

SCI PHARMTECH, INC. AND SUBSIDIARIES**Consolidated Financial Statements****With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2025 and 2024**

Address: No.61, LN. 309, HAIHUN.RD., LUZHU DIST., TAOYUAN CITY 33856,
TAIWAN (R.O.C)
Telephone: (03)354-3133

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	10~11
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	11
(6) Explanation of significant accounts	11~35
(7) Related-party transactions	35~37
(8) Pledged assets	37
(9) Commitments and contingencies	37
(10) Losses Due to Major Disasters	37
(11) Subsequent Events	38
(12) Other	38
(13) Other disclosures	
(a) Information on significant transactions	39
(b) Information on investees	40
(c) Information on investment in mainland China	40
(14) Segment information	40



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel	+ 886 2 8101 6666
傳真 Fax	+ 886 2 8101 6667
網址 Web	kpmg.com/tw

Independent Auditors' Review Report

To the Board of Directors of SCI Pharmtech, Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of SCI Pharmtech, Inc. and its subsidiaries as of September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, and changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 6(f), the other equity accounted investments of the SCI Pharmtech, Inc. and its subsidiaries in its investee companies of \$121,513 thousand and \$155,763 thousand as of September 30, 2025 and 2024, respectively, and its equity in net earnings (losses) on these investee companies of \$(11,918) thousand, \$(6,059) thousand, \$(34,584) thousand and \$(13,882) thousand, for the three months and nine months ended September 30, 2025 and 2024, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the consolidated financial statements of certain equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements, do not present fairly, in all material respects, the consolidated financial position of SCI Pharmtech, Inc. and its subsidiaries as of September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, as well as its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the review resulting in this independent auditors’ report are Hsin, Yu-Ting and Huang, Keng-Chia.

KPMG

Taipei, Taiwan (Republic of China)

November 7, 2025

Notes to Readers

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

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

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

SCI PHARMTECH, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2025, December 31, 2024, and September 30, 2024

(expressed in thousands of New Taiwan dollars)

Assets		September 30, 2025		December 31, 2024		September 30, 2024		Liabilities and Equity		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 63,574	1	582,382	8	513,936	7	2100	Short-term borrowings (note 6(k))	\$ 150,100	2	100	-	101,000	1
1110	Current financial assets at fair value through profit or loss (note 6(b))	14,117	-	110,374	1	29,577	-	2170	Notes and accounts payable	51,012	1	58,437	1	63,082	1
1170	Notes and accounts receivable, net (notes 6(d) and 6(t))	223,084	3	289,514	4	334,281	5	2130	Current contract liabilities (note 6(t))	64,313	1	94,923	1	53,922	1
1206	Other receivables (note 6(f))	53	-	-	-	535,252	7	2200	Other payables (note 6(m))	139,320	2	193,349	3	175,713	3
1310	Inventories, net (note 6(e))	688,551	10	620,897	9	615,271	9	2213	Payables on equipment and construction	72,410	1	155,325	2	159,980	2
1470	Other current assets	68,068	1	57,220	1	107,992	2	2230	Current tax liabilities	21,115	-	85,251	1	88,446	1
		<u>1,057,447</u>	<u>15</u>	<u>1,660,387</u>	<u>23</u>	<u>2,136,309</u>	<u>30</u>	2280	Current lease liabilities (note 6(n))	5,023	-	2,465	-	1,991	-
								2300	Other current liabilities (note 6(o))	19,360	-	21,089	-	30,445	-
								2322	Long-term borrowings, current portion (note 6(l))	<u>437,852</u>	<u>7</u>	<u>403,439</u>	<u>6</u>	<u>232,820</u>	<u>4</u>
										<u>960,505</u>	<u>14</u>	<u>1,014,378</u>	<u>14</u>	<u>907,399</u>	<u>13</u>
Non-current assets:								Non-Current liabilities:							
1518	Non-current financial assets at fair value through other comprehensive income (note 6(c))	96,156	2	81,427	1	89,441	1	2541	Long-term borrowings (note 6(l))	314,687	5	578,009	8	764,885	11
1550	Investments accounted for using equity method (note 6(g))	121,513	2	156,097	2	155,763	2	2560	Non-current tax liabilities	37,722	-	-	-	-	-
1600	Property, plant and equipment (notes 6(h), 7 and 8)	5,076,582	74	4,794,453	67	4,272,504	59	2580	Non-current lease liabilities (note 6(n))	44,415	1	6,374	-	2,933	-
1755	Right-of-use assets (note 6(i))	48,570	1	8,780	-	4,874	-	2570	Deferred tax liabilities	104,453	2	104,453	2	103,811	1
1761	Investment property, land (notes 6(j) and 7)	228,012	3	228,012	3	228,012	3	2640	Provisions for employee benefits, non-current	11,453	-	11,959	-	20,968	-
1780	Intangible assets	31,642	-	37,765	1	39,844	1	2600	Other non-current liabilities (notes 6(l) and 7)	<u>8,690</u>	<u>-</u>	<u>8,676</u>	<u>-</u>	<u>8,448</u>	<u>-</u>
1840	Deferred tax assets	143,817	2	143,817	2	153,277	2			<u>521,420</u>	<u>8</u>	<u>709,471</u>	<u>10</u>	<u>901,045</u>	<u>12</u>
1900	Other non-current assets (notes 6(c) and 6(h))	<u>49,445</u>	<u>1</u>	<u>90,043</u>	<u>1</u>	<u>149,298</u>	<u>2</u>	Total liabilities		<u>1,481,925</u>	<u>22</u>	<u>1,723,849</u>	<u>24</u>	<u>1,808,444</u>	<u>25</u>
		<u>5,795,737</u>	<u>85</u>	<u>5,540,394</u>	<u>77</u>	<u>5,093,013</u>	<u>70</u>	Equity attributable to owners of parent (note 6(r)):							
								3100	Ordinary Share	1,195,087	17	1,195,087	17	1,195,087	17
								3200	Capital surplus	2,234,986	33	2,234,986	31	2,224,802	31
								3310	Legal reserve	558,060	8	504,024	7	504,024	7
								3350	Unappropriated retained earnings	1,367,983	20	1,532,765	21	1,478,881	20
								3400	Other components of equity	<u>15,143</u>	<u>-</u>	<u>10,070</u>	<u>-</u>	<u>18,084</u>	<u>-</u>
								Total equity		<u>5,371,259</u>	<u>78</u>	<u>5,476,932</u>	<u>76</u>	<u>5,420,878</u>	<u>75</u>
Total assets		<u>\$ 6,853,184</u>	<u>100</u>	<u>7,200,781</u>	<u>100</u>	<u>7,229,322</u>	<u>100</u>	Total liabilities and equity		<u>\$ 6,853,184</u>	<u>100</u>	<u>7,200,781</u>	<u>100</u>	<u>7,229,322</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

SCI PHARMTECH, INC. AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the three months and nine months ended September 30, 2025 and 2024****(expressed in Thousands of New Taiwan Dollars, except for earnings per share)**

