

**SCINOPHARM TAIWAN, LTD.**  
**PARENT COMPANY ONLY FINANCIAL**  
**STATEMENTS AND INDEPENDENT AUDITORS’**  
**REPORT**  
**DECEMBER 31, 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.

SCINOPHARM TAIWAN, LTD.  
DECEMBER 31, 2024 AND 2023 PARENT COMPANY ONLY FINANCIAL  
STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
TABLE OF CONTENTS

| Contents                                                                                                                          | Page    |
|-----------------------------------------------------------------------------------------------------------------------------------|---------|
| 1. Cover Page                                                                                                                     | 1       |
| 2. Table of Contents                                                                                                              | 2 ~ 3   |
| 3. Independent Auditors' Report                                                                                                   | 4 ~ 9   |
| 4. Parent Company Only Balance Sheets                                                                                             | 10 ~ 11 |
| 5. Parent Company Only Statements of Comprehensive Income                                                                         | 12      |
| 6. Parent Company Only Statements of Changes in Equity                                                                            | 13      |
| 7. Parent Company Only Statements of Cash Flows                                                                                   | 14 ~ 15 |
| 8. Notes to the Parent Company Only Financial Statements                                                                          | 16 ~ 62 |
| (1) HISTORY AND ORGANISATION                                                                                                      | 16      |
| (2) THE DATE OF AUTHORISATION FOR ISSUANCE OF THE<br>PARENT COMPANY ONLY FINANCIAL STATEMENTS AND<br>PROCEDURES FOR AUTHORISATION | 16      |
| (3) APPLICATION OF NEW STANDARDS, AMENDMENTS AND<br>INTERPRETATIONS                                                               | 16 ~ 17 |
| (4) SUMMARY OF MATERIAL ACCOUNTING POLICIES                                                                                       | 18 ~ 27 |
| (5) CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND                                                                                 | 27      |

| Contents                                                                        | Page    |
|---------------------------------------------------------------------------------|---------|
| KEY SOURCES OF ASSUMPTION UNCERTAINTY                                           |         |
| (6) DETAILS OF SIGNIFICANT ACCOUNTS                                             | 27 ~ 51 |
| (7) RELATED PARTY TRANSACTIONS                                                  | 52 ~ 54 |
| (8) PLEDGED ASSETS                                                              | 54      |
| (9) SIGNIFICANT CONTINGENT LIABILITIES AND<br>UNRECOGNISED CONTRACT COMMITMENTS | 54      |
| (10) SIGNIFICANT DISASTER LOSS                                                  | 54      |
| (11) SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE                            | 54      |
| (12) OTHERS                                                                     | 55 ~ 61 |
| (13) SUPPLEMENTARY DISCLOSURES                                                  | 61 ~ 62 |
| A. Significant transactions information                                         | 61 ~ 62 |
| B. Information on investees                                                     | 62      |
| C. Information on investments in Mainland China                                 | 62      |
| D. Major shareholders information                                               | 62      |
| (14) SEGMENT INFORMATION                                                        | 62      |
| 9. Statements of Major Accounting Items                                         | 63 ~ 84 |

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

### ***Opinion***

We have audited the accompanying parent company only balance sheets of ScinoPharm Taiwan, Ltd. (the "Company") as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

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

The key audit matters for the Company's 2024 parent company only financial statements are stated

as follows:

### ***Occurrence of sales revenues from API and injection products***

#### Description

Refer to Note 4(26) for accounting policy on revenue recognition and Note 6(17) for accounting items on revenue.

The Company's sales revenue mainly arises from the manufacture and sales of Active Pharmaceutical Ingredient ("API") and injection products. The Company's customers come from Taiwan, Asia, Europe and America. Since the volume and amount of transactions are significant, we considered the occurrence of sales revenue from API and injection products a key audit matter.

#### How our audit addressed the matter

We performed the following key audit procedures in response to the above key audit matter:

1. We evaluated the internal control system that was designed and implemented by management in reviewing customers' credit, and tested whether the counterparty and the credit valuation documents have been properly approved.
2. We sampled transaction details and supporting documents for consistency from transaction counterparties who have higher turnover growth.
3. We sent confirmation letters for significant year-end accounts receivable, ascertained whether the responses and account records were consistent with customers' data, and evaluated the reasonableness on the difference between the responses and the account records.

### ***Inventory valuation***

#### Description

Refer to Note 4(11) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions applied in inventory valuation, and Note 6(4) for details of inventories. As at December 31, 2024, the balances of inventory and allowance for inventory valuation losses were \$1,836,643 thousand and \$323,756 thousand, respectively.

The Company is primarily engaged in manufacturing and sales of API. Due to the complex

manufacturing process, long lead time in materials preparation and uncertain product registration timing before market launch, there is a higher risk of incurring loss on inventory valuation. For inventories sold under normal terms, the Company measures inventories at the lower of cost and net realisable value. For inventories ageing over a certain period of time or are individually identified as obsolete inventories, the net realisable value is calculated based on the historical information of inventory turnover. Since the calculation of net realisable value involves subjective judgement and the ending balance of inventory is material to the financial statements, we considered the valuation of inventory a key audit matter.

#### How our audit addressed the matter

We performed the following key audit procedures in response to the above key audit matter:

1. We compared the financial statements to ascertain whether the provision policy on allowance for inventory valuation losses has been consistently applied and assessed the reasonableness of the provision policy.
2. We understood the inventory management process, observing annual physical counts to assess the effectiveness of management's classification and controls over obsolete and slow-moving inventory.
3. We sampled and verified the accuracy of inventory aging report and evaluated whether the older inventories were obsolete.
4. We sampled the computation of net realisable value of individual inventory and compared with account records.

#### ***Responsibilities of management and those charged with governance for the parent company only financial statements***

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### ***Auditors' responsibilities for the audit of the parent company only financial statements***

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Yeh, Fang-Ting

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

February 26, 2025

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The accompanying parent company only 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 parent company only 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.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

| Assets             |                                                                                 | Notes         | December 31, 2024 |     | December 31, 2023 |     |
|--------------------|---------------------------------------------------------------------------------|---------------|-------------------|-----|-------------------|-----|
|                    |                                                                                 |               | AMOUNT            | %   | AMOUNT            | %   |
| Current assets     |                                                                                 |               |                   |     |                   |     |
| 1100               | Cash and cash equivalents                                                       | 6(1)          | \$ 4,068,213      | 35  | \$ 3,861,403      | 33  |
| 1110               | Financial assets at fair value through profit or loss - current                 | 6(2)          | -                 | -   | 8,304             | -   |
| 1140               | Contract assets - current                                                       | 6(17)         | 29,397            | -   | -                 | -   |
| 1170               | Accounts receivable, net                                                        | 6(3) and 12   | 581,284           | 5   | 781,055           | 7   |
| 1200               | Other receivables                                                               |               | 19,238            | -   | 15,433            | -   |
| 1210               | Other receivables - related parties                                             | 7             | 3,720             | -   | 2,960             | -   |
| 130X               | Inventories                                                                     | 5 and 6(4)    | 1,512,887         | 13  | 1,370,072         | 12  |
| 1410               | Prepayments                                                                     |               | 100,938           | 1   | 91,479            | 1   |
| 11XX               | Total current assets                                                            |               | 6,315,677         | 54  | 6,130,706         | 53  |
| Non-current assets |                                                                                 |               |                   |     |                   |     |
| 1517               | Financial assets at fair value through other comprehensive income - non-current | 6(5)          | 70,134            | 1   | 69,973            | 1   |
| 1550               | Investments accounted for using equity method                                   | 6(6)          | 1,556,076         | 13  | 1,455,636         | 12  |
| 1600               | Property, plant and equipment                                                   | 6(7)(9) and 7 | 2,489,060         | 21  | 2,670,501         | 23  |
| 1755               | Right-of-use assets                                                             | 6(8)          | 621,860           | 5   | 572,617           | 5   |
| 1780               | Intangible assets                                                               |               | 11,328            | -   | 11,683            | -   |
| 1840               | Deferred income tax assets                                                      | 6(24)         | 524,419           | 5   | 543,837           | 5   |
| 1915               | Prepayments for equipment                                                       | 6(7)          | 149,977           | 1   | 113,503           | 1   |
| 1920               | Guarantee deposits paid                                                         |               | 848               | -   | 827               | -   |
| 1980               | Other financial assets - non-current                                            | 8             | 30,940            | -   | 30,940            | -   |
| 15XX               | Total non-current assets                                                        |               | 5,454,642         | 46  | 5,469,517         | 47  |
| 1XXX               | Total assets                                                                    |               | \$ 11,770,319     | 100 | \$ 11,600,223     | 100 |

(Continued)

SCINOPHARM TAIWAN, LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity  |                                                                          | Notes       | December 31, 2024 |       | December 31, 2023 |       |
|-------------------------|--------------------------------------------------------------------------|-------------|-------------------|-------|-------------------|-------|
|                         |                                                                          |             | AMOUNT            | %     | AMOUNT            | %     |
| Current liabilities     |                                                                          |             |                   |       |                   |       |
| 2120                    | Financial liabilities at fair value                                      | 6(2)        |                   |       |                   |       |
|                         | through profit or loss - current                                         |             | \$ 1,225          | -     | \$ -              | -     |
| 2130                    | Contract liabilities - current                                           | 6(17)       | 118,413           | 1     | 87,883            | 1     |
| 2150                    | Notes payable                                                            |             | 1,211             | -     | 1,178             | -     |
| 2170                    | Accounts payable                                                         |             | 51,840            | 1     | 68,363            | 1     |
| 2180                    | Accounts payable - related parties                                       | 7           | 31,261            | -     | 43,283            | -     |
| 2200                    | Other payables                                                           | 6(10) and 7 | 362,560           | 3     | 328,527           | 3     |
| 2230                    | Current income tax liabilities                                           | 6(24)       | 11,479            | -     | 62,597            | -     |
| 2280                    | Lease liabilities - current                                              |             | 19,638            | -     | 17,556            | -     |
| 21XX                    | Total current liabilities                                                |             | 597,627           | 5     | 609,387           | 5     |
| Non-current liabilities |                                                                          |             |                   |       |                   |       |
| 2570                    | Deferred income tax liabilities                                          | 6(24)       | 1,304             | -     | 1,661             | -     |
| 2580                    | Lease liabilities - non-current                                          |             | 620,342           | 6     | 570,231           | 5     |
| 2640                    | Net defined benefit liabilities - non-current                            | 6(11)       | 23,614            | -     | 54,514            | 1     |
| 2645                    | Guarantee deposits received                                              |             | 1,628             | -     | -                 | -     |
| 25XX                    | Total non-current liabilities                                            |             | 646,888           | 6     | 626,406           | 6     |
| 2XXX                    | Total liabilities                                                        |             | 1,244,515         | 11    | 1,235,793         | 11    |
| Equity                  |                                                                          |             |                   |       |                   |       |
|                         | Share capital                                                            | 6(12)       |                   |       |                   |       |
| 3110                    | Common stock                                                             |             | 7,907,392         | 67    | 7,907,392         | 68    |
| 3200                    | Capital surplus                                                          | 6(13)       | 1,294,689         | 10    | 1,294,689         | 11    |
|                         | Retained earnings                                                        | 6(15)       |                   |       |                   |       |
| 3310                    | Legal reserve                                                            |             | 783,817           | 7     | 755,145           | 7     |
| 3320                    | Special reserve                                                          |             | 185,856           | 2     | 98,176            | 1     |
| 3350                    | Unappropriated earnings                                                  |             | 480,227           | 4     | 494,884           | 4     |
| 3400                    | Other equity interest                                                    | 6(16)       | ( 126,177 )       | ( 1 ) | ( 185,856 )       | ( 2 ) |
| 3XXX                    | Total equity                                                             |             | 10,525,804        | 89    | 10,364,430        | 89    |
|                         | Significant contingent liabilities and unrecognised contract commitments | 7 and 9     |                   |       |                   |       |
|                         | Significant subsequent events                                            | 11          |                   |       |                   |       |
| 3X2X                    | Total liabilities and equity                                             |             | \$ 11,770,319     | 100   | \$ 11,600,223     | 100   |

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

SCINOPHARM TAIWAN, LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

|                                                                                                                     |                            |      | Year ended December 31 |              |                     |              |
|---------------------------------------------------------------------------------------------------------------------|----------------------------|------|------------------------|--------------|---------------------|--------------|
|                                                                                                                     |                            |      | 2024                   |              | 2023                |              |
| Items                                                                                                               | Notes                      |      | AMOUNT                 | %            | AMOUNT              | %            |
| 4000 Operating revenue                                                                                              | 6(17) and 7                |      | \$ 3,139,056           | 100          | \$ 3,006,952        | 100          |
| 5000 Operating costs                                                                                                | 6(4)(11)(22)(23) and 7     |      | ( 2,002,206)           | ( 64)        | ( 1,923,659)        | ( 64)        |
| 5900 Net operating margin                                                                                           |                            |      | <u>1,136,850</u>       | <u>36</u>    | <u>1,083,293</u>    | <u>36</u>    |
| Operating expenses                                                                                                  | 6(7)(11)(22)(23), 7 and 12 |      |                        |              |                     |              |
| 6100 Selling expenses                                                                                               |                            | (    | 145,448)               | ( 5)         | ( 184,698)          | ( 6)         |
| 6200 General and administrative expenses                                                                            |                            | (    | 292,596)               | ( 9)         | ( 282,873)          | ( 9)         |
| 6300 Research and development expenses                                                                              |                            | (    | 395,942)               | ( 12)        | ( 299,089)          | ( 10)        |
| 6450 Expected credit losses                                                                                         |                            | (    | 1,814)                 | -            | -                   | -            |
| 6000 Total operating expenses                                                                                       |                            | (    | <u>835,800</u>         | <u>( 26)</u> | <u>( 766,660)</u>   | <u>( 25)</u> |
| 6900 Operating profit                                                                                               |                            |      | <u>301,050</u>         | <u>10</u>    | <u>316,633</u>      | <u>11</u>    |
| Non-operating income and expenses                                                                                   |                            |      |                        |              |                     |              |
| 7100 Interest income                                                                                                | 6(18)                      |      | 60,930                 | 2            | 53,046              | 2            |
| 7010 Other income                                                                                                   | 6(19) and 7                |      | 11,289                 | -            | 19,417              | -            |
| 7020 Other gains and losses                                                                                         | 6(2)(7)(9)(20) and 12      |      | 6,035                  | -            | ( 24,781)           | ( 1)         |
| 7050 Finance costs                                                                                                  | 6(8)(21)                   | (    | 7,292)                 | -            | ( 6,719)            | -            |
| 7070 Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method        | 6(6)                       |      | <u>40,922</u>          | <u>1</u>     | <u>( 8,807)</u>     | <u>-</u>     |
| 7000 Total non-operating income and expenses                                                                        |                            |      | <u>111,884</u>         | <u>3</u>     | <u>32,156</u>       | <u>1</u>     |
| 7900 Profit before income tax                                                                                       |                            |      | <u>412,934</u>         | <u>13</u>    | <u>348,789</u>      | <u>12</u>    |
| 7950 Income tax expense                                                                                             | 6(24)                      | (    | <u>73,584</u>          | <u>( 2)</u>  | <u>( 61,733)</u>    | <u>( 2)</u>  |
| 8200 Profit for the year                                                                                            |                            |      | <u>\$ 339,350</u>      | <u>11</u>    | <u>\$ 287,056</u>   | <u>10</u>    |
| Other comprehensive income (loss)                                                                                   |                            |      |                        |              |                     |              |
| Components of other comprehensive income (loss) that will not be reclassified to profit or loss                     |                            |      |                        |              |                     |              |
| 8311 Actuarial losses on defined benefit plan                                                                       | 6(11)                      | ( \$ | 540)                   | -            | ( \$ 417)           | -            |
| 8316 Unrealised gain (loss) from equity instruments measured at fair value through other comprehensive income       | 6(5)(16)                   |      | 161                    | -            | ( 42,643)           | ( 1)         |
| 8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | 6(24)                      |      | 107                    | -            | 84                  | -            |
| Components of other comprehensive income (loss) that will be reclassified to profit or loss                         |                            |      |                        |              |                     |              |
| 8361 Financial statements translation differences of foreign operations                                             | 6(6)(16)                   |      | <u>59,518</u>          | <u>2</u>     | <u>( 45,037)</u>    | <u>( 2)</u>  |
| 8300 Total other comprehensive income (loss) for the year                                                           |                            |      | <u>\$ 59,246</u>       | <u>2</u>     | <u>( \$ 88,013)</u> | <u>( 3)</u>  |
| 8500 Total comprehensive income for the year                                                                        |                            |      | <u>\$ 398,596</u>      | <u>13</u>    | <u>\$ 199,043</u>   | <u>7</u>     |
| Earnings per share (in dollars)                                                                                     | 6(25)                      |      |                        |              |                     |              |
| 9750 Basic                                                                                                          |                            |      | <u>\$ 0.43</u>         |              | <u>\$ 0.36</u>      |              |
| 9850 Diluted                                                                                                        |                            |      | <u>\$ 0.43</u>         |              | <u>\$ 0.36</u>      |              |

