Stock Code:4119

SCI PHARMTECH, INC. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2024 and 2023

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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.

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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 June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, and changes in equity and cash flows for the six months ended June 30, 2024 and 2023, 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 $136,985 thousand and $156,150 thousand as of June 30, 2024 and 2023, respectively, and its equity in net earnings (losses) on these investee companies of $(3,705) thousand, $(500) thousand, $(7,823) thousand and $(2,497) thousand for the three months and six months ended June 30, 2024 and 2023, 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 June 30, 2024 and 2023, and of its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, as well as its consolidated cash flows for the six months ended June 30, 2024 and 2023 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)
August 9, 2024

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

June 30, 2024, December 31, 2023, and June 30, 2023

(expressed in thousands of New Taiwan dollars)

	Assets	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 846,821	12	942,057	14	143,703	3
1110	Current financial assets at fair value through profit or loss (note 6(b))	64,634	1	88,998	1	89,283	2
1170	Notes and accounts receivable, net (notes 6(d) and 6(s))	368,812	6	307,369	5	286,091	5
1206	Other receivables	7	-	151	-	1,000	-
1310	Inventories, net (note 6(e))	635,271	9	529,533	8	487,442	9
1470	Other current assets	104,014	2	85,131	1	83,192	2
		2,019,559	30	1,953,239	29	1,090,711	21
	Non-current assets:						
1518	Non-current financial assets at fair value through other comprehensive income (note 6(c))	89,761	1	96,814	2	241,377	4
1550	Investments accounted for using equity method (note 6(f))	136,985	2	144,808	2	156,150	3
1600	Property, plant and equipment (notes 6(g), 7 and 8)	3,938,905	58	3,906,993	58	3,446,645	64
1755	Right-of-use assets (note 6(h))	3,759	-	4,772	-	4,817	-
1761	Investment property, land (notes 6(i) and 7)	228,012	3	228,012	4	228,012	4
1780	Intangible assets	41,941	1	46,147	1	50,358	1
1840	Deferred tax assets	153,277	2	153,277	2	167,252	3
1900	Other non-current assets (note 6(g))	220,155	3	156,679	2	30,349	-
		4,812,795	70	4,737,502	71	4,324,960	79
	Total assets	$ 6,832,354	100	6,690,741	100	5,415,671	100

	Liabilities and Equity	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current liabilities:						
2100	Total short-term borrowings (note 6(j))	$ 129,000	2	175,000	3	105,000	2
2170	Notes and accounts payable	51,905	1	44,251	1	36,693	1
2130	Current contract liabilities (note 6(s))	37,475	1	38,367	1	31,460	1
2200	Other payables	168,385	2	169,538	3	192,077	4
2213	Payables on contractors and equipment	52,387	1	68,840	1	86,711	2
2216	Dividends payable (note 6(p))	149,387	2	-	-	23,846	-
2230	Current tax liabilities	22,822	-	11,536	-	66,211	1
2250	Current provisions (notes 6(m) and 10)	30,483	-	29,058	-	34,101	-
2280	Current lease liabilities (note 6(l))	1,737	-	1,946	-	1,518	-
2300	Other current liabilities (note 6(d))	7,366	-	11,351	-	7,324	-
2322	Long-term borrowings, current portion (note 6(k))	127,326	2	20,000	-	-	-
		778,273	11	569,887	9	584,941	11
	Non-Current liabilities:						
2541	Long-term borrowings (note 6(k))	868,380	13	842,670	13	589,095	11
2580	Non-current lease liabilities (note 6(l))	2,065	-	2,858	-	3,309	-
2570	Deferred tax liabilities	103,811	2	146,000	2	103,811	2
2630	Deferred income (note 6(k))	7,448	-	6,837	-	5,360	-
2640	Provisions for employee benefits, non-current	21,162	-	21,536	-	18,928	-
2600	Total other non-current liabilities (note 7)	1,000	-	1,000	-	1,000	-
		1,003,866	15	1,020,901	15	721,503	13
	Total liabilities	1,782,139	26	1,590,788	24	1,306,444	24
	Equity attributable to owners of parent (note 6(p)):						
3100	Ordinary Share	1,195,087	18	1,195,087	18	953,824	18
3150	Stock dividend to be distributed	-	-	-	-	119,228	2
3200	Capital surplus	2,233,590	33	2,233,590	33	1,357,127	24
3310	Legal reserve	504,024	7	462,435	7	462,435	9
3320	Special reserve	-	-	54,727	1	54,727	1
3350	Unappropriated retained earnings	1,099,110	16	1,128,657	17	1,021,785	19
3400	Other components of equity	18,404	-	25,457	-	140,101	3
	Total equity	5,050,215	74	5,099,953	76	4,109,227	76
	Total liabilities and equity	$ 6,832,354	100	6,690,741	100	5,415,671	100