		For the three months ended September 30,				For the nine months ended September 30,			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4110	Operating revenue (notes 6(t) and 7)	\$ 256,443	100	419,294	100	988,248	100	1,121,889	100
5110	Operating costs (notes 6(e), 6(p) and 12)	188,070	73	303,290	72	736,820	75	806,068	72
5900	Gross profit	68,373	27	116,004	28	251,428	25	315,821	28
	Operating expenses (notes 6(p) and 12):								
6100	Selling expenses	14,396	6	18,831	5	50,076	5	55,920	5
6200	Administrative expenses	26,366	10	35,604	8	60,906	6	76,918	7
6300	Research and development expenses	8,878	4	10,645	3	28,003	3	31,958	3
		49,640	20	65,080	16	138,985	14	164,796	15
6900	Net operating income	18,733	7	50,924	12	112,443	11	151,025	13
	Non-operating income and expenses:								
7101	Interest income	126	-	353	-	4,048	-	4,385	-
7130	Dividend income	663	-	1,950	-	663	-	1,950	-
7190	Other income (notes 7 and 10)	2,487	1	438,748	105	13,173	1	444,232	40
7235	Gains (losses) on financial assets at fair value through profit or loss	(40)	-	793	-	1,279	-	2,819	-
7510	Interest expense (note 6(n))	(1,125)	-	(1,627)	-	(3,126)	-	(4,473)	-
7590	Miscellaneous disbursements	(180)	-	(3,212)	(1)	(369)	-	(4,661)	-
7630	Foreign exchange gains (losses), net	9,059	4	(5,599)	(1)	(33,618)	(3)	13,140	1
7770	Share of loss of associates and joint ventures accounted for using equity method, net (note 6(g))	(11,918)	(5)	(6,059)	(1)	(34,584)	(3)	(13,882)	(1)
		(928)	-	425,347	102	(52,534)	(5)	443,510	40
7900	Profit before tax	17,805	7	476,271	114	59,909	6	594,535	53
7950	Less: Income tax expenses (gains) (note 6(q))	3,809	2	95,125	23	(8,607)	(1)	106,687	10
8200	Profit	13,996	5	381,146	91	68,516	7	487,848	43
8300	Other comprehensive income:								
8310	Items that may not be reclassified subsequently to profit or loss:								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(25,257)	(10)	(320)	-	5,073	-	(7,373)	(1)
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(q))	-	-	-	-	-	-	-	-
8300	Other comprehensive income, net	(25,257)	(10)	(320)	-	5,073	-	(7,373)	(1)
8500	Total comprehensive income	\$ (11,261)	(5)	380,826	91	73,589	7	480,475	42
	Earnings per share (note 6(s)):								
9750	Basic earnings per share	\$ 0.12		3.19		0.57		4.08	
9850	Diluted earnings per share	\$ 0.12		3.18		0.57		4.07	

See accompanying notes to consolidated financial statements.

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

SCI PHARMTECH, INC. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the nine months ended September 30, 2025 and 2024****(expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent					Other equity interest	Total equity
	Ordinary shares	Capital surplus	Retained earnings			Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
			Legal reserve	Special reserve	Unappropriated retained earnings		
Balance at January 1, 2024	\$ 1,195,087	2,233,590	462,435	54,727	1,128,657	25,457	5,099,953
Profit for the nine months ended September 30, 2024	-	-	-	-	487,848	-	487,848
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	(7,373)	(7,373)
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	487,848	(7,373)	480,475
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	41,589	-	(41,589)	-	-
Reversal of special reserve	-	-	-	(54,727)	54,727	-	-
Cash dividends of ordinary share	-	-	-	-	(149,387)	-	(149,387)
Changes in equity of associates and joint ventures accounted for using equity method	-	(8,788)	-	-	(1,375)	-	(10,163)
Balance at September 30, 2024	\$ 1,195,087	2,224,802	504,024	-	1,478,881	18,084	5,420,878
Balance at January 1, 2025	\$ 1,195,087	2,234,986	504,024	-	1,532,765	10,070	5,476,932
Profit for the nine months ended September 30, 2025	-	-	-	-	68,516	-	68,516
Other comprehensive income for the nine months ended September 30, 2025	-	-	-	-	-	5,073	5,073
Total comprehensive income for the nine months ended September 30, 2025	-	-	-	-	68,516	5,073	73,589
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	54,036	-	(54,036)	-	-
Cash dividends of ordinary share	-	-	-	-	(179,262)	-	(179,262)
Balance at September 30, 2025	\$ 1,195,087	2,234,986	558,060	-	1,367,983	15,143	5,371,259

See accompanying notes to consolidated financial statements.

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

SCI PHARMTECH, INC. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the nine months ended September 30, 2025 and 2024****(expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30,	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 59,909	594,535
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation expense	182,180	165,743
Amortization expense	6,243	6,303
Net (profit) loss on financial assets or liabilities at fair value through profit or loss	(1,279)	(2,819)
Interest expense	3,126	4,473
Interest income	(4,048)	(4,385)
Dividend income	(663)	(1,950)
Share of loss of associates and joint ventures accounted for using equity method	34,584	13,882
Others	-	3,043
Total adjustments to reconcile profit	220,143	184,290
Changes in operating assets and liabilities:		
Decrease (increase) in notes and accounts receivable	66,430	(26,912)
Increase in inventories	(67,654)	(85,738)
Increase in other receivables and other current assets	(10,898)	(557,968)
(Decrease) increase in contract liabilities	(30,610)	15,555
(Decrease) increase in notes and accounts payable	(7,425)	18,831
(Decrease) increase in other payable	(54,029)	6,175
Decrease in other current liabilities	(1,729)	(9,964)
Decrease in provision for employee benefits, non-current	(506)	(568)
Total changes in operating assets and liabilities	(106,421)	(640,589)
Total adjustments	113,722	(456,299)
Cash flow from (used in) operations	173,631	138,236
Interest received	4,048	4,385
Dividends received	663	1,950
Interest paid	(3,126)	(4,473)
Income taxes paid	(17,810)	(71,960)
Net cash flows from (used in) operating activities	157,406	68,138
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	110,537	62,469
Acquisition of financial assets at fair value through profit or loss	(13,001)	(229)
Acquisition of investments accounted for using equity method	-	(35,000)
Acquisition of property, plant and equipment	(464,005)	(282,872)
Increase in refundable deposits	(250)	-
Acquisition of intangible assets	(120)	-
Increase in prepayments of property, plant and equipment	(47,978)	(148,378)
Net cash flows from (used in) investing activities	(414,817)	(404,010)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	150,000	(74,000)
Proceeds from long-term borrowings	-	132,787
Repayments of long-term borrowings	(229,569)	-
Increase in guarantee deposits received	14	-
Payment of lease liabilities	(2,580)	(1,649)
Cash dividends paid	(179,262)	(149,387)
Net cash flows from (used in) financing activities	(261,397)	(92,249)
Net decrease in cash and cash equivalents	(518,808)	(428,121)
Cash and cash equivalents at beginning of period	582,382	942,057
Cash and cash equivalents at end of period	\$ 63,574	513,936

See accompanying notes to consolidated financial statements.