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

SCINOPHARM TAIWAN, LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

|                                                |             |                                 | Retained Earnings |               |                 | Other Equity Interest      |                                                                                                                                |              |
|------------------------------------------------|-------------|---------------------------------|-------------------|---------------|-----------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------|
|                                                |             |                                 |                   |               |                 |                            | Unrealised gains<br>(losses) from<br>financial assets<br>measured at fair<br>value through<br>other<br>comprehensive<br>income |              |
|                                                | Notes       | Share capital -<br>common stock | Capital reserve   | Legal reserve | Special reserve | Unappropriated<br>earnings | Financial<br>statements<br>translation<br>differences of<br>foreign<br>operations                                              | Total        |
| <u>Year ended December 31, 2023</u>            |             |                                 |                   |               |                 |                            |                                                                                                                                |              |
| Balance at January 1, 2023                     |             | \$ 7,907,392                    | \$ 1,294,689      | \$ 719,584    | \$ 61,125       | \$ 565,439                 | (\$ 43,119)                                                                                                                    | \$10,450,053 |
| Net income for the year                        |             | -                               | -                 | -             | -               | 287,056                    | -                                                                                                                              | 287,056      |
| Other comprehensive loss                       | 6(5)(6)(16) | -                               | -                 | -             | -               | ( 333)                     | ( 45,037)                                                                                                                      | ( 88,013)    |
| Total comprehensive income (loss)              |             | -                               | -                 | -             | -               | 286,723                    | ( 45,037)                                                                                                                      | 199,043      |
| 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 December 31, 2023                   |             | \$ 7,907,392                    | \$ 1,294,689      | \$ 755,145    | \$ 98,176       | \$ 494,884                 | (\$ 88,156)                                                                                                                    | \$10,364,430 |
| <u>Year ended December 31, 2024</u>            |             |                                 |                   |               |                 |                            |                                                                                                                                |              |
| Balance at January 1, 2024                     |             | \$ 7,907,392                    | \$ 1,294,689      | \$ 755,145    | \$ 98,176       | \$ 494,884                 | (\$ 88,156)                                                                                                                    | \$10,364,430 |
| Net income for the year                        |             | -                               | -                 | -             | -               | 339,350                    | -                                                                                                                              | 339,350      |
| Other comprehensive (loss) income for the year | 6(5)(6)(16) | -                               | -                 | -             | -               | ( 433)                     | 59,518                                                                                                                         | 59,246       |
| Total comprehensive income                     |             | -                               | -                 | -             | -               | 338,917                    | 59,518                                                                                                                         | 398,596      |
| 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 December 31, 2024                   |             | \$ 7,907,392                    | \$ 1,294,689      | \$ 783,817    | \$ 185,856      | \$ 480,227                 | (\$ 28,638)                                                                                                                    | \$10,525,804 |

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

SCINOPHARM TAIWAN, LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

|                                                                                                         | Notes       | Year ended December 31 |             |
|---------------------------------------------------------------------------------------------------------|-------------|------------------------|-------------|
|                                                                                                         |             | 2024                   | 2023        |
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>                                                      |             |                        |             |
| Profit before tax                                                                                       |             | \$ 412,934             | \$ 348,789  |
| Adjustments                                                                                             |             |                        |             |
| Adjustments to reconcile profit (loss)                                                                  |             |                        |             |
| Loss (gain) on valuation of financial assets and liabilities at fair value through profit or loss       |             | 9,529                  | ( 8,665 )   |
| Expected credit loss                                                                                    | 12          | 1,814                  | -           |
| (Gain on reversal of) loss on inventory market price decline                                            | 6(4)        | ( 897 )                | 23,248      |
| Share of (profit) loss of subsidiaries, associates and joint ventures accounted for using equity method | 6(6)        | ( 40,922 )             | 8,807       |
| Depreciation of property, plant and equipment                                                           | 6(7)(22)    | 354,080                | 344,832     |
| Depreciation of right-of-use assets                                                                     | 6(8)(22)    | 15,422                 | 14,045      |
| Property, plant and equipment transferred to loss                                                       | 6(7)(21)    | 119                    | -           |
| Loss on disposal of property, plant and equipment                                                       | 6(20)       | 682                    | -           |
| Impairment loss (gain on reversal of impairment loss)                                                   | 6(7)(9)(20) | 1,119                  | ( 1 )       |
| Amortisation                                                                                            | 6(22)       | 5,994                  | 3,374       |
| Interest income                                                                                         | 6(18)       | ( 60,930 )             | ( 53,046 )  |
| Interest expense                                                                                        | 6(21)       | 7,292                  | 6,719       |
| Changes in operating assets and liabilities                                                             |             |                        |             |
| Changes in operating assets                                                                             |             |                        |             |
| Contract assets - current                                                                               |             | ( 29,397 )             | -           |
| Accounts receivable                                                                                     |             | 197,957                | ( 221,010 ) |
| Other receivables                                                                                       |             | ( 3,105 )              | 4,771       |
| Other receivables - related parties                                                                     |             | ( 760 )                | 909         |
| Inventories                                                                                             |             | ( 142,550 )            | ( 275,761 ) |
| Prepayments                                                                                             |             | ( 8,827 )              | 25,640      |
| Changes in operating liabilities                                                                        |             |                        |             |
| Contract liabilities - current                                                                          |             | 30,530                 | 32,301      |
| Notes payable                                                                                           |             | 33                     | ( 57 )      |
| Accounts payable                                                                                        |             | ( 16,523 )             | ( 47,888 )  |
| Accounts payable - related parties                                                                      |             | ( 12,022 )             | 1,393       |
| Other payables                                                                                          |             | 13,222                 | ( 34,422 )  |
| Net defined benefit liabilities - non-current                                                           |             | ( 31,440 )             | ( 20,394 )  |
| Cash inflow generated from operations                                                                   |             | 703,354                | 153,584     |
| Interest received                                                                                       |             | 60,230                 | 48,078      |
| Interest paid                                                                                           |             | ( 7,292 )              | ( 6,719 )   |
| Income tax paid                                                                                         |             | ( 105,534 )            | ( 103,374 ) |
| Net cash flows from operating activities                                                                |             | 650,758                | 91,569      |

(Continued)

SCINOPHARM TAIWAN, LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

|                                                            | Notes | Year ended December 31 |               |
|------------------------------------------------------------|-------|------------------------|---------------|
|                                                            |       | 2024                   | 2023          |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>                |       |                        |               |
| Cash paid for acquisition of property, plant and equipment | 6(26) | ( \$ 85,965 )          | ( \$ 68,324 ) |
| Acquisition of intangible assets                           |       | ( 5,639 )              | ( 10,484 )    |
| Increase in prepayments for equipment                      | 6(26) | ( 104,257 )            | ( 114,396 )   |
| (Increase) decrease in guarantee deposits paid             |       | ( 21 )                 | 109           |
| Net cash flows used in investing activities                |       | ( 195,882 )            | ( 193,095 )   |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>                |       |                        |               |
| Repayment of the principal portion of lease liabilities    | 6(27) | ( 12,472 )             | ( 11,287 )    |
| Increase (decrease) in guarantee deposits received         | 6(27) | 1,628                  | ( 1,378 )     |
| Payment of cash dividends                                  | 6(15) | ( 237,222 )            | ( 284,666 )   |
| Net cash flows used in financing activities                |       | ( 248,066 )            | ( 297,331 )   |
| Net increase (decrease) in cash and cash equivalents       |       | 206,810                | ( 398,857 )   |
| Cash and cash equivalents at beginning of year             | 6(1)  | 3,861,403              | 4,260,260     |
| Cash and cash equivalents at end of year                   | 6(1)  | \$ 4,068,213           | \$ 3,861,403  |

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

SCINOPHARM TAIWAN, LTD.  
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 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 is primarily engaged in the manufacture of western medicines and other chemical materials, biological technology services, intellectual property rights, international trade and research, development, production, 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.
- (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 AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION**

These parent company only financial statements were authorised for issuance by the Board of Directors on February 26, 2025.

**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:

| New Standards, Interpretations and Amendments                                  | Effective date by<br>International Accounting<br>Standards Board<br>("IASB") |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Amendments to IFRS 16, 'Lease liability in a sale and leaseback'               | January 1, 2024                                                              |
| Amendments to IAS 1, 'Classification of liabilities as current or non-current' | January 1, 2024                                                              |
| Amendments to IAS 1, 'Non-current liabilities with covenants'                  | January 1, 2024                                                              |
| Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'                | January 1, 2024                                                              |

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

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

New standards, interpretations and amendments endorsed by the FSC and will become 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 Company's financial condition and financial performance based on the Company'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 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'                                     | 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          |
| Annual Improvements to IFRS Accounting Standards – Volume 11                                                              | January 1, 2026          |

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company'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

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

##### (2) Basis of preparation

A. Except for the following items, these parent company only 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> Interpretation that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

##### (3) Foreign currency translation

Items included in the parent company only financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company only financial statements are presented in NTD, which is the Company’s functional and presentation currency.

- A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-

translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within “other gains and losses”.

(4) Classification of current and non-current items

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

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than 12 months after the balance sheet date.

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

- (a) Liabilities that are expected to be paid off within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be paid off within 12 months from the balance sheet date;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

- A. Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value.
- B. Time deposits and bills under repurchase agreements that meet the above criteria and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.
- C. The company holds pledged time deposits that do not qualify as cash equivalents, presented under "Other Financial Assets. "

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the

ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. If the cost exceeds net realisable value, valuation loss is accrued and recognised in operating costs. If the net realisable value reverses, valuation is eliminated within the credit balance and is recognised as deduction of operating costs.

(12) Investments accounted for using equity method - subsidiaries

- A. A subsidiary is an entity where the Company has the right to dominate its finance and operating policies (including special purpose entities), normally the Company owns more than 50% of the voting rights directly or indirectly in that entity. Subsidiaries are accounted for under the equity method in the Company's non-consolidated financial statements.
- B. Unrealised gains or losses resulting from inter-company transactions with subsidiaries are eliminated. To meet the consistency of accounting policies of the Company, necessary adjustments are made to the accounting policies of the subsidiaries.
- C. After acquisition of subsidiaries, the Company recognises proportionately the share of profit and loss and other comprehensive income in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interest in that subsidiary, the Company continues to recognise its share in the subsidiary's loss proportionately.
- D. According to Regulations Governing the Preparation of Financial Statements by Securities Issuers, 'profit for the year' and 'other comprehensive income for the year' reported in an entity's parent company only statement of comprehensive income, shall equal to 'profit for the year' and 'other comprehensive income' attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's parent company only financial statements, shall equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

| <u>Assets</u>            | <u>Estimated useful lives</u> |
|--------------------------|-------------------------------|
| Buildings and structures | 2 ~ 35 years                  |
| Machinery and equipment  | 2 ~ 12 years                  |
| Transportation equipment | 2 ~ 5 years                   |
| Office equipment         | 2 ~ 9 years                   |
| Other equipment          | 2 ~ 19 years                  |

(14) Intangible assets

Professional skills and computer software, etc. are stated at cost and amortized on a straight-line basis over its estimated useful life of 3 years.

(15) Leasing arrangements (lessee) — right-of-use assets / lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments less any lease incentives receivable. The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost of under the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.
- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of right-of use assets to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(16) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss shall be reversed to the extent of the loss previously recognised in profit or loss. The increased carrying amount due to reversal should not exceed the depreciated or amortized historical cost if the impairment had not been recognised.

(17) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges or financial liabilities at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:

- (a) Hybrid (combined) contracts; or
- (b) They eliminate or significantly reduce a measurement or recognition inconsistency; or
- (c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(18) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged, cancelled or expires.

(20) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise, and recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation is distributed by shares, the Company calculates the number of shares based on the closing market price at the previous day of the board meeting resolution.

(22) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(23) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) Revenue recognition

A. Sales of goods

- (a) The Company manufactures and sells API, intermediates, etc. Sales are recognised when control of the products has transferred, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- (b) Revenue is recognised based on the price specified in the contract, net of the sales returns and discounts. Accumulated experience is used to estimate and provide for the sales returns and discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

- (a) The Company provides technology development and consultation services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the service rendered up to the end of the reporting period as a proportion of the total services to be provided. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) The Company's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management becomes aware of the changes in circumstances.

C. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Company recognises the incremental costs (mainly comprised of sales commissions) of obtaining a contract as an expense when incurred although the Company expects to recover those costs.

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

The preparation of these parent company only financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, and the related information is addressed below:

(1) Critical judgments in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgments and estimates. As the manufacturing process is long and complex, causing longer materials lead time, the waiting period for product registration is long, and the timing of customers' product launch may be deferred, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

B. As of December 31, 2024, the carrying amount of inventories was \$1,512,887.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) CASH AND CASH EQUIVALENTS

|                                       | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------------------------------|--------------------------|--------------------------|
| Cash:                                 |                          |                          |
| Cash on hand                          | \$ 47                    | \$ 30                    |
| Checking accounts and demand deposits | <u>69,425</u>            | <u>72,873</u>            |
|                                       | <u>69,472</u>            | <u>72,903</u>            |
| Cash equivalents:                     |                          |                          |
| Time deposits                         | 3,833,741                | 3,648,500                |
| Bills under repurchase agreements     | <u>165,000</u>           | <u>14,000</u>            |
|                                       | <u>3,998,741</u>         | <u>3,788,500</u>         |
|                                       | <u>\$ 4,068,213</u>      | <u>\$ 3,861,403</u>      |

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. Details of the Company's time deposits pledged to others as collateral (listed as 'Other financial assets - non-current') as of December 31, 2024 and 2023 are provided in Note 8.

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

| Items                                                                                    | December 31, 2024 | December 31, 2023 |
|------------------------------------------------------------------------------------------|-------------------|-------------------|
| Current items:                                                                           |                   |                   |
| Financial (liabilities) assets mandatorily measured at fair value through profit or loss |                   |                   |
| Derivatives                                                                              | (\$ 1,225)        | \$ 8,304          |
| Non-current items:                                                                       |                   |                   |
| Financial assets mandatorily measured at fair value through profit or loss               |                   |                   |
| Unlisted stocks                                                                          | \$ 4,620          | \$ 4,620          |
| Valuation adjustment                                                                     | ( 4,620)          | ( 4,620)          |
|                                                                                          | \$ -              | \$ -              |

- A. The Company recognised net loss of \$29,294 and \$7,578 on financial assets (liabilities) at fair value through profit or loss (listed as "Other gains and losses") for the years ended December 31, 2024 and 2023, respectively.
- B. The Company entered into contracts relating to derivative financial assets (liabilities) which were not accounted for under hedge accounting. The information is listed below (Units in thousands of currencies indicated):

| Items                              | December 31, 2024 |                 |
|------------------------------------|-------------------|-----------------|
|                                    | Contract amount   | Contract period |
| Forward foreign exchange contracts | USD 7,830         | 11.2024~2.2025  |
| Items                              | December 31, 2023 |                 |
|                                    | Contract amount   | Contract period |
| Forward foreign exchange contracts | USD 11,860        | 11.2023~3.2024  |
|                                    | CNY 4,300         | 12.2023~1.2024  |

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

(3) ACCOUNTS RECEIVABLE, NET

|                      | December 31, 2024 | December 31, 2023 |
|----------------------|-------------------|-------------------|
| Accounts receivable  | \$ 583,178        | \$ 781,135        |
| Less: Loss allowance | ( 1,894)          | ( 80)             |
|                      | <u>\$ 581,284</u> | <u>\$ 781,055</u> |

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

|                       | December 31, 2024 | December 31, 2023 |
|-----------------------|-------------------|-------------------|
| Not past due          | \$ 496,398        | \$ 695,967        |
| Less than 30 days     | 84,656            | 67,927            |
| Between 31 to 90 days | 308               | 17,241            |
| Over 181 days         | 1,816             | -                 |
|                       | <u>\$ 583,178</u> | <u>\$ 781,135</u> |

The above ageing analysis is based on past due date.

B. As of December 31, 2024 and 2023, accounts receivable arose from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers amounted to \$560,125.

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

D. As of December 31, 2024 and 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 Company's accounts receivable is the book value.

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

(4) INVENTORIES

|                 | December 31, 2024   |                                       |                     |
|-----------------|---------------------|---------------------------------------|---------------------|
|                 | Cost                | Allowance for<br>market price decline | Book value          |
| Raw materials   | \$ 353,857          | (\$ 62,204)                           | \$ 291,653          |
| Supplies        | 44,897              | ( 3,180)                              | 41,717              |
| Work in process | 550,329             | ( 62,171)                             | 488,158             |
| Finished goods  | 887,560             | ( 196,201)                            | 691,359             |
|                 | <u>\$ 1,836,643</u> | <u>(\$ 323,756)</u>                   | <u>\$ 1,512,887</u> |

| December 31, 2023 |                     |                                       |                     |
|-------------------|---------------------|---------------------------------------|---------------------|
|                   | Cost                | Allowance for<br>market price decline | Book value          |
| Raw materials     | \$ 329,829          | (\$ 62,099)                           | \$ 267,730          |
| Supplies          | 37,115              | ( 3,773)                              | 33,342              |
| Work in process   | 485,516             | ( 77,616)                             | 407,900             |
| Finished goods    | 842,265             | ( 181,165)                            | 661,100             |
|                   | <u>\$ 1,694,725</u> | <u>(\$ 324,653)</u>                   | <u>\$ 1,370,072</u> |

The cost of inventories recognised as expense for the year:

|                                                                       | For the years ended December 31, |                     |
|-----------------------------------------------------------------------|----------------------------------|---------------------|
|                                                                       | 2024                             | 2023                |
| Cost of goods sold                                                    | \$ 1,532,974                     | \$ 1,430,584        |
| Loss on inventory scrap                                               | 41,846                           | 41,806              |
| (Reversal of allowance for) loss on<br>inventory market price decline | ( 897)                           | 23,248              |
| Loss on physical inventory                                            | 810                              | 575                 |
| Under applied manufacturing overhead                                  | 324,834                          | 375,063             |
| Revenue from sale of scraps                                           | ( 1,836)                         | ( 2,332)            |
|                                                                       | <u>\$ 1,897,731</u>              | <u>\$ 1,868,944</u> |

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

| Items                | December 31, 2024 | December 31, 2023 |
|----------------------|-------------------|-------------------|
| Equity instruments   |                   |                   |
| Unlisted stocks      | \$ 167,673        | \$ 167,673        |
| Valuation adjustment | ( 97,539)         | ( 97,700)         |
|                      | <u>\$ 70,134</u>  | <u>\$ 69,973</u>  |

A. The Company 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 at December 31, 2024 and 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 years ended December 31, |             |
|---------------------------------------------------------------------|----------------------------------|-------------|
|                                                                     | 2024                             | 2023        |
| Fair value change recognised in other comprehensive income          | \$ 161                           | (\$ 42,643) |

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

(6) INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

|                                                                          | For the years ended December 31, |                     |
|--------------------------------------------------------------------------|----------------------------------|---------------------|
|                                                                          | 2024                             | 2023                |
| At January 1                                                             | \$ 1,455,636                     | \$ 1,509,480        |
| Share of profit or loss of investments accounted for using equity method | 40,922                           | ( 8,807)            |
| Changes in other equity items                                            | 59,518                           | ( 45,037)           |
| At December 31                                                           | <u>\$ 1,556,076</u>              | <u>\$ 1,455,636</u> |

|                               | December 31, 2024   | December 31, 2023   |
|-------------------------------|---------------------|---------------------|
| Subsidiaries:                 |                     |                     |
| SPT International, Ltd.       | \$ 1,555,856        | \$ 1,455,447        |
| ScinoPharm Singapore Pte Ltd. | 220                 | 189                 |
|                               | <u>\$ 1,556,076</u> | <u>\$ 1,455,636</u> |

A. For information relating to the Company's subsidiaries, refer to Note 4(3), "Basis of consolidation" of the Company's 2024 consolidated financial statements.

B. As of December 31, 2024 and 2023, the Company has no investment accounted for using equity method pledged as collateral.

(7) PROPERTY, PLANT AND EQUIPMENT

|                                                |                     |                            |                             |                     |                    | Construction in<br>progress and<br>equipment before |                     |
|------------------------------------------------|---------------------|----------------------------|-----------------------------|---------------------|--------------------|-----------------------------------------------------|---------------------|
|                                                | Buildings           | Machinery and<br>equipment | Transportation<br>equipment | Office<br>equipment | Other<br>equipment | acceptance inspection                               | Total               |
| <u>January 1, 2024</u>                         |                     |                            |                             |                     |                    |                                                     |                     |
| Cost                                           | \$ 3,195,740        | \$ 5,226,791               | \$ 20,319                   | \$ 171,676          | \$ 10,347          | \$ 77,715                                           | \$ 8,702,588        |
| Accumulated depreciation                       | ( 1,552,046)        | ( 4,316,195)               | ( 18,024)                   | ( 139,974)          | ( 2,834)           | -                                                   | ( 6,029,073)        |
| Accumulated impairment                         | -                   | ( 3,014)                   | -                           | -                   | -                  | -                                                   | ( 3,014)            |
|                                                | <u>\$ 1,643,694</u> | <u>\$ 907,582</u>          | <u>\$ 2,295</u>             | <u>\$ 31,702</u>    | <u>\$ 7,513</u>    | <u>\$ 77,715</u>                                    | <u>\$ 2,670,501</u> |
| <u>For the year ended December 31, 2024</u>    |                     |                            |                             |                     |                    |                                                     |                     |
| At January 1                                   | \$ 1,643,694        | \$ 907,582                 | \$ 2,295                    | \$ 31,702           | \$ 7,513           | \$ 77,715                                           | \$ 2,670,501        |
| Additions                                      | -                   | 136                        | -                           | -                   | -                  | 55,389                                              | 55,525              |
| Reclassified from prepayments<br>for equipment | -                   | -                          | -                           | -                   | -                  | 119,034                                             | 119,034             |
| Reclassified upon completion                   | 28,697              | 161,961                    | 1,154                       | 21,187              | -                  | ( 212,999)                                          | -                   |
| Depreciation charge                            | ( 146,075)          | ( 194,914)                 | ( 666)                      | ( 11,940)           | ( 485)             | -                                                   | ( 354,080)          |
| Disposals — Cost                               | -                   | ( 48,298)                  | ( 351)                      | ( 16,001)           | ( 354)             | -                                                   | ( 65,004)           |
| — Accumulated depreciation                     | -                   | 47,616                     | 351                         | 16,001              | 354                | -                                                   | 64,322              |
| Transferred to expenses — Cost                 | -                   | ( 10,528)                  | -                           | -                   | -                  | -                                                   | ( 10,528)           |
| — Accumulated<br>depreciation                  | -                   | 10,409                     | -                           | -                   | -                  | -                                                   | 10,409              |
| Impairment loss                                | -                   | ( 1,119)                   | -                           | -                   | -                  | -                                                   | ( 1,119)            |
| At December 31                                 | <u>\$ 1,526,316</u> | <u>\$ 872,845</u>          | <u>\$ 2,783</u>             | <u>\$ 40,949</u>    | <u>\$ 7,028</u>    | <u>\$ 39,139</u>                                    | <u>\$ 2,489,060</u> |
| <u>December 31, 2024</u>                       |                     |                            |                             |                     |                    |                                                     |                     |
| Cost                                           | \$ 3,224,437        | \$ 5,330,062               | \$ 21,122                   | \$ 176,862          | \$ 9,993           | \$ 39,139                                           | \$ 8,801,615        |
| Accumulated depreciation                       | ( 1,698,121)        | ( 4,453,084)               | ( 18,339)                   | ( 135,913)          | ( 2,965)           | -                                                   | ( 6,308,422)        |
| Accumulated impairment                         | -                   | ( 4,133)                   | -                           | -                   | -                  | -                                                   | ( 4,133)            |
|                                                | <u>\$ 1,526,316</u> | <u>\$ 872,845</u>          | <u>\$ 2,783</u>             | <u>\$ 40,949</u>    | <u>\$ 7,028</u>    | <u>\$ 39,139</u>                                    | <u>\$ 2,489,060</u> |

|                                                |                     |                                    |                                     |                             |                            | Construction in<br>progress and<br>equipment before<br>acceptance inspection | Total               |
|------------------------------------------------|---------------------|------------------------------------|-------------------------------------|-----------------------------|----------------------------|------------------------------------------------------------------------------|---------------------|
| <u>January 1, 2023</u>                         | <u>Buildings</u>    | <u>Machinery and<br/>equipment</u> | <u>Transportation<br/>equipment</u> | <u>Office<br/>equipment</u> | <u>Other<br/>equipment</u> |                                                                              |                     |
| Cost                                           | \$ 3,068,749        | \$ 5,166,340                       | \$ 17,828                           | \$ 153,415                  | \$ 10,715                  | \$ 136,213                                                                   | \$ 8,553,260        |
| Accumulated depreciation                       | ( 1,414,480)        | ( 4,178,650)                       | ( 17,566)                           | ( 136,617)                  | ( 2,697)                   | -                                                                            | ( 5,750,010)        |
| Accumulated impairment                         | -                   | ( 3,015)                           | -                                   | -                           | -                          | -                                                                            | ( 3,015)            |
|                                                | <u>\$ 1,654,269</u> | <u>\$ 984,675</u>                  | <u>\$ 262</u>                       | <u>\$ 16,798</u>            | <u>\$ 8,018</u>            | <u>\$ 136,213</u>                                                            | <u>\$ 2,800,235</u> |
| <u>For the year ended December 31, 2023</u>    |                     |                                    |                                     |                             |                            |                                                                              |                     |
| At January 1                                   | \$ 1,654,269        | \$ 984,675                         | \$ 262                              | \$ 16,798                   | \$ 8,018                   | \$ 136,213                                                                   | \$ 2,800,235        |
| Additions                                      | -                   | 856                                | -                                   | -                           | -                          | 84,351                                                                       | 85,207              |
| Reclassified from prepayments<br>for equipment | -                   | -                                  | -                                   | -                           | -                          | 129,890                                                                      | 129,890             |
| Reclassified upon completion                   | 129,531             | 115,247                            | 2,491                               | 25,470                      | -                          | ( 272,739)                                                                   | -                   |
| Depreciation charge                            | ( 140,106)          | ( 193,197)                         | ( 458)                              | ( 10,566)                   | ( 505)                     | -                                                                            | ( 344,832)          |
| Disposals — Cost                               | ( 2,540)            | ( 55,652)                          | -                                   | ( 7,209)                    | ( 368)                     | -                                                                            | ( 65,769)           |
| — Accumulated depreciation                     | 2,540               | 55,652                             | -                                   | 7,209                       | 368                        | -                                                                            | 65,769              |
| Gain on reversal of impairment loss            | -                   | 1                                  | -                                   | -                           | -                          | -                                                                            | 1                   |
| At December 31                                 | <u>\$ 1,643,694</u> | <u>\$ 907,582</u>                  | <u>\$ 2,295</u>                     | <u>\$ 31,702</u>            | <u>\$ 7,513</u>            | <u>\$ 77,715</u>                                                             | <u>\$ 2,670,501</u> |
| <u>December 31, 2023</u>                       |                     |                                    |                                     |                             |                            |                                                                              |                     |
| Cost                                           | \$ 3,195,740        | \$ 5,226,791                       | \$ 20,319                           | \$ 171,676                  | \$ 10,347                  | \$ 77,715                                                                    | \$ 8,702,588        |
| Accumulated depreciation                       | ( 1,552,046)        | ( 4,316,195)                       | ( 18,024)                           | ( 139,974)                  | ( 2,834)                   | -                                                                            | ( 6,029,073)        |
| Accumulated impairment                         | -                   | ( 3,014)                           | -                                   | -                           | -                          | -                                                                            | ( 3,014)            |
|                                                | <u>\$ 1,643,694</u> | <u>\$ 907,582</u>                  | <u>\$ 2,295</u>                     | <u>\$ 31,702</u>            | <u>\$ 7,513</u>            | <u>\$ 77,715</u>                                                             | <u>\$ 2,670,501</u> |

- A. The Company has not capitalised any interest for the years ended December 31, 2024 and 2023.
- B. The Company's property, plant and equipment were owner-occupied for the years ended December 31, 2024 and 2023.
- C. Information about reversal of impairment loss and impairment loss on property, plant and equipment is provided in Note 6(9).
- D. As of December 31, 2024 and 2023, no property, plant and equipment were pledged to others as collateral.