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 six months ended June 30, 2024 and 2023

(expressed in Thousands of New Taiwan Dollars, except for earnings per share)

		For the three months ended June 30,				For the six months ended June 30,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4110	**Sales revenue (note 6(s))**	$ 392,716	100	313,115	100	702,595	100	654,894	100
5110	**Cost of sales (notes 6(e), 6(n) and 12)**	284,772	73	233,352	75	502,778	72	452,119	69
5900	**Gross profit**	107,944	27	79,763	25	199,817	28	202,775	31
	Operating expenses (notes 6(n) and 12):								
6100	Selling expenses	19,712	5	15,670	5	37,089	5	30,470	5
6200	Administrative expenses	22,452	5	15,115	5	41,314	6	32,588	5
6300	Research and development expenses	10,709	3	12,631	4	21,313	3	24,589	4
		52,873	13	43,416	14	99,716	14	87,647	14
6900	**Net operating income**	55,071	14	36,347	11	100,101	14	115,128	17
	Non-operating income and expenses:								
7101	Interest income	3,498	1	884	-	4,032	1	1,281	-
7190	Other income (notes 6(u), 7 and 10)	2,689	1	213,251	68	5,484	1	215,067	33
7235	Gains (losses) on financial assets at fair value through profit or loss	2,854	1	(3,881)	(1)	2,026	-	(1,587)	-
7510	Interest expense (note 6(l))	(1,347)	(1)	(1,876)	(1)	(2,846)	(1)	(3,582)	(1)
7590	Miscellaneous disbursements	(1,338)	-	(357)	-	(1,449)	-	(442)	-
7610	Losses on disposals of property, plant and equipment	-	-	(537)	-	-	-	(537)	-
7630	Foreign exchange gains (losses)	4,699	1	8,005	3	18,739	3	7,229	1
7770	Share of loss of associates and joint ventures accounted for using equity method, net (note 6(f))	(3,705)	(1)	(500)	-	(7,823)	(1)	(2,497)	-
		7,350	2	214,989	69	18,163	3	214,932	33
7900	**Profit before tax**	62,421	16	251,336	80	118,264	17	330,060	50
7950	Less: Income tax expenses (note 6(o))	228	-	51,818	16	11,562	2	67,104	10
8200	**Profit**	62,193	16	199,518	64	106,702	15	262,956	40
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	(4,489)	(1)	245,074	78	(7,053)	(1)	241,563	37
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(o))	-	-	-	-	-	-	-	-
8300	**Other comprehensive income, net**	(4,489)	(1)	245,074	78	(7,053)	(1)	241,563	37
8500	**Total comprehensive income**	**$ 57,704**	**15**	**444,592**	**142**	**99,649**	**14**	**504,519**	**77**
	Earnings per share (note 6(r)):								
9750	**Basic earnings per share**	**$**	**0.52**		**1.86**		**0.89**		**2.45**
9850	**Diluted earnings per share**	**$**	**0.52**		**1.86**		**0.89**		**2.45**

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 six months ended June 30, 2024 and 2023

(expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent							
	Share capital			Retained earnings			Other equity interest	
	Ordinary shares	Stock dividend to be distributed	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2023	$ 953,824	-	1,357,127	431,874	48,929	892,197	(54,727)	3,629,224
Profit for the six months ended June 30, 2023	-	-	-	-	-	262,956	-	262,956
Other comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	-	241,563	241,563
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	262,956	241,563	504,519
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	-	30,561	-	(30,561)	-	-
Special reserve appropriated	-	-	-	-	5,798	(5,798)	-	-
Cash dividends of ordinary share	-	-	-	-	-	(23,846)	-	(23,846)
Stock dividends of ordinary share	-	119,228	-	-	-	(119,228)	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	-	(670)	-	(670)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	46,735	(46,735)	-
Balance at June 30, 2023	**$ 953,824**	**119,228**	**1,357,127**	**462,435**	**54,727**	**1,021,785**	**140,101**	**4,109,227**
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 six months ended June 30, 2024	-	-	-	-	-	106,702	-	106,702
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	(7,053)	(7,053)
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	106,702	(7,053)	99,649
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)
Balance at June 30, 2024	**$ 1,195,087**	**-**	**2,233,590**	**504,024**	**-**	**1,099,110**	**18,404**	**5,050,215**