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

SCI PHARMTECH, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2025 and 2024

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

(1) Company history

SCI Pharmtech, Inc. (the “Company”) was incorporated in September 18, 1987 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The major business activities of the Company are the research and development, manufacture and sale of Active Pharmaceutical Ingredients (“API”), Intermediates, specialty chemicals. The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the “Group” and individually as the “Group entities”). Please refer to note 4(b) for related information of the Group primarily business activities. Mercuries & Associates, Holding Ltd. is the parent company of the Company.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on November 7, 2025.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

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

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(4) Summary of material accounting policies:

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of Consolidation

Name of investor	Name of subsidiary	Principal activity	Shareholding		
			September 30, 2025	December 31, 2024	September 30, 2024
The Company	Yushan Pharmaceuticals Inc. (Yushan)	The research and development, manufacture and sale of API	100.00 %	100.00 %	100.00 %

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Income taxes

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

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

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to note 6 of the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 598	668	460
Checking accounts and demand deposits	62,976	133,638	507,063
Time deposits	-	285,828	6,413
Bill sold under repurchase agreement	-	162,248	-
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 63,574</u></u>	<u><u>582,382</u></u>	<u><u>513,936</u></u>

(i) The Group did not provide cash and cash equivalents as collateral for its loans.

(ii) Please refer to note 6(v) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Beneficiary certificate	\$ 14,117	81,264	1,063
Stocks listed on domestic markets	<u>-</u>	<u>29,110</u>	<u>28,514</u>
Total	<u>\$ 14,117</u>	<u>110,374</u>	<u>29,577</u>

The Group did not provide any aforementioned financial assets as collateral for its loans as of September 30, 2025, December 31 and September 30, 2024, respectively.

(c) Financial assets at fair value through other comprehensive income, non-current:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Financial assets at fair value through other comprehensive income:			
Stocks listed on domestic markets	<u>\$ 96,156</u>	<u>81,427</u>	<u>89,441</u>

- (i) The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.
- (ii) Except as described below, there were no significant changes in the Group's financial assets during the periods from January 1 to September 30, 2024 and 2025. For related information, please refer to note 6(c) of the 2024 consolidated financial statements.
- (iii) Energenesis Biomedical Co., Ltd. increased its capital by cash in November 2024 upon the resolution of the board of directors. The base date for the capital increase was January 7, 2025. As of December 31, 2024, the Company's prepaid investment amounted to \$9,656, recognized as other non-current assests, and in January 2025, it acquired 201 thousand shares of the company's common stock.
- (iv) Please refer to note 6(v) for market risk of the Group.
- (v) As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any aforementioned financial assets as collateral for its loans.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Notes and accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	\$ 223,084	289,514	334,281
Less: Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 223,084</u></u>	<u><u>289,514</u></u>	<u><u>334,281</u></u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables, as well as incorporated forward looking information, including the reasonable prediction of historical credit loss experience and future economic situation (macroeconomic and relevant industry information). The loss allowance provision was determined as follows:

September 30, 2025			
	Gross carrying amount	Rate of loss allowance provision	Loss allowance provision
Current	\$ 205,563	-	-
1 to 30 days past due	13,916	-	-
31 to 60 days past due	<u>3,605</u>	-	<u>-</u>
	<u><u>\$ 223,084</u></u>		<u><u>-</u></u>
December 31, 2024			
	Gross carrying amount	Rate of loss allowance provision	Loss allowance provision
Current	\$ 181,874	-	-
1 to 30 days past due	71,515	-	-
31 to 60 days past due	36,081	-	-
61 to 90 days past due	<u>44</u>	-	<u>-</u>
	<u><u>\$ 289,514</u></u>		<u><u>-</u></u>
September 30, 2024			
	Gross carrying amount	Rate of loss allowance provision	Loss allowance provision
Current	\$ 209,845	-	-
1 to 30 days past due	95,389	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	14,103	-	-
91 to 180 days past due	<u>14,944</u>	-	<u>-</u>
	<u><u>\$ 334,281</u></u>		<u><u>-</u></u>

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movement in the allowance for notes and trade receivable was as follows:

	For the nine months ended	
	September 30,	
	2025	2024
Balance at January 1 (Same as balance at September 30)	\$ <u>-</u>	<u>-</u>

As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any aforementioned notes and accounts receivable as collaterals for its loans.

(e) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	\$ 85,592	111,027	103,491
Work in progress	136,066	176,339	135,774
Finished goods	<u>466,893</u>	<u>333,531</u>	<u>376,006</u>
	\$ <u>688,551</u>	<u>620,897</u>	<u>615,271</u>

Inventory cost recognized as operating costs for the three months and nine months ended September 30, 2025 and 2024 were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Inventory that has been sold	\$ 131,910	251,527	580,852	683,036
Write-down of inventories (Reversal of write downs)	9,773	5,132	23,183	(11,962)
Loss on disposal of inventories	-	4,293	1,495	23,140
Unallocated production overheads	<u>46,387</u>	<u>42,338</u>	<u>131,290</u>	<u>111,854</u>
	\$ <u>188,070</u>	<u>303,290</u>	<u>736,820</u>	<u>806,068</u>

The Group recognizes write-down losses of inventories as they are reduced to net realizable value and recognizes reversal gains of write-downs as the net realizable value of inventories increases due to the sale or written off of obsolete inventories.

As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any inventories as collaterals for its loans.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Other receivables

	September 30, 2025	December 31, 2024	September 30, 2024
Insurance claim receivable	\$ -	-	534,933
Others	53	-	319
	<u>\$ 53</u>	<u>-</u>	<u>535,252</u>

(g) Investments accounted for using equity method

The components of investments accounted for using equity method at the reporting date were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Associates	\$ <u>121,513</u>	<u>156,097</u>	<u>155,763</u>

- (i) Except for the following, there was no significant change for investments accounted for using the equity method for the nine months ended September 30, 2025 and 2024. For the related information, please refer to note 6(f) of the consolidated financial statements for the year ended December 31, 2024.
- (ii). In August 2024, the Group subscribed to the newly issued shares of HoneyBear Biosciences, Inc. (HoneyBear) amounting to \$35,000, at a percentage disproportionate from its existing ownership percentage, resulting in the ownership of HoneyBear by the Group to increase from 11.54% to 14.35%, the capital surplus to decrease by \$8,788, and the retained earnings to decrease by \$1,375.
- (iii) The Group's financial information on investments accounted for using equity method that are individually insignificant was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of individually insignificant associates' equity	\$ <u>121,513</u>	<u>156,097</u>	<u>155,763</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Attributable to the Group:				
Profit (loss)	\$ (11,918)	(6,059)	(34,584)	(13,882)
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss)	<u>\$ (11,918)</u>	<u>(6,059)</u>	<u>(34,584)</u>	<u>(13,882)</u>

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Pledge to secure

The Group did not provide any investment accounted for using equity method as collaterals for its loans.