(8) LEASING ARRANGEMENTS – LESSEE

- A. The Company leases land and buildings and structures. Rental contracts are typically made for periods of 50 (including 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. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less 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>December 31, 2024</u>                | <u>December 31, 2023</u>   |
|--------------------------|-----------------------------------------|----------------------------|
|                          | <u>Carrying amount</u>                  | <u>Carrying amount</u>     |
| Land                     | \$ 619,515                              | \$ 571,610                 |
| Buildings and structures | 2,345                                   | 1,007                      |
|                          | <u>\$ 621,860</u>                       | <u>\$ 572,617</u>          |
|                          | <u>For the years ended December 31,</u> |                            |
|                          | <u>2024</u>                             | <u>2023</u>                |
|                          | <u>Depreciation charge</u>              | <u>Depreciation charge</u> |
| Land                     | \$ 14,080                               | \$ 12,702                  |
| Buildings and structures | 1,342                                   | 1,343                      |
|                          | <u>\$ 15,422</u>                        | <u>\$ 14,045</u>           |

- D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$2,680 and \$—, respectively, and the additions from remeasurement of right-of-use assets were \$61,985 and \$—, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

|                                       | <u>For the years ended December 31,</u> |             |
|---------------------------------------|-----------------------------------------|-------------|
|                                       | <u>2024</u>                             | <u>2023</u> |
| <u>Items affecting profit or loss</u> |                                         |             |
| Interest expense on lease liabilities | \$ 7,292                                | \$ 6,719    |
| Expense on short-term lease contracts | 730                                     | 582         |
| Expense on leases of low-value assets | 4,014                                   | 3,592       |

F. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were \$24,508 and \$22,180, respectively.

(9) IMPAIRMENT OF NON-FINANCIAL ASSETS

- A. Some of the idle machineries were again utilised in production and accordingly, the Company recognised the (impairment loss) gain on reversal of impairment loss amounting to (\$1,119) and \$1 for the years ended December 31, 2024 and 2023 (listed as "Other gains and losses"), respectively. For details of accumulated impairment, refer to Note 6(7).
- B. The (impairment loss) gain on reversal of impairment loss reported by operating segments are as follows:

| Department        | For the years ended December 31, |                                                |                                 |                                                |
|-------------------|----------------------------------|------------------------------------------------|---------------------------------|------------------------------------------------|
|                   | 2024                             |                                                | 2023                            |                                                |
|                   | Recognised in<br>profit or loss  | Recognised in other<br>comprehensive<br>income | Recognised in<br>profit or loss | Recognised in other<br>comprehensive<br>income |
| ScinoPharm Taiwan | (\$ 1,119)                       | \$ -                                           | \$ 1                            | \$ -                                           |

(10) OTHER PAYABLES

|                                                                | December 31, 2024 | December 31, 2023 |
|----------------------------------------------------------------|-------------------|-------------------|
| Payables on equipment                                          | \$ 68,934         | \$ 48,123         |
| Accrued salaries and bonuses                                   | 66,177            | 71,891            |
| Accrued employees' compensation<br>and directors' remuneration | 46,723            | 39,472            |
| Others                                                         | 180,726           | 169,041           |
|                                                                | <u>\$ 362,560</u> | <u>\$ 328,527</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 at the time of approved 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 methods to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by the end of March next year.

(a) The amounts recognised in the balance sheet are as follows:

|                                              | December 31, 2024 | December 31, 2023 |
|----------------------------------------------|-------------------|-------------------|
| Present value of defined benefit obligations | \$ 99,288         | \$ 103,268        |
| Fair value of plan assets                    | ( 75,674)         | ( 48,754)         |
| Net defined benefit liability                | <u>\$ 23,614</u>  | <u>\$ 54,514</u>  |

(b) Movements in net defined liabilities are as follows:

|                                    | For the year ended December 31, 2024               |                              |                                  |
|------------------------------------|----------------------------------------------------|------------------------------|----------------------------------|
|                                    | Present value of<br>defined benefit<br>obligations | Fair value of<br>plan assets | Net defined<br>benefit liability |
| At January 1                       | \$ 103,268                                         | (\$ 48,754)                  | \$ 54,514                        |
| Current service cost               | 436                                                | -                            | 436                              |
| Interest expense (income)          | 1,239                                              | ( 585)                       | 654                              |
|                                    | <u>104,943</u>                                     | <u>( 49,339)</u>             | <u>55,604</u>                    |
| Remeasurements:                    |                                                    |                              |                                  |
| Return on plan assets              | -                                                  | ( 3,794)                     | ( 3,794)                         |
| Change in financial<br>assumptions | ( 3,038)                                           | -                            | ( 3,038)                         |
| Experience adjustments             | 7,372                                              | -                            | 7,372                            |
|                                    | <u>4,334</u>                                       | <u>( 3,794)</u>              | <u>540</u>                       |
| Pension fund contribution          | -                                                  | ( 32,530)                    | ( 32,530)                        |
| Paid pension                       | ( 9,989)                                           | 9,989                        | -                                |
| At December 31                     | <u>\$ 99,288</u>                                   | <u>(\$ 75,674)</u>           | <u>\$ 23,614</u>                 |

|                           | For the year ended December 31, 2023               |                              |                                  |
|---------------------------|----------------------------------------------------|------------------------------|----------------------------------|
|                           | Present value of<br>defined benefit<br>obligations | Fair value of<br>plan assets | Net defined<br>benefit liability |
| At January 1              | \$ 101,171                                         | (\$ 26,680)                  | \$ 74,491                        |
| Current service cost      | 356                                                | -                            | 356                              |
| Interest expense (income) | 1,215                                              | ( 321)                       | 894                              |
|                           | <u>102,742</u>                                     | <u>( 27,001)</u>             | <u>75,741</u>                    |
| Remeasurements:           |                                                    |                              |                                  |
| Return on plan assets     | -                                                  | ( 109)                       | ( 109)                           |
| Experience adjustments    | 526                                                | -                            | 526                              |
|                           | <u>526</u>                                         | <u>( 109)</u>                | <u>417</u>                       |
| Pension fund contribution | -                                                  | ( 21,644)                    | ( 21,644)                        |
| At December 31            | <u>\$ 103,268</u>                                  | <u>(\$ 48,754)</u>           | <u>\$ 54,514</u>                 |

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

|                         | For the years ended December 31, |              |
|-------------------------|----------------------------------|--------------|
|                         | 2024                             | 2023         |
| Discount rate           | <u>1.60%</u>                     | <u>1.20%</u> |
| Future salary increases | <u>1.00%</u>                     | <u>1.00%</u> |

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience according to Taiwan Life Insurance Industry 6<sup>th</sup> Mortality Table for the years ended December 31, 2024 and 2023.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

|                                                       | Discount rate  |                | Future salary increases |                |
|-------------------------------------------------------|----------------|----------------|-------------------------|----------------|
|                                                       | Increase 0.25% | Decrease 0.25% | Increase 0.25%          | Decrease 0.25% |
| <u>December 31, 2024</u>                              |                |                |                         |                |
| Effect on present value of defined benefit obligation | (\$ 1,831)     | \$ 1,883       | \$ 1,639                | (\$ 1,604)     |
| <u>December 31, 2023</u>                              |                |                |                         |                |
| Effect on present value of defined benefit obligation | (\$ 2,050)     | \$ 2,109       | \$ 1,848                | (\$ 1,808)     |

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

- (e) Expected contributions to the defined benefit pension plan of the Company for 2025 amounted to \$2,762.
- (f) As of December 31, 2024, the weighted average duration of that retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

|               |                   |
|---------------|-------------------|
| Within 1 year | \$ 4,069          |
| 2~5 years     | 35,932            |
| Over 6 years  | 72,323            |
|               | <u>\$ 112,324</u> |

- B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The net pension costs recognised under the defined contribution plan were \$29,518 and \$28,387 for the years ended December 31, 2024 and 2023, respectively.

(12) SHARE CAPITAL

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

|                                         | For the years ended December 31, |                |
|-----------------------------------------|----------------------------------|----------------|
|                                         | 2024                             | 2023           |
| Beginning and ending number of the year | <u>790,739</u>                   | <u>790,739</u> |

B. As of December 31, 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 RESERVE

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 stock 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 in the Company's capital reserve are as follows:

|                                               | For the year ended December 31, 2024 |                  |                     |
|-----------------------------------------------|--------------------------------------|------------------|---------------------|
|                                               | Share premium                        | Stock options    | Total               |
| At January 1                                  | \$ 1,265,336                         | \$ 29,353        | \$ 1,294,689        |
| Employee stock options forfeited<br>— Company | <u>482</u>                           | <u>( 482)</u>    | <u>-</u>            |
| At December 31                                | <u>\$ 1,265,818</u>                  | <u>\$ 28,871</u> | <u>\$ 1,294,689</u> |

  

|                                               | For the year ended December 31, 2023 |                  |                     |
|-----------------------------------------------|--------------------------------------|------------------|---------------------|
|                                               | Share premium                        | Stock options    | Total               |
| At January 1                                  | \$ 1,256,454                         | \$ 38,235        | \$ 1,294,689        |
| Employee stock options forfeited<br>— Company | <u>8,882</u>                         | <u>( 8,882)</u>  | <u>-</u>            |
| At December 31                                | <u>\$ 1,265,336</u>                  | <u>\$ 29,353</u> | <u>\$ 1,294,689</u> |

(14) SHARE-BASED PAYMENT - EMPLOYEES' COMPENSATION

A. The Company issued 1.5 million units and 1.5 million units of employee stock options on November 6, 2015 and October 14, 2016, respectively (the Grant Date). The exercise prices of the options were set at \$41.65 dollars (in dollars) and \$40.55 (in dollars), respectively, which were based on the closing market price of the Company's common shares on the Grant Date. 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 arrangement are as follows:

|                                              |   | <u>For the year ended December 31, 2024</u> |                  |
|----------------------------------------------|---|---------------------------------------------|------------------|
|                                              |   | Number of options                           | Weighted-average |
|                                              |   | (unit in thousands )                        | exercise price   |
|                                              |   |                                             | (in dollars)     |
| Options outstanding at beginning of the year |   | 1,164                                       | \$ 36.07         |
| Options forfeited                            | ( | 36)                                         | 36.13            |
| Options outstanding at end of the year       |   | <u>1,128</u>                                | 36.07            |
| Options exercisable at end of the year       |   | <u>1,128</u>                                | 36.07            |
|                                              |   | <u>For the year ended December 31, 2023</u> |                  |
|                                              |   | Number of options                           | Weighted-average |
|                                              |   | (unit in thousands )                        | exercise price   |
|                                              |   |                                             | (in dollars)     |
| Options outstanding at beginning of the year |   | 1,526                                       | \$ 43.50         |
| Options forfeited                            | ( | 362)                                        | 67.39            |
| Options outstanding at end of the year       |   | <u>1,164</u>                                | 36.07            |
| Options exercisable at end of the year       |   | <u>1,164</u>                                | 36.07            |

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

|                   |                    | <u>December 31, 2024</u> |                | <u>December 31, 2023</u> |                |
|-------------------|--------------------|--------------------------|----------------|--------------------------|----------------|
|                   |                    | No. of stocks            | Exercise price | No. of stocks            | Exercise price |
| <u>Grant date</u> | <u>Expiry date</u> | (unit in thousands)      | (in dollars)   | (unit in thousands)      | (in dollars)   |
| 11.6.2015         | 11.5.2025          | 515                      | \$ 35.80       | 527                      | \$ 35.80       |
| 10.14.2016        | 10.13.2026         | 613                      | 36.30          | 637                      | 36.30          |

D. The fair value of the Company'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<br>(in dollars) | Exercise price<br>(in dollars) | Price volatility | Option life | Expected dividends | Interest rate | Fair value per unit<br>(in dollars) |
|------------------------|------------|-----------------------------|--------------------------------|------------------|-------------|--------------------|---------------|-------------------------------------|
| Employee stock options | 11.6.2015  | \$ 41.65                    | \$ 41.65                       | 37.63%<br>(Note) | 10 years    | 1.5%               | 1.2936%       | \$ 13.799                           |
| Employee stock options | 10.14.2016 | 40.55                       | 40.55                          | 37.20%<br>(Note) | 10 years    | 1.5%               | 0.9223%       | 13.171                              |

Note: According to daily returns of the Company's stock for the previous year, the annualised volatility were 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 for 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. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. As of December 31, 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 \$237,222 (\$0.3 (in dollars) per share) and \$284,666 (\$0.36 (in dollars) per share) for the years ended December 31, 2024 and 2023, respectively. On February 26, 2025, the Board of Directors proposed for the distribution of cash dividends of \$276,759 (\$0.35 (in dollars) per share) from 2024 earnings.