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 six months ended June 30, 2024 and 2023

(expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2024	**2023**
Cash flows from (used in) operating activities:		
Profit before tax	$ 118,264	330,060
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation expense	106,815	60,196
Amortization expense	4,206	4,224
Net loss (profit) on financial assets or liabilities at fair value through profit or loss	(2,026)	1,587
Interest expense	2,846	3,582
Interest income	(4,032)	(1,281)
Share of loss of associates and joint ventures accounted for using equity method	7,823	2,497
Reversal of major disasters	-	(373)
Others	3,043	537
Total adjustments to reconcile profit	118,675	70,969
Changes in operating assets and liabilities:		
Increase in notes and accounts receivable	(61,443)	(112,526)
(Increase) decrease in inventories	(105,738)	25,988
(Increase) decrease in other receivables and other current assets	(18,731)	6,799
Decrease in contract liabilities	(892)	(313)
Increase (decrease) in notes and accounts payable	7,654	(11,943)
Decrease in other payable	(1,153)	(103,940)
Increase (decrease) in provisions	1,425	(76,910)
(Decrease) increase in other current liabilities	(3,985)	2,100
Decrease in provision for employee benefits, non-current	(374)	(602)
Total changes in operating assets and liabilities	(183,237)	(271,347)
Total adjustments	(64,562)	(200,378)
Cash flow from (used in) operations	53,702	129,682
Interest received	4,032	1,281
Interest paid	(2,846)	(3,582)
Income taxes paid	(42,473)	(4,716)
Net cash flows from (used in) operating activities	12,415	122,665
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	66,909
Proceeds from disposal of financial assets at fair value through profit or loss	26,390	6,675
Acquisition of investments accounted for using equity method	-	(18,000)
Acquisition of property, plant and equipment	(155,350)	(321,932)
Increase in refundable deposits	(800)	(110)
Increase in prepayments of property, plant and equipment	(62,676)	(28,523)
Net cash flows from (used in) investing activities	(192,436)	(294,981)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(46,000)	(7,000)
Proceeds from long-term borrowings	131,787	157,085
Payment of lease liabilities	(1,002)	(894)
Net cash flows from (used in) financing activities	84,785	149,191
Net decrease in cash and cash equivalents	(95,236)	(23,125)
Cash and cash equivalents at beginning of period	942,057	166,828
Cash and cash equivalents at end of period	**$ 846,821**	**143,703**

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

June 30, 2024 and 2023

(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 August 9, 2024.

(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, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(b) The impact of IFRS issued 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, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

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

(c) The impact of IFRS 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

(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 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

(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, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(b) Basis of Consolidation

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**June 30, 2024**	**December 31, 2023**	**June 30, 2023**
The Company	Yushan Pharmaceuticals Inc. (Yushan)	The research and development, manufacture and sale of API	100.00 %	100.00 %	100.00 %

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

(c) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(iii) It expects to realize the asset within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(d) 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.

(e) 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.

(Continued)

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

(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, 2023. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

(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, 2023. Please refer to note 6 of the 2023 annual consolidated financial statements.

(a) Cash and cash equivalents

		June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	$	624	499	523
Checking accounts and demand deposits		819,075	907,102	124,173
Time deposits		27,122	34,456	19,007
Cash and cash equivalents in the consolidated statement of cash flows	$	**846,821**	**942,057**	**143,703**

(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.

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

		June 30, 2024	December 31, 2023	June 30, 2023
Mandatorily measured at fair value through profit or loss:				
Non-derivative financial assets				
Beneficiary certificate	$	1,058	1,052	1,045
Stocks listed on domestic markets		63,576	87,946	88,238
Total	$	**64,634**	**88,998**	**89,283**

The Group did not provide any aforementioned financial assets as collateral for its loans as of June 30, 2024, December 31 and June 30, 2023, respectively.