(v) The investments were accounted for using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group , were as follows:

	Land	Buildings and construction	Machinery and equipment	Office equipment	Other	Prepayment for equipment and construction in progress	Total
Cost:							
Balance on January 1, 2025	\$ 687,883	722,904	2,394,522	59,248	12,968	1,964,998	5,842,523
Additions	-	-	30,018	-	-	351,732	381,750
Transferred in (out)	-	-	7,479	-	-	71,691	79,170
Balance on September 30, 2025	<u>\$ 687,883</u>	<u>722,904</u>	<u>2,432,019</u>	<u>59,248</u>	<u>12,968</u>	<u>2,388,421</u>	<u>6,303,443</u>
Balance on January 1, 2024	\$ 687,883	707,002	1,714,324	58,337	12,968	1,564,525	4,745,039
Additions	-	-	42,334	116	-	334,421	376,871
Disposal and derecognitions	-	-	(10,074)	-	-	-	(10,074)
Transferred in (out)	-	15,902	604,734	271	-	(468,191)	152,716
Balance on September 30, 2024	<u>\$ 687,883</u>	<u>722,904</u>	<u>2,351,318</u>	<u>58,724</u>	<u>12,968</u>	<u>1,430,755</u>	<u>5,264,552</u>
Depreciation and impairments loss:							
Balance on January 1, 2025	\$ -	337,984	667,881	33,196	9,009	-	1,048,070
Depreciation	-	19,770	155,495	2,759	767	-	178,791
Balance on September 30, 2025	<u>\$ -</u>	<u>357,754</u>	<u>823,376</u>	<u>35,955</u>	<u>9,776</u>	<u>-</u>	<u>1,226,861</u>
Balance on January 1, 2024	\$ -	311,735	489,788	28,553	7,970	-	838,046
Depreciation	-	19,657	140,170	3,470	779	-	164,076
Disposals and derecognitions	-	-	(10,074)	-	-	-	(10,074)
Balance on September 30, 2024	<u>\$ -</u>	<u>331,392</u>	<u>619,884</u>	<u>32,023</u>	<u>8,749</u>	<u>-</u>	<u>992,048</u>
Carrying amounts:							
Balance on January 1, 2025	<u>\$ 687,883</u>	<u>384,920</u>	<u>1,726,641</u>	<u>26,052</u>	<u>3,959</u>	<u>1,964,998</u>	<u>4,794,453</u>
Balance on September 30, 2025	<u>\$ 687,883</u>	<u>365,150</u>	<u>1,608,643</u>	<u>23,293</u>	<u>3,192</u>	<u>2,388,421</u>	<u>5,076,582</u>
Balance on January 1, 2024	<u>\$ 687,883</u>	<u>395,267</u>	<u>1,224,536</u>	<u>29,784</u>	<u>4,998</u>	<u>1,564,525</u>	<u>3,906,993</u>
Balance on September 30, 2024	<u>\$ 687,883</u>	<u>391,512</u>	<u>1,731,434</u>	<u>26,701</u>	<u>4,219</u>	<u>1,430,755</u>	<u>4,272,504</u>

Except for the following, the information on significant transactions of the Group's property, plant and equipment, please refer to note 6(g) of the consolidated financial statements for the year ended December 31, 2024.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) As of September 30, 2025, December 31 and September 30, 2024, the Group's prepayments for equipment purchases amounted to \$47,978, \$79,170 and \$148,378, respectively, which were recorded as other non-current assets.
- (ii) As of September 30, 2025, December 31 and September 30, 2024, part of the property, plant and equipment of the Group had been pledged as collateral. Please refer to note 8 for the details.

(i) Right-of-use assets

The Group leases many assets including land, employee dormitory, company cars and other equipments. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Plant Facilities</u>	<u>Others</u>	<u>Total</u>
Cost:					
Balance on January 1, 2025	\$ 3,566	-	-	8,085	11,651
Additions	-	13,251	28,686	1,242	43,179
Reductions	-	-	-	(1,493)	(1,493)
Balance on September 30, 2025	<u>\$ 3,566</u>	<u>13,251</u>	<u>28,686</u>	<u>7,834</u>	<u>53,337</u>
Balance on January 1, 2024	\$ 3,566	-	-	2,626	6,192
Additions	-	-	-	1,769	1,769
Balance on September 30, 2024	<u>\$ 3,566</u>	<u>-</u>	<u>-</u>	<u>4,395</u>	<u>7,961</u>
Accumulated depreciation:					
Balance on January 1, 2025	\$ 1,188	-	-	1,683	2,871
Depreciation for the period	535	442	961	1,451	3,389
Reductions	-	-	-	(1,493)	(1,493)
Balance on September 30, 2025	<u>\$ 1,723</u>	<u>442</u>	<u>961</u>	<u>1,641</u>	<u>4,767</u>
Balance on January 1, 2024	\$ 475	-	-	945	1,420
Depreciation for the period	535	-	-	1,132	1,667
Balance on September 30, 2024	<u>\$ 1,010</u>	<u>-</u>	<u>-</u>	<u>2,077</u>	<u>3,087</u>
Carrying amount:					
Balance on January 1, 2025	<u>\$ 2,378</u>	<u>-</u>	<u>-</u>	<u>6,402</u>	<u>8,780</u>
Balance on September 30, 2025	<u>\$ 1,843</u>	<u>12,809</u>	<u>27,725</u>	<u>6,193</u>	<u>48,570</u>
Balance on January 1, 2024	<u>\$ 3,091</u>	<u>-</u>	<u>-</u>	<u>1,681</u>	<u>4,772</u>
Balance on September 30, 2024	<u>\$ 2,556</u>	<u>-</u>	<u>-</u>	<u>2,318</u>	<u>4,874</u>

The Group entered into a lease agreement with a non-related party in the second quarter of 2025 for the use-of-rights of its employee dormitories at the amount of \$13,251, with the lease period from June 2025 to May 2035.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group entered into an agreement with a non-related party in the second quarter of 2025 to acquire the use-of-rights of its production equipment for \$28,686, with the lease period from March 2025 to July 2042.

(j) Investments property

- (i) Investment property, with a carrying amount of \$228,012, with lease that has fixed rental income and contains an initial non-cancellable lease term of 50 years (extendable upon maturity) based on the agreement, comprises lands owned by the Group.
- (ii) There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the nine months ended September 30, 2025 and 2024. Please refer to note 6(i) of the consolidated financial statements for the year ended December 31, 2024.
- (iii) There were no significant changes in the fair value of the Group's investment property as disclosed in note 6(i) of the consolidated financial statements for the year ended December 31, 2024.
- (iv) The Group rented out investment property for related parties. Please refer to note 7 for the details of rental income.
- (v) The Group did not provide any investment properties as collaterals for its loan.

(k) Short-term borrowings

The details of short-term borrowings were as following:

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loans	\$ 74,100	100	101,000
Secured bank loans	76,000	-	-
Total	<u><u>\$ 150,100</u></u>	<u><u>100</u></u>	<u><u>101,000</u></u>
Unused short-term credit lines	<u><u>\$ 649,900</u></u>	<u><u>807,843</u></u>	<u><u>653,545</u></u>
Range of interest rates	<u><u>1.9%~2.225%</u></u>	<u><u>2.225%</u></u>	<u><u>1.9%~2.225%</u></u>

- (i) For the collateral of the Group's assets for short-term borrowings, please refer to note 8.
- (ii) For the information on the Group's exposure to the interest rate risk and liquidity risk, please refer to note 6(v).