(16) OTHER EQUITY ITEMS

| For the year ended December 31, 2024 |                      |              |              |
|--------------------------------------|----------------------|--------------|--------------|
| Unrealised gain (loss)               |                      |              |              |
|                                      | Currency translation | on valuation | Total        |
| At January 1                         | (\$ 88,156)          | (\$ 97,700)  | (\$ 185,856) |
| Revaluation                          | -                    | 161          | 161          |
| Currency translation differences     |                      |              |              |
| - Group                              | 59,518               | -            | 59,518       |
| At December 31                       | (\$ 28,638)          | (\$ 97,539)  | (\$ 126,177) |

  

| For the year ended December 31, 2023 |                      |              |              |
|--------------------------------------|----------------------|--------------|--------------|
| Unrealised gain (loss)               |                      |              |              |
|                                      | Currency translation | on valuation | Total        |
| At January 1                         | (\$ 43,119)          | (\$ 55,057)  | (\$ 98,176)  |
| Revaluation                          | -                    | ( 42,643)    | ( 42,643)    |
| Currency translation differences     |                      |              |              |
| - Group                              | ( 45,037)            | -            | ( 45,037)    |
| At December 31                       | (\$ 88,156)          | (\$ 97,700)  | (\$ 185,856) |

(17) OPERATING REVENUE

A. Disaggregation of revenue from contracts with customers

The Company 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:

| For the year ended<br>December 31, 2024 | API<br>Income       | Injection<br>Product<br>Income | Technical<br>Service<br>Income | Other<br>Operating<br>Income | Total               |
|-----------------------------------------|---------------------|--------------------------------|--------------------------------|------------------------------|---------------------|
| Timing of revenue<br>recognition:       |                     |                                |                                |                              |                     |
| At a point in time                      | \$ 2,761,020        | \$ 80,070                      | \$ -                           | \$ 44,814                    | \$ 2,885,904        |
| Over time                               | -                   | -                              | 253,152                        | -                            | 253,152             |
|                                         | <u>\$ 2,761,020</u> | <u>\$ 80,070</u>               | <u>\$ 253,152</u>              | <u>\$ 44,814</u>             | <u>\$ 3,139,056</u> |
| For the year ended<br>December 31, 2023 | API<br>Income       | Injection<br>Product<br>Income | Technical<br>Service<br>Income | Other<br>Operating<br>Income | Total               |
| Timing of revenue<br>recognition:       |                     |                                |                                |                              |                     |
| At a point in time                      | \$ 2,694,683        | \$ 68,033                      | \$ -                           | \$ 111,673                   | \$ 2,874,389        |
| Over time                               | -                   | -                              | 132,563                        | -                            | 132,563             |
|                                         | <u>\$ 2,694,683</u> | <u>\$ 68,033</u>               | <u>\$ 132,563</u>              | <u>\$ 111,673</u>            | <u>\$ 3,006,952</u> |

B. The Company has recognised contract liabilities and assets.

|                              | December 31, 2024 | December 31, 2023 | January 1, 2023  |
|------------------------------|-------------------|-------------------|------------------|
| Contract assets-current      | <u>\$ 29,397</u>  | <u>\$ -</u>       | <u>\$ -</u>      |
| Contract liabilities-current | <u>\$ 118,413</u> | <u>\$ 87,883</u>  | <u>\$ 55,582</u> |

C. The revenue recognised that was included in the contract liability balance at the beginning of the year amounted to \$56,080 and \$47,253 for the years ended December 31, 2024 and 2023, respectively.

(18) INTEREST INCOME

|                                    | For the years ended December 31, |                  |
|------------------------------------|----------------------------------|------------------|
|                                    | 2024                             | 2023             |
| Interest income from bank deposits | <u>\$ 60,930</u>                 | <u>\$ 53,046</u> |

(19) OTHER INCOME

|                                    | For the years ended December 31, |                  |
|------------------------------------|----------------------------------|------------------|
|                                    | 2024                             | 2023             |
| Management service revenue         | \$ 7,894                         | \$ 9,246         |
| Production capacity subsidy income | 1,674                            | 6,337            |
| Others                             | 1,721                            | 3,834            |
|                                    | <u>\$ 11,289</u>                 | <u>\$ 19,417</u> |

(20) OTHER GAINS AND LOSSES

|                                                                               | For the years ended December 31, |                    |
|-------------------------------------------------------------------------------|----------------------------------|--------------------|
|                                                                               | 2024                             | 2023               |
| (Impairment loss) gain on reversal of impairment loss                         | (\$ 1,119)                       | \$ 1               |
| Net currency exchange gain (loss)                                             | 41,511                           | (11,071)           |
| Net loss on financial assets/liabilities at fair value through profit or loss | ( 29,294)                        | ( 7,578)           |
| Loss on disposal of property, plant and equipment                             | ( 682)                           | -                  |
| Others                                                                        | ( 4,381)                         | ( 6,133)           |
|                                                                               | <u>\$ 6,035</u>                  | <u>(\$ 24,781)</u> |

(21) FINANCE COSTS

|                               | For the years ended December 31, |                 |
|-------------------------------|----------------------------------|-----------------|
|                               | 2024                             | 2023            |
| Interest expense:             |                                  |                 |
| Interest on lease liabilities | <u>\$ 7,292</u>                  | <u>\$ 6,719</u> |

(22) EXPENSES BY NATURE

|                                               | For the year ended December 31, 2024 |                    |                     |
|-----------------------------------------------|--------------------------------------|--------------------|---------------------|
|                                               | Operating costs                      | Operating expenses | Total               |
| Employee benefit expenses                     | \$ 540,808                           | \$ 289,234         | \$ 830,042          |
| Depreciation of property, plant and equipment | 299,120                              | 54,960             | 354,080             |
| Depreciation of right-of-use assets           | -                                    | 15,422             | 15,422              |
| Amortisation                                  | 376                                  | 5,618              | 5,994               |
|                                               | <u>\$ 840,304</u>                    | <u>\$ 365,234</u>  | <u>\$ 1,205,538</u> |

|                                               | For the year ended December 31, 2023 |                           |                     |
|-----------------------------------------------|--------------------------------------|---------------------------|---------------------|
|                                               | <u>Operating costs</u>               | <u>Operating expenses</u> | <u>Total</u>        |
| Employee benefit expenses                     | \$ 510,877                           | \$ 282,000                | \$ 792,877          |
| Depreciation of property, plant and equipment | 293,120                              | 51,712                    | 344,832             |
| Depreciation of right-of-use assets           | -                                    | 14,045                    | 14,045              |
| Amortisation                                  | 578                                  | 2,796                     | 3,374               |
|                                               | <u>\$ 804,575</u>                    | <u>\$ 350,553</u>         | <u>\$ 1,155,128</u> |

(23) EMPLOYEE BENEFIT EXPENSES

|                                     | For the year ended December 31, 2024 |                           |                   |
|-------------------------------------|--------------------------------------|---------------------------|-------------------|
|                                     | <u>Operating costs</u>               | <u>Operating expenses</u> | <u>Total</u>      |
| Salaries and wages                  | \$ 455,830                           | \$ 229,723                | \$ 685,553        |
| Labor and health insurance expenses | 43,613                               | 18,693                    | 62,306            |
| Pension costs                       | 21,544                               | 9,064                     | 30,608            |
| Directors' compensation             | -                                    | 18,733                    | 18,733            |
| Other personnel expenses            | 19,821                               | 13,021                    | 32,842            |
|                                     | <u>\$ 540,808</u>                    | <u>\$ 289,234</u>         | <u>\$ 830,042</u> |

|                                     | For the year ended December 31, 2023 |                           |                   |
|-------------------------------------|--------------------------------------|---------------------------|-------------------|
|                                     | <u>Operating costs</u>               | <u>Operating expenses</u> | <u>Total</u>      |
| Salaries and wages                  | \$ 432,183                           | \$ 226,406                | \$ 658,589        |
| Labor and health insurance expenses | 41,798                               | 18,377                    | 60,175            |
| Pension costs                       | 20,773                               | 8,864                     | 29,637            |
| Directors' compensation             | -                                    | 16,678                    | 16,678            |
| Other personnel expenses            | 16,123                               | 11,675                    | 27,798            |
|                                     | <u>\$ 510,877</u>                    | <u>\$ 282,000</u>         | <u>\$ 792,877</u> |

A. As of December 31, 2024 and 2023, the Company had 765 and 748 employees, including 16 and 15 non-employee directors, respectively.

- B. For the years ended December 31, 2024 and 2023, the average employee benefit expense were \$1,083 and \$1,059, respectively; while the average wages and salaries were \$915 and \$898, respectively. For the year ended December 31, 2024, the average employee benefit expense increased by 1.89%.
- C. Remuneration policy, standards and packages, procedures for determining remuneration and the correlation with operating performance and future risk exposure:
- (a) Remunerations of directors include reward, transportation allowance, income from professional practice, and earnings distribution. The rewards of directors will be determined by the board of directors, based on authorization by the Company as set in Company rules and regulations, after weighing the degree of their participation in the Company's business operations, the value of their contributions and the rewards of their counterparts in the Company. The distribution of earnings to directors, in accordance with Company rules and regulations, will be carried out after being deliberated by the board of directors and ratified by the shareholders during their meeting.
  - (b) Remunerations of president and vice presidents include regular pay and employee bonus. The regular pay will be determined taking into consideration their contributions to the Company and the average pay level of their respective peers within the Company. The allocation criteria for employee bonus will be based on Company rules and regulations and the allocation will be done after being deliberated by the board of directors and ratified by the shareholders during their meeting.
  - (c) Employees' compensation including salary, bonus and compensation. Salary shall be paid based on the salary ranges for a particular job grade. Bonus is paid by linking with employees' and departments' target achievement and the Company's operating performance. The allocation criteria for employee bonus will be based on the Company's Articles of Incorporation and the allocation will be done after being proposed to and deliberated by the board of directors and reported to the shareholders during their meeting.
  - (d) Related remunerations are to be determined in accordance with the contributions to the Company and the remuneration levels of the Company's peers, and the remuneration figures will be revealed in accordance with related rules and regulations of the law.
- D. 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.

E. For the years ended December 31, 2024 and 2023, employees' compensation was accrued at \$41,293 and \$34,879, respectively; while directors' remuneration was accrued at \$5,430 and \$4,593, respectively. The aforementioned amounts were recognised in salary expenses. The expenses recognised for each year was accrued based on the earnings of current year 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 estimated amount recognised in the 2023 financial statements. The employees' compensation was distributed in the form of cash for 2023. On February 26, 2025, the Board of Directors resolved to distribute employees' compensation and directors' remuneration of \$41,293 and \$5,430, respectively, and the employees' compensation will be distributed in the form of cash. Information about the appropriation of employees' compensation and directors' remuneration of 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

(a) Components of income tax expense:

|                                                   | For the years ended December 31, |                  |
|---------------------------------------------------|----------------------------------|------------------|
|                                                   | 2024                             | 2023             |
| Current income tax:                               |                                  |                  |
| Income tax in the current year                    | \$ 57,383                        | \$ 71,029        |
| Over provision of prior year's income tax         | ( 2,967)                         | ( 4,694)         |
| Total current tax                                 | <u>54,416</u>                    | <u>66,335</u>    |
| Deferred income tax:                              |                                  |                  |
| Origination and reversal of temporary differences | <u>19,168</u>                    | ( 4,602)         |
| Income tax expense                                | <u>\$ 73,584</u>                 | <u>\$ 61,733</u> |

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

|                                              | For the years ended December 31, |                |
|----------------------------------------------|----------------------------------|----------------|
|                                              | 2024                             | 2023           |
| Remeasurement of defined benefit obligations | <u>(\$ 107)</u>                  | <u>(\$ 84)</u> |

B. Reconciliation between income tax expense and accounting profit:

|                                              | For the years ended December 31, |                  |
|----------------------------------------------|----------------------------------|------------------|
|                                              | 2024                             | 2023             |
| Income tax at statutory tax rate             | \$ 82,587                        | \$ 69,758        |
| Effect of items disallowed by tax regulation | 1,203                            | 2,974            |
| Effect of investment tax credits             | ( 7,239)                         | ( 6,305)         |
| Over provision of prior year's income tax    | ( 2,967)                         | ( 4,694)         |
| Income tax expense                           | <u>\$ 73,584</u>                 | <u>\$ 61,733</u> |

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

|                                                                    | For the year ended December 31, 2024 |                              |                                          |                   |
|--------------------------------------------------------------------|--------------------------------------|------------------------------|------------------------------------------|-------------------|
|                                                                    | January 1                            | Recognised in profit or loss | Recognised in other comprehensive income | December 31       |
| Deferred tax assets:                                               |                                      |                              |                                          |                   |
| Temporary differences:                                             |                                      |                              |                                          |                   |
| Unrealised loss on inventory market value decline                  | \$ 64,931                            | (\$ 179)                     | \$ -                                     | \$ 64,752         |
| Unrealised loss on components and spare parts market value decline | 17,345                               | 82                           | -                                        | 17,427            |
| Investment loss                                                    | 441,260                              | ( 8,184)                     | -                                        | 433,076           |
| Pensions                                                           | 10,903                               | ( 6,288)                     | 107                                      | 4,722             |
| Employee benefits - unused compensated absences                    | 5,098                                | ( 1,727)                     | -                                        | 3,371             |
| Impairment of assets                                               | 603                                  | 223                          | -                                        | 826               |
| Unrealised exchange loss                                           | 3,697                                | ( 3,697)                     | -                                        | -                 |
| Unrealised loss on financial liabilities                           | -                                    | 245                          | -                                        | 245               |
|                                                                    | <u>\$ 543,837</u>                    | <u>(\$ 19,525)</u>           | <u>\$ 107</u>                            | <u>\$ 524,419</u> |
| Deferred tax liabilities:                                          |                                      |                              |                                          |                   |
| Temporary differences:                                             |                                      |                              |                                          |                   |
| Unrealised exchange gain                                           | \$ -                                 | (\$ 1,304)                   | \$ -                                     | (\$ 1,304)        |
| Unrealised gain on financial assets                                | ( 1,661)                             | 1,661                        | -                                        | -                 |
|                                                                    | <u>(\$ 1,661)</u>                    | <u>\$ 357</u>                | <u>\$ -</u>                              | <u>(\$ 1,304)</u> |
|                                                                    | <u>\$ 542,176</u>                    | <u>(\$ 19,168)</u>           | <u>\$ 107</u>                            | <u>\$ 523,115</u> |

| For the year ended December 31, 2023 |                   |                                         |                                         |                    |
|--------------------------------------|-------------------|-----------------------------------------|-----------------------------------------|--------------------|
|                                      |                   |                                         | Recognised<br>in other<br>comprehensive |                    |
|                                      | <u>January 1</u>  | <u>Recognised in<br/>profit or loss</u> | <u>income</u>                           | <u>December 31</u> |
| Deferred tax assets:                 |                   |                                         |                                         |                    |
| Temporary differences:               |                   |                                         |                                         |                    |
| Unrealised loss on inventory         |                   |                                         |                                         |                    |
| market value decline                 | \$ 60,281         | \$ 4,650                                | \$ -                                    | \$ 64,931          |
| Unrealised loss on                   |                   |                                         |                                         |                    |
| components and spare parts           |                   |                                         |                                         |                    |
| market value decline                 | 16,917            | 428                                     | -                                       | 17,345             |
| Investment loss                      | 439,499           | 1,761                                   | -                                       | 441,260            |
| Pensions                             | 14,899            | ( 4,080)                                | 84                                      | 10,903             |
| Employee benefits - unused           |                   |                                         |                                         |                    |
| compensated absences                 | 4,715             | 383                                     | -                                       | 5,098              |
| Impairment of assets                 | 603               | -                                       | -                                       | 603                |
| Unrealised exchange loss             | 504               | 3,193                                   | -                                       | 3,697              |
| Unrealised loss on                   |                   |                                         |                                         |                    |
| financial liabilities                | 72                | ( 72)                                   | -                                       | -                  |
|                                      | <u>\$ 537,490</u> | <u>\$ 6,263</u>                         | <u>\$ 84</u>                            | <u>\$ 543,837</u>  |
| Deferred tax liabilities:            |                   |                                         |                                         |                    |
| Temporary differences:               |                   |                                         |                                         |                    |
| Unrealised gain on financial         |                   |                                         |                                         |                    |
| assets                               | \$ -              | (\$ 1,661)                              | \$ -                                    | (\$ 1,661)         |
|                                      | <u>\$ 537,490</u> | <u>\$ 4,602</u>                         | <u>\$ 84</u>                            | <u>\$ 542,176</u>  |