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SCI PHARMTECH, INC. AND SUBSIDIARIES
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(c) Financial asset at fair value through other comprehensive income, non-current:

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets at fair value through other comprehensive income:			
Stocks listed on domestic markets	$ 89,761	96,814	125,026
Emerging stocks	-	-	116,351
	$ 89,761	96,814	241,377

(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) In the second quarter of 2023, the Group had sold some part of its shares held in Sunny Pharmtech Inc., which is accounted under equity investments measured at fair value through other comprehensive income, with a fair value of $66,909 at the time of disposal, and the cumulative gain on disposal amounted to $46,735. Therefore, the Group has transferred the aforesaid cumulative gain on disposal from other equity to retained earnings. In addition, the Group had sold all of its shares held in Sunny Pharmtech Inc. in the second half of 2023.

(iii) Energenesis Biomedical Co., Ltd., was originally an emerging company and became listed in June 2023.

(iv) Please refer to note 6(v) for market risk of the Group.

(v) As of June 30, 2024, December 31 and June 30, 2023, the Group did not provide any aforementioned financial assets as collateral for its loans.

(d) Notes and accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	$ -	-	831
Accounts receivable	368,812	307,369	285,260
Less: Loss allowance	-	-	-
	$ 368,812	307,369	286,091

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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:

	June 30, 2024		
	Gross carrying amount	Rate of loss allowance provision	Loss allowance provision
Current	$ 299,204	-	-
1 to 30 days past due	46,873	-	-
31 to 60 days past due	20,008	-	-
61 to 90 days past due	2,727	-	-
	$ 368,812		**-**

	December 31, 2023		
	Gross carrying amount	Rate of loss allowance provision	Loss allowance provision
Current	$ 184,452	-	-
1 to 30 days past due	28,289	-	-
31 to 60 days past due	25,539	-	-
61 to 90 days past due	-	-	-
91 to 180 days past due	14	-	-
181 to 270 days past due	69,075	-	-
	$ 307,369		**-**

	June 30, 2023		
	Gross carrying amount	Rate of loss allowance provision	Loss allowance provision
Current	$ 190,917	-	-
1 to 30 days past due	55,385	-	-
31 to 60 days past due	6,604	-	-
61 to 90 days past due	18,299	-	-
91 to 180 days past due	10,011	-	-
181 to 270 days past due	-	-	-
271 to 360 days past due	-	-	-
More than 360 days past due	4,875 (note)	-	-
	$ 286,091		**-**

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
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Note: The account receivable has already estimated as refund liabilities for short-term sales discounts and allowances. (recorded as other current liabilities)

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

	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Balance at January 1 (Balance at June 30)	**$ -**	**-**

As of June 30, 2024, December 31 and June 30, 2023, the Group did not provide any aforementioned notes and accounts receivable as collaterals for its loans.

(e) Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Raw materials	$ 112,909	92,404	129,701
Work in progress	98,114	85,692	50,786
Finished goods	424,248	351,437	306,955
	$ 635,271	**529,533**	**487,442**

Inventory cost recognized as operating costs for the three months and six months ended June 30, 2024 and 2023 were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Inventory that has been sold	$ 241,470	213,119	431,509	403,442
Write-down of inventories (Reversal of write downs)	5,412	1,045	(17,094)	10,679
Loss on disposal of inventories	-	-	18,847	1,381
Unallocated production overheads	37,890	19,188	69,516	36,617
	$ 284,772	**233,352**	**502,778**	**452,119**

As of June 30, 2024, December 31 and June 30, 2023, the Group did not provide any inventories as collaterals for its loans.

SCI PHARMTECH, INC. AND SUBSIDIARIES
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(f) Investments accounted for using equity method

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

	June 30, 2024	December 31, 2023	June 30, 2023
Associates	$ 136,985	144,808	156,150

(i) Except for the following, there was no significant change for investments accounted for using the equity method for the six months ended June 30, 2024 and 2023. For the related information, please refer to note 6(g) of the consolidated financial statements for the year ended December 31, 2023.

(ii) In May 2023, the Group subscribed to the newly issued shares of HoneyBear Biosciences, Inc.(HoneyBear) amounting to $18,000, at a percentage disproportionate from its existing ownership percentage, resulting in the ownership of HoneyBear by the Group to increase from 6.09% to 11.54%, and the retained earnings to decrease by $670.

(iii) The Group's financial information on investments accounted for using equity method that are individually insignificant was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount of individually insignificant associates' equity	$ 136,985	144,808	156,150

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Attributable to the Group:				
Profit (loss)	$ (3,705)	(500)	(7,823)	(2,497)
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss)	$ (3,705)	(500)	(7,823)	(2,497)

(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.