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Long-term borrowings

The details of long-term borrowings were as following:

	September 30, 2025	December 31, 2024	September 30, 2024
Secured bank loans	\$ 630,539	818,358	818,359
Unsecured bank loans	122,000	163,750	181,000
Less: current portion	(437,852)	(403,439)	(232,820)
Less: deferred income	-	(660)	(1,654)
	<u>\$ 314,687</u>	<u>578,009</u>	<u>764,885</u>
Unused credit lines	\$ -	-	9,000
Range of interest rates	<u>1.675%~2.22%</u>	<u>1.675%~2.05%</u>	<u>1.675%~2.05%</u>
Maturity period	<u>2025.10~2027.2</u>	<u>2025.3~2027.2</u>	<u>2025.3~2027.2</u>

(i) For the nine months ended September 30, 2025 and 2024, the Group had the additional long-term borrowings amounting to \$0 and \$132,787, respectively, and the repayment amounted to \$229,569 and \$0, respectively.

(ii) The Group's application for a low-interest loan for the construction of plants, purchasing equipment, and support medium-term working capital, had been approved by the National Development Fund, Executive Yuan in 2022, with Mega International Commercial Bank providing the non-revolving loan of \$1,000,000, which was recognized and measured by using the market rates, with the margin interests calculated by using the rates between the actual rates and the market rates, recognized as deferred income (other non-current liabilities), based on the Government grants.

(iii) For the collateral for long-term borrowings, please refer to note 8.

(m) Other payables

	September 30, 2025	December 31, 2024	September 30, 2024
Salaries payable	\$ 45,461	99,035	83,330
Others	93,859	94,314	92,383
	<u>\$ 139,320</u>	<u>193,349</u>	<u>175,713</u>

(n) Lease liabilities

The carrying amount of lease liabilities was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ 5,023	2,465	1,991
Non-current	\$ 44,415	6,374	2,933

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Please refer to note 6(v) for maturity analysis.

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
The amounts recognized in profit or loss were as follows:				
Interest on lease liabilities	\$ <u>318</u>	<u>28</u>	<u>692</u>	<u>73</u>
Expenses relating to short-term leases	\$ <u>370</u>	<u>20</u>	<u>1,160</u>	<u>155</u>
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>195</u>	<u>201</u>	<u>629</u>	<u>631</u>

For the nine months ended	
September 30,	
2025	2024

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

Total cash outflow for leases	\$ <u>5,061</u>	<u>2,508</u>
-------------------------------	-----------------	--------------

- (i) The Group leases company cars and parking lots, with lease terms that typically run for a period of 3 to 6 years. In addition, the Group leases employee dormitories and other equipment, with lease terms that run for a period of 10 to 17 years.
- (ii) Other leases

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

(o) Provisions

The Group had no significant changes in provisions during the periods from January 1 to September 30, 2025 and 2024. For related information, please refer to note 6(n) of the 2024 consolidated financial statements.

(p) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Operating cost	\$ 313	288	942	865
Operating expenses	118	109	351	326
Total	<u>\$ 431</u>	<u>397</u>	<u>1,293</u>	<u>1,191</u>

(ii) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Operating cost	\$ 1,717	1,693	5,158	5,000
Operating expenses	515	542	1,558	1,620
Total	<u>\$ 2,232</u>	<u>2,235</u>	<u>6,716</u>	<u>6,620</u>

(q) Income taxes

- (i) The Group's income tax expense in the interim financial statements is measured and disclosed accordance to paragraph B12 of IAS 34 "Interim Financial Reporting".
- (ii) The Group's income tax expenses for the three months and nine months ended September 30, 2025 and 2024 were calculated as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Current income tax expense				
Recognized during the period	\$ 3,809	95,125	11,979	118,344
Income tax underestimate (overestimate) for prior years	-	-	(20,586)	30,532
	<u>3,809</u>	<u>95,125</u>	<u>(8,607)</u>	<u>148,876</u>
Deferred income tax expense				
Recognition and reversal of temporary differences	-	-	-	(42,189)
Current income tax expense	<u>\$ 3,809</u>	<u>95,125</u>	<u>(8,607)</u>	<u>106,687</u>

- (iii) For the three months and nine months ended September 30, 2025 and 2024, the Group did not recognize income tax expense in equity and other comprehensive income.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Examination and approval

The ROC tax authorities have examined the Company's and Yushan's income tax returns through 2022 and 2023, respectively.

(r) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the periods from January 1 to September 30, 2025 and 2024. For the related information, please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2024.

(i) Capital surplus

The balances of capital surplus as of September 30, 2025, December 31 and September 30, 2024 were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Additional paid-in capital	\$ 2,127,990	2,127,990	2,127,990
Cash capital increase reserved for employees' subscription	18,720	18,720	18,720
Gain on disposal of assets	980	980	980
Stock options	71,530	71,530	71,530
Changes in equity of associates and joint ventures accounted for using equity method	10,184	10,184	-
Employee stock options	5,582	5,582	5,582
	<u><u>\$ 2,234,986</u></u>	<u><u>2,234,986</u></u>	<u><u>2,224,802</u></u>

(ii) Retained Earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, after paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and special reserves are supposed to set aside in accordance with the relevant regulations or as required by the government. And then any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

According to the Company's dividend policy, the type of dividends should be determined after considering the Company's capital and financial structure, operating conditions, operating surplus, industrial characteristics and cycle. The distribution of net earnings should not be lower than 50% of the current profit before tax. Cash dividends to stockholders should not be lower than 10% of the total dividends.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Earnings distribution

Based on the resolution of stockholders' meeting held on May 26, 2025 and May 30, 2024, the appropriation of earnings for the year 2024 and 2023 was approved. The above dividends per share were appropriated as follows:

	2024		2023	
	Amount per share (dollars)	Total amount	Amount per share (dollars)	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 1.50	<u>179,262</u>	1.25	<u>149,387</u>

(iv) Other equity (net of tax)

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance at January 1, 2025	\$ 10,070
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	<u>5,073</u>
Balance at September 30, 2025	<u>\$ 15,143</u>
Balance at January 1, 2024	\$ 25,457
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	<u>(7,373)</u>
Balance at September 30, 2024	<u>\$ 18,084</u>

(s) Earnings per share

The Company's earnings per share was calculated as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Basic earnings per share				
Profit attributable to ordinary shareholders of the Company	<u>\$ 13,996</u>	<u>381,146</u>	<u>68,516</u>	<u>487,848</u>
Weighted-average number of ordinary shares (thousand shares)	<u>119,509</u>	<u>119,509</u>	<u>119,509</u>	<u>119,509</u>
	<u>\$ 0.12</u>	<u>3.19</u>	<u>0.57</u>	<u>4.08</u>

