group's non-derivative financial liabilities and derivative financial liabilities with gross-amount settlement that are grouped by their maturity. Non-derivative financial liabilities are analysed from the balance sheet date to the contract maturity date, and derivative financial liabilities are analysed from the balance sheet date to the expected maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

September 30, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 36,581	\$ -	\$ -	\$ -
Notes payable	1,603	-	-	-
Accounts payable	126,966	-	-	-
Other payables	341,918	-	-	-
Lease liabilities	18,398	18,398	55,195	722,128
Guarantee deposits received	-	4,343	-	-

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 32,547	\$ -	\$ -	\$ -
Notes payable	1,179	-	-	-
Accounts payable	101,278	-	-	-
Other payables	403,739	-	-	-
Lease liabilities	17,664	16,640	49,921	665,614
Guarantee deposits received	-	1,297	-	-
September 30, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 59,157	\$ -	\$ -	\$ -
Notes payable	1,553	-	-	-
Accounts payable	140,792	-	-	-
Other payables	366,080	-	-	-
Lease liabilities	18,006	16,640	49,921	669,774
Guarantee deposits received	-	884	-	-
Derivative financial liabilities:				
Forward exchange contracts	1,271	-	-	-

### (3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in foreign exchange contracts is included in Level 2.

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

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable, other receivables, guarantee deposits paid, other financial assets - non-current, short-term borrowings, notes payable, accounts payable, other payables and guarantee deposits received are approximate to their fair values.

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

<u>September 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Derivative instruments	\$ -	\$ 1,974	\$ -	\$ 1,974
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 74,564	\$ 74,564
<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Derivative instruments	\$ -	\$ 8,304	\$ -	\$ 8,304
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 69,973	\$ 69,973
<u>September 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 70,364	\$ 70,364
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	\$ -	\$ 1,271	\$ -	\$ 1,271

D. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

- (b) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (c) Forward foreign exchange contracts are usually valued based on the current forward exchange rate.
- E. For the nine-month periods ended September 30, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the nine-month periods ended September 30, 2024 and 2023:

	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
	<u>Equity instrument</u>	<u>Equity instrument</u>
At January 1	\$ 69,973	\$ 112,616
Gain (loss) recognised in other comprehensive loss	<u>4,591</u>	<u>(42,252)</u>
At September 30	<u>\$ 74,564</u>	<u>\$ 70,364</u>

- G. For the nine-month periods ended September 30, 2024 and 2023, there was no transfer in (out) Level 3.
- H. The Group's valuation procedures for fair value measurements is categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently assess to make any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at September 30, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 74,564	Net asset value	Discount for lack of marketability	50%	The higher the discount for lack of marketability, the lower the fair value
	<u>Fair value at December 31, 2023</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 69,973	Net asset value	Discount for lack of marketability	50%	The higher the discount for lack of marketability, the lower the fair value
	<u>Fair value at September 30, 2023</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 70,364	Net asset value	Discount for lack of marketability	50%	The higher the discount for lack of marketability, the lower the fair value

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. If the discount for lack of marketability increased or decreased by 1% for Level 3, the effect on other comprehensive income for the nine-month periods ended September 30, 2024 and 2023 is immaterial.



### 13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Group is only required to disclose the information for the nine-month period ended September 30, 2024.

#### (1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Refer to table 1.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 3.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2), "Financial assets and liabilities at fair value through profit or loss".
- J. Significant inter-company transactions during the reporting periods: Refer to table 4.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 5.

#### (3) Information on investments in Mainland China

- A. Basic information: Refer to table 6.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 1 and table 4.

#### (4) Major shareholders information

Major shareholders information: Refer to table 7.

### 14. SEGMENT INFORMATION

#### (1) General information

The management of the Group has identified the operating segments based on how the Company's Chief Operating Decision-Maker regularly reviews information in order to make decisions. The Chief Operating Decision-Maker manages the Group's business from geographical and functional perspectives. Geographically, the Group focuses on its sales business in the U.S., Europe and Asia. In addition, the Group categorized its business units into manufacture, sales, research and development and investment management functions, and combines its segments that meet the disclosure threshold as "Others".