D. 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 February 26, 2025.

(25) EARNINGS PER SHARE (“EPS”)

| For the year ended December 31, 2024                                                                           |                  |                                                                           |                     |
|----------------------------------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------|---------------------|
|                                                                                                                | Amount after tax | Weighted average number of<br>shares outstanding<br>(shares in thousands) | EPS<br>(in dollars) |
| <u>Basic earnings per share</u>                                                                                |                  |                                                                           |                     |
| Profit attributable to ordinary stockholders                                                                   | \$ 339,350       | 790,739                                                                   | \$ 0.43             |
| <u>Diluted earnings per share</u>                                                                              |                  |                                                                           |                     |
| Profit attributable to ordinary stockholders                                                                   | \$ 339,350       | 790,739                                                                   |                     |
| Assumed conversion of all dilutive potential ordinary shares                                                   |                  |                                                                           |                     |
| Employees' stock options                                                                                       | -                | -                                                                         |                     |
| Employees' compensation                                                                                        | -                | 2,132                                                                     |                     |
| Profit attributable to ordinary stockholders plus assumed conversion of all dilutive potential ordinary shares | \$ 339,350       | 792,871                                                                   | \$ 0.43             |
| For the year ended December 31, 2023                                                                           |                  |                                                                           |                     |
|                                                                                                                | Amount after tax | Weighted average number of<br>shares outstanding<br>(shares in thousands) | EPS<br>(in dollars) |
| <u>Basic earnings per share</u>                                                                                |                  |                                                                           |                     |
| Profit attributable to ordinary stockholders                                                                   | \$ 287,056       | 790,739                                                                   | \$ 0.36             |
| <u>Diluted earnings per share</u>                                                                              |                  |                                                                           |                     |
| Profit attributable to ordinary stockholders                                                                   | \$ 287,056       | 790,739                                                                   |                     |
| Assumed conversion of all dilutive potential ordinary shares                                                   |                  |                                                                           |                     |
| Employees' stock options                                                                                       | -                | -                                                                         |                     |
| Employees' compensation                                                                                        | -                | 1,589                                                                     |                     |
| Profit attributable to ordinary stockholders plus assumed conversion of all dilutive potential ordinary shares | \$ 287,056       | 792,328                                                                   | \$ 0.36             |

For the years ended December 31, 2024 and 2023, some abovementioned stock options issued are anti-dilutive, therefore they were not included in the EPS calculation.

(26) SUPPLEMENTAL CASH FLOW INFORMATION

A. Investing activities with partial cash payments

|                                                                                | For the years ended December 31, |                   |
|--------------------------------------------------------------------------------|----------------------------------|-------------------|
|                                                                                | 2024                             | 2023              |
| Purchase of property, plant and equipment                                      | \$ 55,525                        | \$ 85,207         |
| Add: Beginning balance of payable<br>on equipment (listed as "Other payables") | 48,123                           | 31,240            |
| Less: Ending balance of payable on<br>equipment (listed as "Other payables")   | ( 17,683)                        | ( 48,123)         |
| Cash paid for acquisition of property,<br>plant and equipment                  | <u>\$ 85,965</u>                 | <u>\$ 68,324</u>  |
|                                                                                | For the years ended December 31, |                   |
|                                                                                | 2024                             | 2023              |
| Purchase of prepayments for equipment                                          | \$ 155,508                       | \$ 114,396        |
| Less: Ending balance of payable on<br>equipment (listed as "Other payables")   | ( 51,251)                        | -                 |
| Cash paid for prepayment for equipment                                         | <u>\$ 104,257</u>                | <u>\$ 114,396</u> |

B. Investing and operating activities with no cash flow effects:

|                                                                            | For the years ended December 31, |                   |
|----------------------------------------------------------------------------|----------------------------------|-------------------|
|                                                                            | 2024                             | 2023              |
| Inventory reclassified to prepayments                                      | \$ 632                           | \$ -              |
| Prepayments for equipment reclassified to<br>property, plant and equipment | <u>\$ 119,034</u>                | <u>\$ 129,890</u> |

(27) CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES

| For the year ended                                | Lease             | Guarantee deposits | Liabilities from           |
|---------------------------------------------------|-------------------|--------------------|----------------------------|
| December 31, 2024                                 | liabilities       | received           | financing activities-gross |
| At January 1, 2024                                | \$ 587,787        | \$ -               | \$ 587,787                 |
| Changes in cash flow from<br>financing activities | ( 12,472)         | 1,628              | ( 10,844)                  |
| Changes in other non-cash<br>items                | 64,665            | -                  | 64,665                     |
| At December 31, 2024                              | <u>\$ 639,980</u> | <u>\$ 1,628</u>    | <u>\$ 641,608</u>          |
| For the year ended                                | Lease             | Guarantee deposits | Liabilities from           |
| December 31, 2023                                 | liabilities       | received           | financing activities-gross |
| At January 1, 2023                                | \$ 599,074        | \$ 1,378           | \$ 600,452                 |
| Changes in cash flow from<br>financing activities | ( 11,287)         | ( 1,378)           | ( 12,665)                  |
| At December 31, 2023                              | <u>\$ 587,787</u> | <u>\$ -</u>        | <u>\$ 587,787</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

| <u>Names of related parties</u>               | <u>Relationship with the Company</u> |
|-----------------------------------------------|--------------------------------------|
| Uni-President Enterprises Corp.               | Ultimate parent company              |
| SciAnda (Changshu) Pharmaceuticals, Ltd.      | Subsidiary                           |
| ScinoPharm Singapore Pte Ltd.                 | Subsidiary                           |
| SciAnda Shanghai Biochemical Technology, Ltd. | Subsidiary                           |
| 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 Co., Ltd.                      | 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 |

### (3) Significant transactions and balances with related parties

#### A. Operating revenue

|                                               | <u>For the years ended December 31,</u> |                  |
|-----------------------------------------------|-----------------------------------------|------------------|
|                                               | <u>2024</u>                             | <u>2023</u>      |
| SciAnda (Changshu) Pharmaceuticals, Ltd.      | \$ 9,560                                | \$ 473           |
| SciAnda Shanghai Biochemical Technology, Ltd. | 34                                      | 33,304           |
|                                               | <u>\$ 9,594</u>                         | <u>\$ 33,777</u> |

The sales prices and credit terms to related parties were the same with third parties. Collections are made in 90 days after acceptance.

#### B. Purchases

|                                          | <u>For the years ended December 31,</u> |                   |
|------------------------------------------|-----------------------------------------|-------------------|
|                                          | <u>2024</u>                             | <u>2023</u>       |
| SciAnda (Changshu) Pharmaceuticals, Ltd. | \$ 408,920                              | \$ 469,392        |
| Subsidiaries                             | 249                                     | -                 |
|                                          | <u>\$ 409,169</u>                       | <u>\$ 469,392</u> |

The purchase prices and payment terms from related parties were the same with third parties. Payments are made in 90 days after acceptance.

C. Other expenses

|                                         | For the years ended December 31, |                  |
|-----------------------------------------|----------------------------------|------------------|
|                                         | 2024                             | 2023             |
| Management service fees:                |                                  |                  |
| — Subsidiaries                          | \$ 12,859                        | \$ 13,234        |
| — Ultimate parent company               | 1,963                            | 2,410            |
| — Associates of ultimate parent company | 1,967                            | 1,992            |
|                                         | <u>\$ 16,789</u>                 | <u>\$ 17,636</u> |
| Rent expenses                           |                                  |                  |
| — Associates of ultimate parent company | <u>\$ 3,688</u>                  | <u>\$ 2,928</u>  |

D. Other revenue

|                                 | For the years ended December 31, |                 |
|---------------------------------|----------------------------------|-----------------|
|                                 | 2024                             | 2023            |
| Management consultancy revenue: |                                  |                 |
| — Subsidiaries                  | <u>\$ 7,894</u>                  | <u>\$ 9,246</u> |

E. Other receivables

|                                          | December 31, 2024 | December 31, 2023 |
|------------------------------------------|-------------------|-------------------|
| SciAnda (Changshu) Pharmaceuticals, Ltd. | <u>\$ 3,720</u>   | <u>\$ 2,960</u>   |

F. Accounts payable

|                                          | December 31, 2024 | December 31, 2023 |
|------------------------------------------|-------------------|-------------------|
| SciAnda (Changshu) Pharmaceuticals, Ltd. | <u>\$ 31,261</u>  | <u>\$ 43,283</u>  |

G. Other payables

|                                       | December 31, 2024 | December 31, 2023 |
|---------------------------------------|-------------------|-------------------|
| Subsidiaries                          | \$ 6,103          | \$ 838            |
| Associates of ultimate parent company | 2,111             | 1,899             |
|                                       | <u>\$ 8,214</u>   | <u>\$ 2,737</u>   |

H. Property transaction

|                                              | For the years ended December 31, |             |
|----------------------------------------------|----------------------------------|-------------|
|                                              | 2024                             | 2023        |
| Acquisition of plant, property and equipment |                                  |             |
| — Ultimate parent company                    | \$ 2                             | \$ -        |
| — Associates of ultimate parent company      | 1,017                            | -           |
|                                              | <u>\$ 1,019</u>                  | <u>\$ -</u> |

I. Endorsements and guarantees provided to related parties

Endorsement and guarantees provided by the Company to subsidiaries are as follows:

|                                          | Nature             | December 31, 2024 | December 31, 2023 |
|------------------------------------------|--------------------|-------------------|-------------------|
| SciAnda (Changshu) Pharmaceuticals, Ltd. | Financial gurantee | <u>\$ 179,661</u> | <u>\$ 302,725</u> |

As of December 31, 2024 and 2023, the actual drawn amount guaranteed by the Company to the subsidiary was \$—.

(4) Key management compensation

|                                                 | For the years ended December 31, |                  |
|-------------------------------------------------|----------------------------------|------------------|
|                                                 | 2024                             | 2023             |
| Salaries and other short-term employee benefits | \$ 53,463                        | \$ 51,354        |
| Post-employment benefits                        | 555                              | 641              |
| Termination benefits                            | 1,596                            | 1,540            |
|                                                 | <u>\$ 55,614</u>                 | <u>\$ 53,535</u> |

8. PLEDGED ASSETS

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

| Assets                       | December 31, 2024 | December 31, 2023 | Purpose of collateral                                             |
|------------------------------|-------------------|-------------------|-------------------------------------------------------------------|
| Pledged time deposits (Note) | <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 December 31, 2024 and 2023, the Company's unused letters of credit amounted to \$— and \$4,597, respectively.

(2) As of December 31, 2024 and 2023, the Company's remaining balance due for construction in progress and prepayments for equipment was \$440 and \$—, respectively.

(3) Information about endorsement and guarantee to others is provided in Note 7(3) I.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors resolved to subscribe to the private placement of common shares of Handa Pharmaceuticals, Inc., in accordance with the guidelines for the handling of securities by publicly listed companies on December 19, 2024. In February 2025, the Company will subscribe to 17 million shares, with a total subscription amount of \$1,156,000. After the capital increase, the Company will acquire a 10.74% equity stake in Handa Pharmaceuticals, Inc..

## 12. OTHERS

### (1) Capital management

The Company's objectives on managing capital are to safeguard the Company'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 Company 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 Company's financial instruments by category, refer to Note 6.

#### B. Risk management policies

- (a) The Company'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 Company's treasury identifies, evaluates and hedges financial risks closely with the Company'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).

#### C. Significant financial risks and degrees of financial risks

##### (a) Market risk

##### I. Foreign exchange rate risk

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

| December 31, 2024                         |                                           |               |                     |
|-------------------------------------------|-------------------------------------------|---------------|---------------------|
|                                           | Foreign currency<br>amount (in thousands) | Exchange rate | Book value<br>(NTD) |
| (Foreign currency<br>functional currency) |                                           |               |                     |
| <u>Financial assets</u>                   |                                           |               |                     |
| <u>Monetary items</u>                     |                                           |               |                     |
| USD:NTD                                   | \$ 19,124                                 | 32.79         | \$ 627,076          |
| CNY:NTD                                   | 8,827                                     | 4.492         | 39,651              |
| <u>Financial liabilities</u>              |                                           |               |                     |
| <u>Monetary items</u>                     |                                           |               |                     |
| USD:NTD                                   | 1,672                                     | 32.79         | 54,825              |
| GBP:NTD                                   | 173                                       | 41.19         | 7,126               |
| CNY:NTD                                   | 1,319                                     | 4.492         | 5,925               |
| EUR:NTD                                   | 48                                        | 34.14         | 1,639               |
| JPY:NTD                                   | 5,264                                     | 0.210         | 1,105               |

| December 31, 2023                         |                                           |               |                     |
|-------------------------------------------|-------------------------------------------|---------------|---------------------|
|                                           | Foreign currency<br>amount (in thousands) | Exchange rate | Book value<br>(NTD) |
| (Foreign currency<br>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                                   | 2,125                                     | 30.71         | 65,259              |
| CHF:NTD                                   | 132                                       | 36.49         | 4,817               |

(iv) As of December 31, 2024 and 2023, if the NTD:USD exchange rate appreciates/depreciates by 5% with all other factors remaining constant, the effect on the Company's net profit after tax for the years ended December 31, 2024 and 2023 would increase/decrease by \$22,890 and \$28,505, 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 Company's net profit after tax for the years ended December 31, 2024 and 2023 is immaterial.