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended September 30,		For the nine months ended September 30,	
Diluted earnings per share				
Profit attributable to ordinary shareholders of the Company	<u>\$ 13,996</u>	<u>381,146</u>	<u>68,516</u>	<u>487,848</u>
Weighted-average number of ordinary shares (thousand shares)	119,509	119,509	119,509	119,509
Effect of potentially dilutive ordinary shares:				
Effect of employee compensation	<u>100</u>	<u>333</u>	<u>205</u>	<u>405</u>
Weighted-average number of ordinary shares (thousand shares) (diluted)	<u>119,609</u>	<u>119,842</u>	<u>119,714</u>	<u>119,914</u>
	<u>\$ 0.12</u>	<u>3.18</u>	<u>0.57</u>	<u>4.07</u>
(t) Revenue from contracts with customers				
(i) Disaggregation of revenue				
	For the three months ended September 30,		For the nine months ended September 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Primary geographical markets:				
Italy	\$ (2,831)	55,447	164,011	191,804
United States	36,813	29,475	144,348	83,744
Japan	72,732	854	132,660	36,594
Taiwan	17,514	44,950	97,943	110,190
Spain	2,342	44,861	88,179	101,646
Germany	24,580	36,143	70,138	85,090
Netherlands	25,725	-	60,061	81,802
Switzerland	16	27,718	56,275	111,308
Belgium	58	127,316	58	127,316
Others	<u>79,494</u>	<u>52,530</u>	<u>174,575</u>	<u>192,395</u>
	<u>\$ 256,443</u>	<u>419,294</u>	<u>988,248</u>	<u>1,121,889</u>
Major products:				
Active pharmaceutical ingredients	\$ 201,883	318,804	607,554	819,091
Intermediates	46,065	93,687	347,277	286,390
Specialty Chemical	<u>8,495</u>	<u>6,803</u>	<u>33,417</u>	<u>16,408</u>
	<u>\$ 256,443</u>	<u>419,294</u>	<u>988,248</u>	<u>1,121,889</u>

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024
Notes and accounts receivable	\$ 223,084	289,514	334,281
Less: Loss allowance	-	-	-
Total	<u>\$ 223,084</u>	<u>289,514</u>	<u>334,281</u>
Contract liabilities (sales received in advance)	<u>\$ 64,313</u>	<u>94,923</u>	<u>53,922</u>

Please refer to note 6(d) for the information of accounts receivable and the impairment.

The amount of revenue recognized for the nine months ended September 30, 2025 and 2024, that was included in the contract liability balance at the beginning of the period was \$61,250 and \$6,917, respectively.

The changes of contract liabilities are arising from the difference of time point, which the Group transfers the ownership of goods and which customers do the payment.

(u) Remuneration to employees and directors

In accordance with the Articles of incorporation prior to the amendment on May 26, 2025, the Company should contribute no less than 3% of the profit as employee remuneration and less than 2% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The aforementioned employees' compensation will be distributed in shares or cash. The recipients may include the employees of the subordinate of the Company who meet certain specific requirements.

In accordance with the Company's Articles of Incorporation as amended on May 26, 2025, if the Company reports a profit for the fiscal year, it shall allocate compensation to employees and directors. Employee compensation shall be no less than 3% of the annual profit, with at least 50% of such amount distributed to those base-level employees. Director compensation shall not exceed 2% of the annual profit. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The aforementioned employees' compensation will be distributed in shares or cash. The recipients may include the employees of the subordinate of the Company who meet certain specific requirements.

For the three months and nine months ended September 30, 2025 and 2024, the remunerations to employees amounted to \$2,000, \$17,892, \$5,989 (including the minimum amount of \$2,995 to base-level employee), and \$29,934, respectively, as well as the remunerations to directors amounted to \$250, \$3,650, \$700 and \$5,000, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. Shares distributed to employees as employees' remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023, the remunerations to employees amounted to \$35,377 and \$24,407, respectively, and the remunerations to directors amounted to \$5,500 and \$3,936, respectively. The remunerations above are identical to those of the actual distributions. The information is available on the Market Observation Post System website.

(v) **Financial Instruments**

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2024.

(i) **Credit risk**

1) **Credit risk exposure**

The carrying amount of financial assets represent the maximum amount exposed to credit risk.

2) **Concentration of credit risk**

As of September 30, 2025, December 31 and September 30, 2024, there were six, seven and seven major customers, respectively, that accounted for 72%, 75% and 74%, respectively, of notes and accounts receivable. Thus, credit risk is significantly centralized. In order to minimize credit risk, the Group periodically evaluates the major clients' financial positions and the possibility of collecting notes and accounts receivables to ensure the uncollectible amount is recognized appropriately as loss allowance.

3) **Receivables and debt securities**

- a) For credit risk exposure of notes and trade receivables, please refer to note 6(d).
- b) Other financial assets at amortized cost include other receivables and time deposits. The counterparties of the time deposits held by the Group are the financial institutions with investment grade credit ratings. Therefore, the credit risk is considered to be low.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity Risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
September 30, 2025					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 150,100	(150,422)	(150,422)	-	-
Notes and accounts payable	51,012	(51,012)	(51,012)	-	-
Lease liabilities (including current and non-current)	49,438	(58,367)	(6,231)	(6,079)	(46,057)
Other payables	139,320	(139,320)	(139,320)	-	-
Payables on equipment and construction	72,410	(72,410)	(72,410)	-	-
Long-term borrowings (including current portion)	752,539	(764,960)	(446,503)	(221,372)	(97,085)
Guarantee deposits received	<u>1,242</u>	<u>(1,242)</u>	<u>-</u>	<u>-</u>	<u>(1,242)</u>
	<u>\$ 1,216,061</u>	<u>(1,237,733)</u>	<u>(865,898)</u>	<u>(227,451)</u>	<u>(144,384)</u>
December 31, 2024					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 100	(100)	(100)	-	-
Notes and accounts payable	58,437	(58,437)	(58,437)	-	-
Lease liabilities (including current and non-current)	8,839	(8,940)	(2,629)	(2,095)	(4,216)
Other payables	193,349	(193,349)	(193,349)	-	-
Payables on equipment and construction	155,325	(155,325)	(155,325)	-	-
Long-term borrowings (including current portion)	981,448	(1,006,400)	(418,262)	(366,958)	(221,180)
Guarantee deposits received	<u>1,228</u>	<u>(1,228)</u>	<u>-</u>	<u>-</u>	<u>(1,228)</u>
	<u>\$ 1,398,726</u>	<u>(1,423,779)</u>	<u>(828,102)</u>	<u>(369,053)</u>	<u>(226,624)</u>

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
September 30, 2024					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 101,000	(101,281)	(101,281)	-	-
Notes and accounts payable	63,082	(63,082)	(63,082)	-	-
Lease liabilities (including current and non-current)	4,924	(5,079)	(2,072)	(1,361)	(1,646)
Other payables	175,713	(175,713)	(175,713)	-	-
Payables on equipment and construction	159,980	(159,980)	(159,980)	-	-
Long-term borrowings (including current portion)	997,705	(1,028,093)	(249,207)	(466,116)	(312,770)
Guarantee deposits received	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>
	<u>\$ 1,503,404</u>	<u>(1,534,228)</u>	<u>(751,335)</u>	<u>(467,477)</u>	<u>(315,416)</u>

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amount.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follow:

Foreign currency: in thousands of dollars

	September 30, 2025				December 31, 2024			September 30, 2024		
	Foreign currency	Exchange rate	TWD		Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets										
Monetary items										
USD to TWD	\$	6,160	30.395	187,233	12,677	32.735	414,982	9,009	31.6	284,684
EUR to TWD		1,520	35.57	54,066	1,054	33.94	35,773	1,536	35.18	54,036
Financial liabilities										
Monetary items										
USD to TWD		526	30.495	16,040	631	32.735	20,656	437	31.6	13,809

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, loans and borrowings, accounts payable, accrued expenses and other payables that are denominated in foreign currency.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The analysis assumes that all other variables remain constant. A strengthening (weakening) 1% of the functional currency against each foreign currency for the nine months ended September 30, 2025 and 2024, would have affected the net profit before tax increased or decreased \$2,253 and \$3,249, respectively. The analysis is performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

The exchange gains and losses of monetary items, including realized and unrealized, are changed into functional currency, which is the Group's presentation currency. For the three months and nine months ended September 30, 2025 and 2024, the exchange gains (losses), including realized and unrealized, are \$9,059, \$(5,599), \$(33,618) and \$13,140, respectively.