(2) Segment information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	For the nine-month period ended September 30, 2024			
	ScinoPharm	SciAnda (Changshu)		
	Taiwan, Ltd.	Pharmaceuticals Ltd.	Others	Total
Segment revenue	\$ 2,176,669	\$ 518,626	\$ 12,076	\$2,707,371
Revenue from internal customers	9,571	317,323	10,669	337,563
Revenue from external customers	2,167,098	201,303	1,407	2,369,808
— API Income	1,890,615	196,868	52	2,087,535
— Injection Product Income	58,991	-	-	58,991
— Technical Service Income	182,324	4,435	1,355	188,114
— Other Operating Income	35,168	-	-	35,168
Interest income	44,783	319	136	45,238
Depreciation and amortisation	280,726	83,259	820	364,805
Interest expense	5,473	528	-	6,001
Income from segment before income tax	277,175	34,537	1,267	312,979
Segment assets	10,126,488	1,747,161	33,799	11,907,448
Other acquisition of non-current assets	121,954	93,938	18	215,910
Segment liabilities	1,230,305	129,610	9,576	1,369,491

  

	For the nine-month period ended September 30, 2023			
	ScinoPharm	SciAnda (Changshu)		
	Taiwan, Ltd.	Pharmaceuticals Ltd.	Others	Total
Segment revenue	\$ 1,929,140	\$ 512,999	\$ 45,848	\$ 2,487,987
Revenue from internal customers	32,574	381,724	10,770	425,068
Revenue from external customers	1,896,566	131,275	35,078	2,062,919
— API Income	1,761,436	115,571	34,899	1,911,906
— Injection Product Income	40,084	-	-	40,084
— Technical Service Income	79,385	15,704	179	95,268
— Other Operating Income	15,661	-	-	15,661
Interest income	39,379	290	148	39,817
Depreciation and amortisation	270,664	72,367	912	343,943
Interest expense	5,052	2,003	-	7,055
Income from segment before income tax	165,940	21,629	915	188,484
Segment assets	10,006,424	1,774,408	27,157	11,807,989
Other acquisition of non-current assets	151,800	62,998	1,393	216,191
Segment liabilities	1,254,995	206,768	4,580	1,466,343

(3) Reconciliation for segment

- A. The sales between segments were at arms' length. The external revenues reported to the Chief Operating Decision-Maker adopt the same measurement basis for revenues in the statement of comprehensive income. The reconciliations of pre-tax income between reportable segments and continuing operations were as follows:

	<u>For the nine-month periods ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Reportable segments profit before income tax	\$ 311,712	\$ 187,569
Other segments income before income tax	1,267	915
Internal segments transaction elimination	( 13,754)	( 30,598)
Profit before income tax	<u>\$ 299,225</u>	<u>\$ 157,886</u>

- B. The amount of total assets provided to the Chief Operating Decision-Maker adopts the same measurement for assets in the Group's financial statements. A reconciliation of assets of reportable segments and total assets is as follows:

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Assets of reportable segments	\$ 11,873,649	\$ 11,780,832
Assets of other operating segments	33,799	27,157
Internal segment transaction elimination	( 123,144)	( 240,895)
Total assets	<u>\$ 11,784,304</u>	<u>\$ 11,567,094</u>

- C. The amount of total liabilities provided to the Chief Operating Decision-Maker adopts the same measurement for liabilities in the Group's financial statements. A reconciliation of liabilities of reportable segments and total liabilities is as follows:

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Liabilities of reportable segments	\$ 1,359,915	\$ 1,461,763
Liabilities of other operating segments	9,576	4,580
Internal segment transaction elimination	( 25,093)	( 141,631)
Total liabilities	<u>\$ 1,344,398</u>	<u>\$ 1,324,712</u>

ScinoPharm Taiwan, Ltd. and Subsidiaries

Provision of endorsements and guarantees to others

For the nine-month period ended September 30, 2024

Table 1

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 1)	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount during the period	Outstanding endorsement/ guarantee amount at September 30, 2024	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by parent subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote

Note 1: The following code represents the relationship with the Company:

1.A company in which the Company directly and indirectly holds 50% of the voting shares.

Note 2: 1.The limit of total amount of endorsement is 50% of the Company's net worth, for 100% directly or indirectly owned subsidiaries, the maximum amount is 100% of its net worth.

The limit of total amount of the Group's endorsement and guarantee is 100% of the Group's net worth.

2.For any endorsement or guarantee provided by the Company due to business dealings, the amount of endorsement or guarantees shall be limited to the business dealing amount of the most recent year or the current year.

The business dealing amount is product purchase or sale amount between the entities, whichever is higher.

Note 3: The numbers in the table that involves foreign currencies are expressed in New Taiwan Dollars according to the exchange rate posted on the date of the consolidated financial statements (CNY:NTD 1:4.509 ; USD:NTD 1:31.65).