(v) Total exchange gain (loss) including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023 amounted to \$41,511 and (\$11,071), respectively.

## II. Price risk

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

### (b) Credit risk

- I. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- II. The Company manages its credit risk taking into consideration the entire Company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of the 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 Company 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 Company 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 Company classifies customers' accounts receivable in accordance with credit rating of customer and credit risk on trade. The Company 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 Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

|                        | For the years ended December 31, |              |
|------------------------|----------------------------------|--------------|
|                        | 2024                             | 2023         |
| At January 1           | \$ 80                            | \$ 80        |
| Expected credit losses | 1,814                            | -            |
| At December 31         | <u>\$ 1,894</u>                  | <u>\$ 80</u> |

(c) Liquidity risk

- I. Cash flow forecasting is performed by the Company's treasury department which monitors rolling forecasts of the Company'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 Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- II. The Company has undrawn borrowing facilities amounting to \$3,212,045 and \$3,128,200 as of December 31, 2024 and 2023, respectively.
- III. The following table comprises the Company'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.

| <u>December 31, 2024</u>              | <u>Less than 1 year</u> | <u>Between 1<br/>and 2 years</u> | <u>Between 2<br/>and 5 years</u> | <u>More than<br/>5 years</u> |
|---------------------------------------|-------------------------|----------------------------------|----------------------------------|------------------------------|
| Non-derivative financial liabilities: |                         |                                  |                                  |                              |
| Notes payable                         | \$ 1,211                | \$ -                             | \$ -                             | \$ -                         |
| Accounts payable                      | 51,840                  | -                                | -                                | -                            |
| Accounts payable - related parties    | 31,261                  | -                                | -                                | -                            |
| Other payables                        | 362,560                 | -                                | -                                | -                            |
| Lease liabilities                     | 19,764                  | 19,422                           | 55,195                           | 717,529                      |
| Deposits received                     | -                       | 1,628                            | -                                | -                            |
| Derivative financial liabilities:     |                         |                                  |                                  |                              |
| Forward exchange contracts            | 1,225                   | -                                | -                                | -                            |
| <u>December 31, 2023</u>              | <u>Less than 1 year</u> | <u>Between 1<br/>and 2 years</u> | <u>Between 2<br/>and 5 years</u> | <u>More than<br/>5 years</u> |
| Non-derivative financial liabilities: |                         |                                  |                                  |                              |
| Notes payable                         | \$ 1,178                | \$ -                             | \$ -                             | \$ -                         |
| Accounts payable                      | 68,363                  | -                                | -                                | -                            |
| Accounts payable - related parties    | 43,283                  | -                                | -                                | -                            |
| Other payables                        | 328,527                 | -                                | -                                | -                            |
| Lease liabilities                     | 17,664                  | 16,640                           | 49,921                           | 665,614                      |

(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 Company'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 Company'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 (including related parties), guarantee deposits paid, other financial assets - non-current, notes payable, accounts payable (including related parties), 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>December 31, 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 other comprehensive income |                |                |                |              |
| Equity securities                                                 | \$ -           | \$ -           | \$ 70,134      | \$ 70,134    |
| Liabilities:                                                      |                |                |                |              |
| <u>Recurring fair value measurements</u>                          |                |                |                |              |
| Financial liabilities at fair value through profit or loss        |                |                |                |              |
| Derivative insrtuments                                            | \$ -           | \$ 1,225       | \$ -           | \$ 1,225     |
| <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    |

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

- (a) The fair value of 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 Company 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 years ended December 31, 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 years ended December 31, 2024 and 2023:

|                                                             | For the years ended December 31, |                   |
|-------------------------------------------------------------|----------------------------------|-------------------|
|                                                             | 2024                             | 2023              |
|                                                             | Equity instrument                | Equity instrument |
| At January 1                                                | \$ 69,973                        | \$ 112,616        |
| Gain (loss) recognised in other comprehensive income (loss) | 161                              | (42,643)          |
| At December 31                                              | <u>\$ 70,134</u>                 | <u>\$ 69,973</u>  |

G. For the years ended December 31, 2024 and 2023, there was no transfer in (out) Level 3.

H. The Company'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:

|                                   |    | Fair value at<br>December 31, 2024 | Valuation<br>technique | Significant<br>unobservable<br>input | Range<br>(weighted<br>average) | Relationship<br>of inputs to<br>fair value                |
|-----------------------------------|----|------------------------------------|------------------------|--------------------------------------|--------------------------------|-----------------------------------------------------------|
| Non-derivative equity instrument: |    |                                    |                        |                                      |                                |                                                           |
| Unlisted shares                   | \$ | 70,134                             | Net asset value        | Not applicable                       | 50%                            | The higher the net asset value, the higher the fair value |
|                                   |    | Fair value at<br>December 31, 2023 | Valuation<br>technique | Significant<br>unobservable<br>input | Range<br>(weighted<br>average) | Relationship<br>of inputs to<br>fair value                |
| Non-derivative equity instrument: |    |                                    |                        |                                      |                                |                                                           |
| Unlisted shares                   | \$ | 69,973                             | Net asset value        | Not applicable                       | 50%                            | The higher the net asset value, the higher the fair value |

J. The Company 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 net assets value increased or decreased by 1% for Level 3, however, the effect on other comprehensive income for the years ended December 31, 2024 and 2023 is immaterial.

### 13. SUPPLEMENTARY DISCLOSURES

According to current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 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 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. General 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 4.

(4) Major shareholders information

Major shareholders information: Refer to table 7.

14. SEGMENT INFORMATION

Not applicable.

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| Items                               | Description                                          | Amount              |
|-------------------------------------|------------------------------------------------------|---------------------|
| Cash:                               |                                                      |                     |
| Cash on hand                        |                                                      | \$ 47               |
| Checking accounts                   |                                                      | 274                 |
| Demand deposits — New Taiwan dollar |                                                      | 31,370              |
| — Foreign Currency                  | Including USD\$1,137 thousand @32.79                 | 37,277              |
|                                     | Other foreign currency deposits                      | 504                 |
|                                     |                                                      | <u>69,472</u>       |
| Cash Equivalents:                   |                                                      |                     |
| Time deposits — New Taiwan dollar   | Maturity date: February 10, 2025 to November 4, 2025 |                     |
|                                     | Interest rates: 0.545% ~1.73%                        | 3,748,500           |
| — Foreign currency                  | Including USD\$2,600 thousand @32.79                 |                     |
|                                     | Maturity date: January 9, 2025                       |                     |
|                                     | Interest rate: 4.36%                                 | 85,241              |
| Bills under repurchase agreements   | Maturity date: January 2, 2025 to January 9, 2025    |                     |
|                                     | Interest rate: 1.4%                                  | 165,000             |
|                                     |                                                      | <u>3,998,741</u>    |
|                                     |                                                      | <u>\$ 4,068,213</u> |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF ACCOUNTS RECEIVABLE, NET  
DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Client Name</u>                 | <u>Description</u>  | <u>Amount</u>     | <u>Footnote</u> |
|------------------------------------|---------------------|-------------------|-----------------|
| Client A                           | Accounts receivable | \$ 98,838         | —               |
| Client B                           | "                   | 69,884            | —               |
| Client C                           | "                   | 55,066            | —               |
| Client D                           | "                   | 43,950            | —               |
| Client E                           | "                   | 39,290            | —               |
| Client F                           | "                   | 34,607            | —               |
| Client G                           | "                   | 33,482            | —               |
| Client H                           | "                   | 33,410            | —               |
| Client I                           | "                   | 31,114            | —               |
| Others (individually less than 5%) | "                   | <u>143,537</u>    | —               |
|                                    |                     | 583,178           |                 |
| Less: Loss allowance               |                     | ( <u>1,894</u> )  |                 |
|                                    |                     | <u>\$ 581,284</u> |                 |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF INVENTORIES  
DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| Items                                    | Amount              |                      | Footnote |
|------------------------------------------|---------------------|----------------------|----------|
|                                          | Cost                | Net realisable value |          |
| Raw materials                            | \$ 353,857          | \$ 349,434           | (Note)   |
| Supplies                                 | 44,897              | 44,476               | "        |
| Work in process                          | 550,329             | 731,374              | "        |
| Finished goods                           | 887,560             | 1,701,305            | "        |
|                                          | 1,836,643           | \$ 2,826,589         |          |
| Less: Allowance for market price decline | ( 323,756)          |                      |          |
|                                          | <u>\$ 1,512,887</u> |                      |          |

Note: Refer to Note 4(11) for the method used in determining net realisable value.

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| Investees                     | Beginning balance |                     | Increases        |                   | Ending balance   |           |                     | Market value or net assets value |                     |            |          |
|-------------------------------|-------------------|---------------------|------------------|-------------------|------------------|-----------|---------------------|----------------------------------|---------------------|------------|----------|
|                               | Number of shares  |                     | Number of shares |                   | Number of shares |           |                     | Unit Price                       |                     |            |          |
|                               | (in thousands)    | Amount              | (in thousands)   | Amount            | (in thousands)   | Ownership | Amount              | (in dollars)                     | Total amount        | Collateral | Footnote |
| SPT International, Ltd.       | 118,525           | \$ 1,455,447        | -                | \$ 100,409        | 118,525          | 100.00%   | \$ 1,555,856        | \$ 13.78                         | \$ 1,632,750        | None       | —        |
| ScinoPharm Singapore Pte Ltd. | -                 | 189                 | -                | 31                | -                | 100.00%   | 220                 | 109,793                          | 220                 | "          | —        |
|                               | <u>118,525</u>    | <u>\$ 1,455,636</u> | <u>-</u>         | <u>\$ 100,440</u> | <u>118,525</u>   |           | <u>\$ 1,556,076</u> |                                  | <u>\$ 1,632,970</u> |            |          |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT - COST  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(7).

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT - ACCUMULATED  
DEPRECIATION  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(7) for account details and Note 4(13) for the depreciation methods and useful lives of each category.

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS - COST  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| Items                    | Beginning balance | Increases        | Decreases         | Ending balance    | Footnote |
|--------------------------|-------------------|------------------|-------------------|-------------------|----------|
| Land                     | \$ 636,234        | \$ 61,985        | \$ -              | \$ 698,219        | —        |
| Buildings and structures | 2,686             | 2,680            | ( 2,686)          | 2,680             | —        |
|                          | <u>\$ 638,920</u> | <u>\$ 64,665</u> | <u>(\$ 2,686)</u> | <u>\$ 700,899</u> |          |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS - ACCUMULATED DEPRECIATION  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Items</u>             | <u>Beginning balance</u> | <u>Increases</u> | <u>Decreases</u>  | <u>Ending balance</u> | <u>Footnote</u> |
|--------------------------|--------------------------|------------------|-------------------|-----------------------|-----------------|
| Land                     | \$ 64,624                | \$ 14,080        | \$ -              | \$ 78,704             | —               |
| Buildings and structures | 1,679                    | 1,342            | ( 2,686)          | 335                   | —               |
|                          | <u>\$ 66,303</u>         | <u>\$ 15,422</u> | <u>(\$ 2,686)</u> | <u>\$ 79,039</u>      |                 |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF CHANGES IN DEFERRED INCOME TAX ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(24).

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF CHANGES IN PREPAYMENTS FOR EQUIPMENT  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Item</u>               | <u>Beginning balance</u> | <u>Increase</u>   | <u>Reclassifications</u> | <u>Ending balance</u> |
|---------------------------|--------------------------|-------------------|--------------------------|-----------------------|
| Prepayments for equipment | \$ <u>113,503</u>        | \$ <u>155,508</u> | (\$ <u>119,034</u> )     | \$ <u>149,977</u>     |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF CONTRACT LIABILITIES - CURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Client Name</u>                 | <u>Description</u>     | <u>Amount</u>     | <u>Footnote</u> |
|------------------------------------|------------------------|-------------------|-----------------|
| Company A                          | Advance sales receipts | \$ 32,560         | —               |
| Company B                          | "                      | 19,854            | —               |
| Company C                          | "                      | 18,973            | —               |
| Company D                          | "                      | 13,974            | —               |
| Company E                          | "                      | 13,163            | —               |
| Others (individually less than 5%) | "                      | 19,889            | —               |
|                                    |                        | <u>\$ 118,413</u> |                 |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF OTHER PAYABLES  
DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(10).