(iv) Interest rate analysis

For the details of financial assets and liabilities exposed to interest rate risk, please refer to financial risk management.

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	Carrying amount	
	September 30, 2025	September 30, 2024
Variable rate instruments:		
Financial assets	\$ 62,717	506,792
Financial liabilities	902,639	1,100,359

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, the Group's net profit before tax would have decreased or increased by \$1,575 and \$1,113, respectively, for the nine months ended September 30, 2025 and 2024, with all other variable factors remaining constant. This is mainly due to the Group's bank savings and borrowings with variable interest rates.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Other market price risks

For the nine months ended September 30, 2025 and 2024, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for both analysis, and assuming that the other variables were unchanged, the effects on the comprehensive income were as follows:

Price of securities at the reporting date	For the nine months ended September 30,			
	2025		2024	
	Other comprehensive income after tax	Profit or loss before tax	Other comprehensive income after tax	Profit or loss before tax
Increasing 5%	\$ <u>4,808</u>	<u>706</u>	<u>4,472</u>	<u>1,479</u>
Decreasing 5%	\$ <u>(4,808)</u>	<u>(706)</u>	<u>(4,472)</u>	<u>(1,479)</u>

(vi) Fair value

1) Fair value hierarchy

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	September 30, 2025				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ <u>14,117</u>	14,117	-	-	14,117
Financial assets at fair value through other comprehensive income					
Listed stocks	<u>96,156</u>	96,156	-	-	96,156
Financial assets measured at amortized cost					
Cash and cash equivalents	63,574	-	-	-	-
Notes and accounts receivable	223,084	-	-	-	-
Other receivables	53	-	-	-	-
Refunded deposits (recognized as other non-current assets)	<u>1,467</u>	-	-	-	-
Subtotal	<u>288,178</u>				
Total	\$ <u>398,451</u>				

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

September 30, 2025						
		Fair Value				
	Book value	Level 1	Level 2	Level 3	Total	
Financial liabilities measured at amortized cost						
Short-term borrowings	\$ 150,100	-	-	-	-	
Notes and accounts payable	51,012	-	-	-	-	
Lease liabilities (including current and non-current)	49,438	-	-	-	-	
Other payables	139,320	-	-	-	-	
Payables on equipment and construction	72,410	-	-	-	-	
Long-term borrowings (including current portion)	752,539	-	-	-	-	
Deposits received (recognized as other non-current liabilities)	1,242	-	-	-	-	
Total	\$ 1,216,061					
December 31, 2024						
		Fair Value				
	Book value	Level 1	Level 2	Level 3	Total	
Financial assets at fair value through profit or loss						
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 110,374	110,374	-	-	110,374	
Financial assets at fair value through other comprehensive income						
Listed stocks	81,427	81,427	-	-	81,427	
Financial assets measured at amortized cost						
Cash and cash equivalents	582,382	-	-	-	-	
Notes and accounts receivable	289,514	-	-	-	-	
Refunded deposits (recognized as other non-current assets)	1,217	-	-	-	-	
Subtotal	873,113					
Total	\$ 1,064,914					

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2024					
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 100	-	-	-	-
Notes and accounts payable	58,437	-	-	-	-
Lease liabilities (including current and non-current)	8,839	-	-	-	-
Other payables	193,349	-	-	-	-
Payables on equipment and construction	155,325	-	-	-	-
Long-term borrowings (including current portion)	981,448	-	-	-	-
Deposits received (recognized as other non-current liabilities)	1,228	-	-	-	-
Total	<u>\$ 1,398,726</u>				
September 30, 2024					
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>\$ 29,577</u>	29,577	-	-	29,577
Financial assets at fair value through other comprehensive income					
Listed stocks	<u>89,441</u>	89,441	-	-	89,441
Financial assets measured at amortized cost					
Cash and cash equivalents	513,936	-	-	-	-
Notes and accounts receivable	334,281	-	-	-	-
Other receivables	535,252	-	-	-	-
Refunded deposits (recognized as other non-current assets)	920	-	-	-	-
Subtotal	<u>1,384,389</u>				
Total	<u>\$ 1,503,407</u>				

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		September 30, 2024				
		Book value	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost						
Short-term borrowings	\$	101,000	-	-	-	-
Notes and accounts payable		63,082	-	-	-	-
Lease liabilities (including current and non-current)		4,924	-	-	-	-
Other payables		175,713	-	-	-	-
Payables on equipment and construction		159,980	-	-	-	-
Long-term borrowings		997,705	-	-	-	-
Deposits received (recognized as other non-current liabilities)		<u>1,000</u>	-	-	-	-
Total	\$	<u>1,503,404</u>				

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets and liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Financial instruments trade in active markets is based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a base to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accord with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Listed stocks are financial assets traded on the active market, and their fair value is determined by market quotations.

4) Transfers between Levels

For the nine months ended September 30, 2025 and 2024, there were no transfers between fair value levels for the Group.

(w) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(x) of the consolidated financial statements for the year ended December 31, 2024.

(x) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(y) of the consolidated financial statements for the year ended December 31, 2024.

(y) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the nine months ended September 30, 2025 and 2024, were as follows:

- (i) For the acquisition of right-of-use assets by lease for the nine months ended September 30, 2025 and 2024, please refer to note 6(i).
- (ii) Reconciliation of liabilities arising from financing activities for the nine months ended September 30, 2025 and 2024, were as follows:

	January 1, 2025	Cash flows	Non-cash changes		September 30, 2025
			Acquisition	Others	
Short-term borrowings	\$ 100	150,000	-	-	150,100
Long-term borrowings (including current portion)	981,448	(229,569)	-	660	752,539
Lease liabilities	8,839	(2,580)	43,179	-	49,438
Guarantee deposits received	1,228	14	-	-	1,242
	<u><u>\$ 991,615</u></u>	<u><u>(82,135)</u></u>	<u><u>43,179</u></u>	<u><u>660</u></u>	<u><u>953,319</u></u>

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	January 1, 2024	Cash flows	Non-cash changes		September 30, 2024
			Acquisition	Others	
Short-term borrowings	\$ 175,000	(74,000)	-	-	101,000
Long-term borrowings (including current portion)	862,670	132,787	-	2,248	997,705
Lease liabilities	4,804	(1,649)	1,769	-	4,924
Guarantee deposits received	1,000	-	-	-	1,000
	<u>\$ 1,043,474</u>	<u>57,138</u>	<u>1,769</u>	<u>2,248</u>	<u>1,104,629</u>

(7) Related-party transactions:

(a) Names and relationship with related parties:

Name of related party	Relationship with the Group
Weichyun Wong	The Chairman of the Company
Framosa Co., Ltd. (Framosa)	The associate of the Company
HoneyBear Biosciences, Inc. (HoneyBear)	//
Criminal Investigation and Prevention Association, Republic of China	The Chairman of the Company holds a board position in the association