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

(g) 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, 2024	$ 687,883	707,002	1,714,324	58,337	12,968	1,564,525	4,745,039
Additions	-	-	24,469	116	-	116,172	140,757
Disposal and derecognitions	-	-	(8,375)	-	-	-	(8,375)
Transferred in (out)	-	15,902	585,679	271	-	(604,895)	(3,043)
Balance on June 30, 2024	**$ 687,883**	**722,904**	**2,316,097**	**58,724**	**12,968**	**1,075,802**	**4,874,378**
Balance on January 1, 2023	$ 687,883	700,232	1,116,895	55,466	12,968	1,323,065	3,896,509
Additions	-	-	10,934	-	-	237,118	248,052
Disposal and derecognitions	-	-	(765)	-	-	-	(765)
Transferred in (out)	-	-	60,868	1,962	-	2,458	65,288
Balance on June 30, 2023	**$ 687,883**	**700,232**	**1,187,932**	**57,428**	**12,968**	**1,562,641**	**4,209,084**
Depreciation and impairments loss:							
Balance on January 1, 2024	$ -	311,735	489,788	28,553	7,970	-	838,046
Depreciation	-	13,065	89,901	2,316	520	-	105,802
Disposals and derecognitions	-	-	(8,375)	-	-	-	(8,375)
Balance on June 30, 2024	**$ -**	**324,800**	**571,314**	**30,869**	**8,490**	**-**	**935,473**
Balance on January 1, 2023	$ -	287,084	385,715	23,635	6,931	-	703,365
Depreciation	-	12,272	44,018	2,492	520	-	59,302
Disposals and derecognitions	-	-	(228)	-	-	-	(228)
Balance on June 30, 2023	**$ -**	**299,356**	**429,505**	**26,127**	**7,451**	**-**	**762,439**
Carrying amounts:							
Balance on January 1, 2024	**$ 687,883**	**395,267**	**1,224,536**	**29,784**	**4,998**	**1,564,525**	**3,906,993**
Balance on June 30, 2024	**$ 687,883**	**398,104**	**1,744,783**	**27,855**	**4,478**	**1,075,802**	**3,938,905**
Balance on January 1, 2023	**$ 687,883**	**413,148**	**731,180**	**31,831**	**6,037**	**1,323,065**	**3,193,144**
Balance on June 30, 2023	**$ 687,883**	**400,876**	**758,427**	**31,301**	**5,517**	**1,562,641**	**3,446,645**

Except for the following, the information on significant transactions of the Group's property, plant and equipment, please refer to note 6(h) of the consolidated financial statements for the year ended December 31, 2023.

SCI PHARMTECH, INC. AND SUBSIDIARIES
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(i) As of June 30, 2024, December 31 and June 30, 2023, the Group's prepayments for equipment purchases amounted to $218,435, $155,759 and $29,429, respectively, which were recorded as other non-current assets.

(ii) As of June 30, 2024, December 31 and June 30, 2023, part of the property, plant and equipment of the Group had been pledged as collateral. Please refer to note 8 for the details.

(h) Right-of-use assets

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

	Land	Others	Total
Cost:			
Balance on January 1, 2024 (same as balance on June 30, 2024)	**$ 3,566**	**2,626**	**6,192**
Balance on January 1, 2023	$ -	4,922	4,922
Additions	3,566	1,132	4,698
Reductions	-	(4,233)	(4,233)
Balance on June 30, 2023	**$ 3,566**	**1,821**	**5,387**
Accumulated depreciation:			
Balance on January 1, 2024	$ 475	945	1,420
Depreciation for the period	357	656	1,013
Balance on June 30, 2024	**$ 832**	**1,601**	**2,433**
Balance on January 1, 2023	$ -	3,909	3,909
Depreciation for the period	119	775	894
Reductions	-	(4,233)	(4,233)
Balance on June 30, 2023	**$ 119**	**451**	**570**
Carrying amount:			
Balance on January 1, 2024	**$ 3,091**	**1,681**	**4,772**
Balance on June 30, 2024	**$ 2,734**	**1,025**	**3,759**
Balance on January 1, 2023	**$ -**	**1,013**	**1,013**
Balance on June 30, 2023	**$ 3,447**	**1,370**	**4,817**

(i) 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 six months ended June 30, 2024 and 2023. Please refer to note 6(j) of the consolidated financial statements for the year ended December 31, 2023.