ScinoPharm Taiwan, Ltd. and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

September 30, 2024

Table 2

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2024			Fair value	Footnote
				Number of shares	Book value	Ownership (%)		
ScinoPharm Taiwan, Ltd.	Stocks:							
	Tanvex Biologics, Inc.	The Company is a director of Tanvex Biologics, Inc.	Financial assets at fair value through other comprehensive income - non-current	28,800,000	\$ 74,564	16.84%	\$ 74,564	—
	SYNGEN, INC.	—	Financial assets at fair value through profit or loss - non-current	245,000	-	7.40%	-	—

ScinoPharm Taiwan, Ltd. and Subsidiaries

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more

For the nine-month period ended September 30, 2024

Table 3

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
ScinoPharm Taiwan, Ltd.	SciAnda (Changshu) Pharmaceuticals, Ltd.	Subsidiary	Purchases	\$ 320,946	39%	Closes its accounts 90 days from the end of each month	\$ -	—	(\$ 18,877)	(15%)	—
SciAnda (Changshu) Pharmaceuticals, Ltd.	ScinoPharm Taiwan, Ltd.	The Company	(Sales)	( 320,946)	(62%)	Closes its accounts 90 days from the end of each month	-	—	18,877	37%	—

ScinoPharm Taiwan, Ltd. and Subsidiaries

Significant inter-company transactions during the reporting period

For the nine-month period ended September 30, 2024

Table 4

Expressed in thousands of NTD

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transactions			Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount	Transaction terms	
0	ScinoPharm Taiwan, Ltd.	SciAnda (Changshu) Pharmaceuticals, Ltd.	1	Purchases	\$ 320,946	Closes its accounts 90 days from the end of each month	14%
			1	Accounts Payable	18,877	—	—
			1	Endorsements and guarantees	180,375	—	2%

Note 1: Significant inter-company transactions during the reporting periods are not disclosed since these were corresponding transactions. Only transactions over NT\$10 million are material.

Note 2: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

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

Note 3: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 4: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 5: The numbers in the table that involves foreign currencies are expressed in New Taiwan Dollars according to the exchange rate posted on the date of the consolidated financial statements (CNY:NTD 1:4.509 ; USD:NTD 1:31.65).

ScinoPharm Taiwan, Ltd. and Subsidiaries

Names, locations and other information of investee companies (not including investees in Mainland China)

For the nine-month period ended September 30, 2024

Table 5

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2024			Net profit of the investee for the nine-month period ended September 30, 2024	Investment income recognised by the Company for the nine-month period ended September 30, 2024	Footnote
				Balance as at September 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
ScinoPharm Taiwan, Ltd.	SPT International, Ltd.	Tortola, British Virgin Islands	Professional investment	\$ 3,614,585	\$ 3,614,585	118,524,644	100.00	\$ 1,543,502	\$ 35,711	\$ 21,957	Subsidiary
	ScinoPharm Singapore Pte Ltd.	Singapore	Professional investment	-	-	2	100.00	220	31	31	Subsidiary



ScinoPharm Taiwan, Ltd. and Subsidiaries

Information on investments in Mainland China – Basic information

For the nine-month period ended September 30, 2024

Table 6

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine-month period ended September 30, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024	Net income of investee for the nine-month period ended September 30, 2024	Ownership held by the Company (direct or indirect)	Investment income recognised by the Company for the nine-month period ended September 30, 2024	Book value of investments in Mainland China as of September 30, 2024	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
SciAnda (Changshu) Pharmaceuticals, Ltd.	Research, development, and manufacture of API and new drugs, sale produced products, etc.	\$ 3,687,225	(Note 1)	\$ 3,678,503	\$ -	\$ -	\$ 3,678,503	\$ 34,537	100%	\$ 34,537	\$ 1,617,550	\$ -	Subsidiary (Note 2)
SciAnda Shanghai Biochemical Technology, Ltd.	Import, export and sales of API and intermediates, etc.	37,980	(Note 1)	37,980	-	-	37,980	1,158	100%	1,158	20,860	-	Subsidiary (Note 3)
<u>Company name</u>	<u>Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2024</u>	<u>Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)</u>	<u>Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)</u>										
ScinoPharm Taiwan, Ltd.	\$ 3,755,225	\$ 3,755,225	\$ 6,263,944										

Note 1: Indirect investment in Mainland China through a company set up in a third region, SPT International, Ltd.

Note 2: The investment income recognised by the Company for the nine-month period ended September 30, 2024 was based on reviewed financial statements of investee companies as of and for the nine-month period ended September 30, 2024.

Note 3: The investment income recognised by the Company for the nine-month period ended September 30, 2024 was based on unreviewed financial statements of investee companies as of and for nine-month period ended September 30, 2024.

Note 4: The ceiling amount is 60% of the higher of net worth or consolidated net worth.

ScinoPharm Taiwan, Ltd. and Subsidiaries

Major shareholders information

September 30, 2024

Table 7

Expressed in shares

Name of the key shareholder	Number of shares		Ownership (%)	Footnote
	Common stock	Preferred stock		
Uni-President Enterprises Corp.	299,968,639	—	37.94%	—
National Development Fund, Executive Yuan	109,539,014	—	13.85%	—

Note: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the difference in the calculation basis.