(b) Significant transaction with related parties:

(i) Sales

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Associates	\$ -	-	2,000	-

The were no significant differences in the collection periods and sales prices between the related parties and other customers, and the payment term was 30 days. There were no significant differences in the payment term between the related parties and other customers. As of September 30, 2025, all the above transaction price have been received.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Lease

The Group rented out land and laboratory for related party, the details of the above lease transactions were as follows:

	Rental income (recorded as other income)				Other receivables from related parties		
	For the three months ended September 30,		For the nine months ended September 30,		September 30,	December 31,	September 30,
	2025	2024	2025	2024	2025	2024	2024
Associates- Framosa	\$ 1,769	1,657	5,170	4,927	-	-	-

	Guarantee deposits received (recorded as other non-current liability)		
	September 30, 2025	December 31, 2024	September 30, 2024
Associates-Framosa	\$ 1,228	1,228	1,000

(iii) Property transactions

The Group entered into an agreement with Framosa for the construction of its wastewater treatment equipment, the total contract price is \$248,818 (before tax), resulting in the amounts of \$210,399, \$191,259 and \$144,786, being recognized as construction in progress as of September 30, 2025, December 31 and September 30, 2024, respectively. As of September 30, 2025, the above transaction price of construction in progress has been paid.

(iv) Guarantee

Details of guarantees provided by the Group to related parties are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Associates-Framosa	\$ 400,000	400,000	400,000

For the three months and nine months ended September 30, 2025 and 2024, the Company recognized the endorsement guarantee service fee income from Framosa amounting to \$0, \$0, \$1,120 and \$0, respectively.

Please refer to note 13(a)ii for the detail.

(v) Other expenses

Details of other expenses incurred by the Group to related parties are as follows:

	Nature	For the three months ended September 30,		For the nine months ended September 30,	
		2025	2024	2025	2024
Other related parties	Operating expenses	\$ -	-	600	600

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Others

The title deed of a certain portion of the land was registered in the name of Mr. Weichyun Wong due to certain legal requirements for the nine months ended September 30, 2025 and 2024. Please refer to note 6(g).

(c) Key management personnel compensation

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Salary and short-term employee benefits	\$ <u>3,947</u>	<u>7,194</u>	<u>12,925</u>	<u>18,382</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Assets	Subject	September 30, 2025	December 31, 2024	September 30, 2024
Land	Pledged as collateral for credit lines	\$ 42,736	42,736	42,736
Building	"	<u>1,886</u>	<u>2,056</u>	<u>2,113</u>
		<u>\$ 44,622</u>	<u>44,792</u>	<u>44,849</u>

(9) Commitments and contingencies:

- (a) As of September 30, 2025, December 31 and September 30, 2024, the unused balance of the Group's outstanding standby letters of credit amounted to \$0, \$19,154 and \$84,062, respectively.
- (b) The significant outstanding purchase commitments for property, plant and equipment were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Acquisitions of property, plant and equipment	\$ <u>165,637</u>	<u>425,423</u>	<u>562,645</u>

(10) Losses Due to Major Disasters:

A major fire occurred on December 20, 2020 that caused damage to some of the Company's buildings, equipment, construction in progress, and inventories, wherein the Company received insurance claims progressively beginning in 2021 from its insurance contract related to its property insurance and public liability. As of December 31, 2024, all insurance claims related to the incident had been fully settled and received. For further details, please refer to notes 6(v) and 10 of the 2024 consolidated financial statements.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(11) Subsequent Events: None.

(12) Other:

- (a) The followings are the summary statement of current period employee benefits, depreciation and amortization expenses by function:

By function By item	For the three months ended September 30, 2025			For the three months ended September 30, 2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	37,930	18,132	56,062	47,667	31,937	79,604
Labor and health insurance	4,815	1,530	6,345	4,533	1,428	5,961
Pension	2,030	633	2,663	1,981	651	2,632
Remuneration of directors	-	250	250	-	3,650	3,650
Others	1,102	2,153	3,255	1,087	2,347	3,434
Depreciation	54,254	7,001	61,255	52,326	6,602	58,928
Amortization	1,029	1,054	2,083	1,032	1,065	2,097

By function By item	For the nine months ended September 30, 2025			For the nine months ended September 30, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	128,753	45,766	174,519	139,459	68,487	207,946
Labor and health insurance	13,971	4,097	18,068	13,115	4,096	17,211
Pension	6,100	1,909	8,009	5,865	1,946	7,811
Remuneration of directors	-	700	700	-	5,000	5,000
Others	3,211	6,623	9,834	3,226	7,060	10,286
Depreciation	161,849	20,331	182,180	146,240	19,503	165,743
Amortization	3,089	3,154	6,243	3,108	3,195	6,303

- (b) Seasonality of operations

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

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the nine months ended September 30, 2025:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Framosa Co., Ltd	The associate of the Company	537,126	400,000	400,000	279,529	-	7.45 %	2,148,504	N	N	N

Note 1: The total amount of endorsements and guarantees provided by the Company to third parties shall not exceed 40% of the latest net worth as reported in the financial statements. The maximum limit for endorsements and guarantees provided to a single enterprise shall not exceed 10% of the Company's net worth. In addition the total amount of endorsements and guarantees provided by the Company and subsidiaries to third parties shall not exceed 40% of the latest net worth as reported in the financial statements. The maximum limit for endorsements and guarantees provided to a single enterprise shall not exceed 10% of the Company's net worth.

(iii) Material securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Unit: thousand shares

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Beneficiary Certificate (UPAMC James Bond Money Market Fund)	-	Current Financial asset at fair value through profit or loss	57	1,003	-	1,003	
Yushan	Beneficiary Certificate (UPAMC James Bond Money Market Fund)	-	"	745	13,114	-	13,114	
The Company	Stock (Energen esis Biomedical Co., Ltd)	-	Financial assets at fair value through other comprehensive income	1,804	96,156	2 %	96,156	

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

(v) Receivables from related parties with amounts exceeding the lower of \$100 million or 20% of the capital stock: None.

(vi) Business relationships and significant intercompany transactions: None.

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2025 (excluding information on investees in Mainland China):

Unit: thousand dollars/ thousand shares

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Yushan	R.O.C.	The research and development, manufacture and sale of API	351,761	351,761	35,190	100 %	362,739	(3,999)	(3,564)	Note 1
"	Framosa Co., Ltd.	R.O.C.	Circular economy by purifying and utilizing used solvents	143,750	143,750	14,375	25 %	82,247	(71,485)	(18,668)	
"	HoneyBear Biosciences, Inc.	R.O.C.	Biotechnology services	35,000	35,000	1,750	4.04 %	13,592	(136,006)	(5,519)	
Yushan	HoneyBear Biosciences, Inc.	R.O.C.	Biotechnology services	33,000	33,000	3,300	7.61 %	25,674	(136,006)	(10,397)	

Note 1 : The transactions had been eliminated in the consolidated financial statements.

(c) Information on investment in mainland China: None.

(14) Segment information:

The Group only uses one segment to assess its performance and allocate resources. Hence, there is no need to disclose the information.