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF LEASE LIABILITIES - NON-CURRENT  
DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Items</u>             | <u>Description</u> | <u>Lease period</u>            | <u>Discount rate</u>    | <u>Amount</u>     |
|--------------------------|--------------------|--------------------------------|-------------------------|-------------------|
| Land                     | —                  | March, 2018 to December, 2068  | 1.13%                   | \$ 637,629        |
| Buildings and structures | —                  | October, 2024 to October, 2026 | 1.79%                   | 2,351             |
|                          |                    |                                |                         | 639,980           |
|                          |                    |                                | Less: Current portion ( | 19,638)           |
|                          |                    |                                |                         | <u>\$ 620,342</u> |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Items</u>                      | <u>Quantity</u> | <u>Amount</u>       | <u>Footnote</u> |
|-----------------------------------|-----------------|---------------------|-----------------|
| API                               | 33,796 KG       | \$ 2,789,223        | —               |
| Injection product                 | 50,801 package  | 80,070              | —               |
| Technical services                |                 | 253,310             | —               |
| Other operating revenue           |                 | <u>44,814</u>       | —               |
|                                   |                 | 3,167,417           |                 |
| Less: Sales returns and discounts |                 | ( <u>28,361</u> )   |                 |
| Operating revenue                 |                 | <u>\$ 3,139,056</u> |                 |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| Items                                                   | Amount           |
|---------------------------------------------------------|------------------|
| Raw materials, beginning of year                        | \$ 329,829       |
| Add: Raw materials purchased                            | 789,976          |
| Less: Losses on scrap inventory                         | ( 977)           |
| Losses on physical inventory                            | ( 104)           |
| Transferred to expenses                                 | ( 4,418)         |
| Line validation input reclassified to deferred expenses | ( 3,826)         |
| Sale of raw materials                                   | ( 8,713)         |
| Raw materials, end of year                              | ( 353,857)       |
| Raw materials used during the year                      | <u>747,910</u>   |
| Supplies, beginning of year                             | 37,115           |
| Add: Supplies purchased                                 | 28,035           |
| Less: Losses on physical inventory                      | ( 13)            |
| Transferred to expenses                                 | ( 1,169)         |
| Line validation input reclassified to deferred expenses | ( 1,698)         |
| Supplies, end of year                                   | ( 44,897)        |
| Supplies used during the year                           | <u>17,373</u>    |
| Direct labor                                            | 235,039          |
| Manufacturing expenses                                  | 998,576          |
| Less: Under applied manufacturing overhead              | ( 324,834)       |
| Line validation input reclassified to deferred expenses | ( 79,538)        |
| Manufacturing cost                                      | 1,594,526        |
| Work in process, beginning of year                      | 485,516          |
| Add: Work in process purchased                          | 80,471           |
| Less: Losses on scrap inventory                         | ( 17,758)        |
| Losses on physical inventory                            | ( 38)            |
| Transferred to expenses                                 | ( 8,022)         |
| Sale of work in process                                 | ( 12,628)        |
| Work in process, end of year                            | ( 550,329)       |
| Cost of finished goods                                  | <u>1,571,738</u> |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF OPERATING COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Items</u>                                             | <u>Amount</u>              |
|----------------------------------------------------------|----------------------------|
| Finished goods, beginning of year                        | \$ 842,265                 |
| Add: Finished goods purchased                            | 167,866                    |
| Less: Losses on scrap inventory                          | ( 23,111)                  |
| Losses on physical inventory                             | ( 655)                     |
| Transferred to expenses                                  | ( 158,910)                 |
| Finished goods, end of year                              | ( 887,560)                 |
| Cost of goods manufactured and sold                      | 1,511,633                  |
| Sale of raw materials                                    | 8,713                      |
| Sale of supplies                                         | <u>12,628</u>              |
| Sale of work in process                                  | 1,532,974                  |
| Cost of goods sold                                       | 41,846                     |
| Losses on scrap inventory                                | 810                        |
| Under applied manufacturing overhead                     | 324,834                    |
| Reversal of allowance for inventory market price decline | ( 897)                     |
| Revenue from sale of scraps                              | ( 1,836)                   |
| Cost of sales                                            | 1,897,731                  |
| Technical service cost                                   | <u>104,475</u>             |
| Operating cost                                           | <u><u>\$ 2,002,206</u></u> |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF MANUFACTURING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Items</u>                       | <u>Amount</u>     | <u>Footnote</u> |
|------------------------------------|-------------------|-----------------|
| Depreciation                       | \$ 296,588        | —               |
| Salaries and wages                 | 234,004           | —               |
| Utilities expense                  | 152,026           | —               |
| Repair and maintenance expense     | 80,369            | —               |
| Others (individually less than 5%) | <u>235,589</u>    | —               |
|                                    | <u>\$ 998,576</u> |                 |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF TECHNICAL SERVICE COST  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Items</u>                            | <u>Amount</u>     | <u>Footnote</u> |
|-----------------------------------------|-------------------|-----------------|
| Outsourcing pharmaceutical R&D expenses | \$ 58,134         | —               |
| Salaries and wages                      | 8,331             | —               |
| Depreciation                            | 2,532             | —               |
| Others (individually less than 5%)      | 35,478            | —               |
|                                         | <u>\$ 104,475</u> |                 |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF SELLING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Items</u>                       | <u>Amount</u>     | <u>Footnote</u> |
|------------------------------------|-------------------|-----------------|
| Salaries and wages                 | \$ 46,564         | —               |
| Commission expense                 | 25,661            | —               |
| Freight                            | 23,418            | —               |
| Outsourced service fee             | 19,418            | —               |
| Advertising expense                | 10,071            | —               |
| Others (individually less than 5%) | <u>20,316</u>     | —               |
|                                    | <u>\$ 145,448</u> |                 |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Items</u>                       | <u>Amount</u>     | <u>Footnote</u> |
|------------------------------------|-------------------|-----------------|
| Salaries and wages                 | \$ 92,899         | —               |
| Depreciation                       | 40,184            | —               |
| Insurance expense                  | 24,776            | —               |
| Repair and maintenance expense     | 17,435            | —               |
| Professional service fee           | 17,176            | —               |
| Others (individually less than 5%) | <u>100,126</u>    | —               |
|                                    | <u>\$ 292,596</u> |                 |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

| <u>Items</u>                       | <u>Amount</u>     | <u>Footnote</u> |
|------------------------------------|-------------------|-----------------|
| Research expense                   | \$ 190,796        | —               |
| Salaries and wages                 | 99,324            | —               |
| Depreciation                       | 30,180            | —               |
| Others (individually less than 5%) | <u>75,642</u>     | —               |
|                                    | <u>\$ 395,942</u> |                 |

SCINOPHARM TAIWAN, LTD.  
STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Refer to Notes 6(22) and 6(23).

ScinoPharm Taiwan, Ltd.  
Provision of endorsements and guarantees to others  
For the year ended December 31, 2024

Table 1

Expressed in thousands of NTD

| Number | Endorser/<br>guarantor        | Party being<br>endorsed/guaranteed                |                                                                  | Limit on<br>endorsements/<br>guarantees<br>provided for a<br>single party<br>( Note 2 ) | Maximum<br>outstanding<br>endorsement/<br>guarantee<br>amount during<br>the year | Outstanding<br>endorsement/<br>guarantee<br>amount at<br>December 31,<br>2024 | Actual amount<br>drawn down | Amount of<br>endorsements/<br>guarantees<br>secured with<br>collateral | Ratio of<br>accumulated<br>endorsement/<br>guarantee<br>amount to net<br>asset value of<br>the endorser/<br>guarantor<br>company | Ceiling on<br>total amount of<br>endorsements/<br>guarantees<br>provided<br>( Note 2 ) | Provision of<br>endorsements/g<br>uarantees by<br>parent company<br>to subsidiary | Provision of<br>endorsements/g<br>uarantees by<br>subsidiary to<br>parent company | Provision of<br>endorsements/g<br>uarantees to the<br>party in<br>Mainland China | Footnote |
|--------|-------------------------------|---------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------|
|        |                               | Company name                                      | Relationship<br>with the<br>endorser/<br>guarantor<br>( Note 1 ) |                                                                                         |                                                                                  |                                                                               |                             |                                                                        |                                                                                                                                  |                                                                                        |                                                                                   |                                                                                   |                                                                                  |          |
| 0      | ScinoPharm<br>Taiwan,<br>Ltd. | SciAnda<br>(Changshu)<br>Pharmaceuticals,<br>Ltd. | 1                                                                | \$ 10,525,804                                                                           | \$ 483,238                                                                       | \$ 179,661                                                                    | \$ -                        | \$ -                                                                   | 1.71%                                                                                                                            | \$ 10,525,804                                                                          | Y                                                                                 | N                                                                                 | Y                                                                                | —        |

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

1.A company in which the Company directly and indirectly holds over 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 financial statements (CNY:NTD 1 : 4.492 ; USD:NTD 1:32.79).

ScinoPharm Taiwan, Ltd.

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

December 31, 2024

Table 2

Expressed in thousands of NTD

| Securities held by      | Marketable securities  | Relationship with the securities issuer             | General ledger account                                                          | As of December 31, 2024 |            |               |            | Footnote |
|-------------------------|------------------------|-----------------------------------------------------|---------------------------------------------------------------------------------|-------------------------|------------|---------------|------------|----------|
|                         |                        |                                                     |                                                                                 | Number of shares        | Book value | Ownership (%) | Fair value |          |
|                         | Stocks:                |                                                     |                                                                                 |                         |            |               |            |          |
| ScinoPharm Taiwan, Ltd. | 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              | \$ 70,134  | 16.84%        | \$ 70,134  | —        |
|                         | SYNGEN, INC.           | —                                                   | Financial assets at fair value through profit or loss - non-current             | 245,000                 | -          | 7.40%         | -          | —        |

ScinoPharm Taiwan, Ltd.

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

For the year ended December 31, 2024

Table 3

Expressed in thousands of NTD

|                                          |                                          |                                    | Transaction       |            |                                       |                                                        | Differences in transaction terms compared to third party transactions |             | Notes/accounts receivable (payable) |                                                         |          |
|------------------------------------------|------------------------------------------|------------------------------------|-------------------|------------|---------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------|-------------|-------------------------------------|---------------------------------------------------------|----------|
| Purchaser/seller                         | Counterparty                             | Relationship with the counterparty | Purchases (sales) | Amount     | Percentage of total purchases (sales) | Credit term                                            | Unit price                                                            | Credit term | Balance                             | Percentage of total notes/accounts receivable (payable) | Footnote |
| ScinoPharmTaiwan, Ltd.                   | SciAnda (Changshu) Pharmaceuticals, Ltd. | Subsidiary                         | Purchases         | \$ 408,920 | 42%                                   | Closes its accounts 90 days from the end of each month | \$ -                                                                  | —           | (\$ 31,043)                         | (37%)                                                   | —        |
| SciAnda (Changshu) Pharmaceuticals, Ltd. | ScinoPharm Taiwan, Ltd.                  | The Company                        | (Sales)           | ( 408,920) | (59%)                                 | Closes its accounts 90 days from the end of each month | -                                                                     | —           | 31,043                              | 58%                                                     | —        |

ScinoPharm Taiwan, Ltd.

Significant inter-company transactions during the reporting period

For the year ended December 31, 2024

Table 4

Expressed in thousands of NTD

| Number<br>(Note 2) | Company name            | Counterparty                                        | Relationship<br>(Note 3) | Transactions                |            |                                                              | Percentage of consolidated total operating<br>revenues or total assets (Note 4) |
|--------------------|-------------------------|-----------------------------------------------------|--------------------------|-----------------------------|------------|--------------------------------------------------------------|---------------------------------------------------------------------------------|
|                    |                         |                                                     |                          | General ledger account      | Amount     | Transaction terms                                            |                                                                                 |
| 0                  | ScinoPharm Taiwan, Ltd. | SciAnda (Changshu)<br>Pharmaceuticals, Ltd.         | 1                        | Purchases                   | \$ 408,920 | Closes its accounts 90<br>days from the end<br>of each month | 12%                                                                             |
|                    |                         |                                                     | 1                        | Accounts payable            | 31,261     | —                                                            | 0%                                                                              |
|                    |                         |                                                     | 1                        | Endorsements and guarantees | 179,661    | —                                                            | 2%                                                                              |
|                    |                         | SciAnda Shanghai<br>Biochemical Technology,<br>Ltd. | 1                        | Management service fee      | 12,361     | —                                                            | 0%                                                                              |

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 financial statements (CNY:NTD 1:4.492 ; USD:NTD 1:32.79).

ScinoPharm Taiwan, Ltd.

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

For the year ended December 31, 2024

Table 5

Expressed in thousands of NTD

| Investor                | Investee                      | Location                        | Main business activities | Initial investment amount       |                                 | Shares held as at December 31, 2024 |               |              | Net profit of the investee for the year ended December 31, 2024 | Investment income (loss) recognised by the Company for the year ended December 31, 2024 | Footnote   |
|-------------------------|-------------------------------|---------------------------------|--------------------------|---------------------------------|---------------------------------|-------------------------------------|---------------|--------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------|
|                         |                               |                                 |                          | Balance as at December 31, 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        | \$ 1,555,856 | \$ 33,488                                                       | \$ 40,892                                                                               | Subsidiary |
|                         | ScinoPharm Singapore Pte Ltd. | Singapore                       | Professional investment  | -                               | -                               | 2                                   | 100.00        | 220          | 30                                                              | 30                                                                                      | Subsidiary |

ScinoPharm Taiwan, Ltd.

Information on investments in Mainland China—Basic information

For the year ended December 31, 2024

Expressed in thousands of NTD

Table 6

| Investee in Mainland<br>China                             | Main business activities                                                                                 | Paid-in capital                                                                                             | Investment<br>method | Accumulated<br>amount of<br>remittance from<br>Taiwan to<br>Mainland China<br>as of January 1,<br>2024 | Amount remitted from Taiwan to<br>Mainland China/<br>Amount remitted back<br>to Taiwan for the year ended December<br>31, 2024 |                            | Accumulated amount<br>of remittance from<br>Taiwan to<br>Mainland China as of<br>December 31, 2024 | Net income of<br>investee for the<br>year ended<br>December 31, 2024 | Ownership held<br>by<br>the Company<br>(direct or<br>indirect) | Investment income<br>recognised by the<br>Company for<br>the year ended<br>December 31, 2024<br>( Note 2 ) | Book value of<br>investments in<br>Mainland China as of<br>December 31, 2024 | Accumulated<br>amount<br>of investment<br>income<br>remitted back to<br>Taiwan as of<br>December 31,<br>2024 | Footnote   |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------|
|                                                           |                                                                                                          |                                                                                                             |                      |                                                                                                        | Remitted to<br>Mainland China                                                                                                  | Remitted back to<br>Taiwan |                                                                                                    |                                                                      |                                                                |                                                                                                            |                                                                              |                                                                                                              |            |
| SciAnda<br>(Changshu)<br>Pharmaceuticals,<br>Ltd.         | Research, development,<br>and manufacture of<br>API and new drugs, sale<br>of produced products,<br>etc. | \$ 3,819,453                                                                                                | ( Note 1 )           | \$ 3,810,418                                                                                           | \$ -                                                                                                                           | \$ -                       | \$ 3,810,418                                                                                       | \$ 31,812                                                            | 100%                                                           | \$ 31,812                                                                                                  | \$ 1,608,327                                                                 | \$ -                                                                                                         | Subsidiary |
| SciAnda<br>Shanghai<br>Biochemical<br>Technology,<br>Ltd. | Import, export and<br>sales of API and<br>intermediates, etc.                                            | 39,342                                                                                                      | ( Note 1 )           | 39,342                                                                                                 | -                                                                                                                              | -                          | 39,342                                                                                             | 1,539                                                                | 100%                                                           | 1,539                                                                                                      | 21,159                                                                       | -                                                                                                            | Subsidiary |
| Company name                                              | Accumulated amount of<br>remittance from Taiwan to<br>Mainland China<br>as of December 31, 2024          | Investment amount approved by<br>the Investment Commission of the<br>Ministry of Economic Affairs<br>(MOEA) |                      | Ceiling on investments in Mainland<br>China imposed by the Investment<br>Commission of MOEA (Note 3)   |                                                                                                                                |                            |                                                                                                    |                                                                      |                                                                |                                                                                                            |                                                                              |                                                                                                              |            |
| ScinoPharm<br>Taiwan, Ltd.                                | \$ 3,889,891                                                                                             | \$ 3,889,891                                                                                                |                      | \$ 6,315,482                                                                                           |                                                                                                                                |                            |                                                                                                    |                                                                      |                                                                |                                                                                                            |                                                                              |                                                                                                              |            |

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

Note 2: The investment income recognized by the Company for the year ended December 31, 2024 was based on audited financial statements of investee companies as of and for the year ended December 31, 2024.

Note 3: The ceiling amount is 60% of the higher of net worth or consolidated net worth.

Note 4: 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 financial statements (USD:NTD 1:32.79).

ScinoPharm Taiwan, Ltd.  
Major shareholders information  
December 31, 2024

Table 7

| 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.