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SCI PHARMTECH, INC. AND SUBSIDIARIES
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(iii) There were no significant changes in the fair value of the Group’ s investment property as disclosed in note 6(j) of the consolidated financial statements for the year ended December 31, 2023.

(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.

(j) Short-term borrowings

The details of short-term borrowings were as following:

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank loans	$ 129,000	125,000	82,000
Secured bank loans	-	50,000	23,000
Total	**$ 129,000**	**175,000**	**105,000**
Unused short-term credit lines	**$ 605,185**	**695,000**	**685,000**
Range of interest rates	**1.85%~2.225%**	**1.7%~2.1%**	**1.7%~1.925%**

(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).

(k) Long-term borrowings

The details of long-term borrowings were as following:

	June 30, 2024	December 31, 2023	June 30, 2023
Secured bank loans－Maturity year 2025.3~2027.2	$ 818,359	686,572	462,852
Unsecured bank loans－Maturity year 2025.11 and 2026.9	180,000	180,000	130,000
Less: current portion	(127,326)	(20,000)	-
Less: Deferred income	(2,653)	(3,902)	(3,757)
	$ 868,380	**842,670**	**589,095**
Unused credit lines	**$ 10,000**	**363,428**	**537,148**
Range of interest rates	**1.675%~2.05%**	**1.05%~1.925%**	**1.55%~1.9255%**

(i) For the six months ended June 30, 2024 and 2023, the Group had the additional long-term borrowings amounting to $131,787 and $157,085, respectively, and the repayment amounted to $0.

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SCI PHARMTECH, INC. AND SUBSIDIARIES
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(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, based on the Government grants. As of June 30, 2024, the Group had used the credit amount of $818,359.

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

(l) Lease liabilities

The carrying amount of lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Current	$ 1,737	1,946	1,518
Non-current	$ 2,065	2,858	3,309

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
The amounts recognized in profit or loss were as follows:				
Interest on lease liabilities	$ 22	18	45	21
Expenses relating to short-term leases	$ 55	129	135	323
Variable lease payments not included in the measurement of lease liabilities	$ -	(3)	-	3
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 236	187	430	327

	For the six months ended June 30,	
	2024	2023
The amounts recognized in the statement of cash flows for the Group were as follows:		
Total cash outflow for leases	$ 1,612	1,568

(i) The Group leases land, company cars and copy machines: The leases typically run for a period of three to six years.

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(ii) Other leases

The Group leases vehicles and office equipment. 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.

(m) Provisions

Except for the following disclosure, there was no significant change for provisions for the six months ended June 30, 2024 and 2023. For the related information, please refer to note 6(o) of the consolidated financial statements for the year ended December 31, 2023.

	Environmental protection costs	Fire disaster indemnity	Total
Balance on January 1, 2024	$ 29,058	-	29,058
Provisions made during the year	13,472	-	13,472
Provisions used during the year	(12,047)	-	(12,047)
Balance on June 30, 2024	**$ 30,483**	**-**	**30,483**
Balance on January 1, 2023	$ 43,225	68,159	111,384
Provisions made (reversed) during the year	5,380	(373)	5,007
Provisions used during the year	(20,944)	(61,346)	(82,290)
Balance on June 30, 2023	**$ 27,661**	**6,440**	**34,101**

Please refer to note 10 for the above fire indemnity.

(n) 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, 2023 and 2022.

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Operating cost	$ 290	138	577	274
Operating expenses	107	70	217	140
Total	**$ 397**	**208**	**794**	**414**

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(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 June 30,		For the six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Operating cost	$ 1,687	1,338	3,307	2,663
Selling expenses	546	482	1,078	956
Total	**$ 2,233**	**1,820**	**4,385**	**3,619**

(o) 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 six months ended June 30, 2024 and 2023 were calculated as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Current income tax expense				
Recognized during the year	$ 11,885	51,818	23,219	67,104
Income tax estimated under tax incentives	30,532	-	30,532	-
	42,417	51,818	53,751	67,104
Deferred income tax expense				
Income tax underestimate (overestimate) for prior years	(42,189)	-	(42,189)	-
Current income tax expense	**$ 228**	**51,818**	**11,562**	**67,104**

(iii) For the three months and six months ended June 30, 2024 and 2023, the Group did not recognize income tax expense in equity and other comprehensive income.

(iv) Examination and approval

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

SCI PHARMTECH, INC. AND SUBSIDIARIES
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(p) 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 June 30, 2024 and 2023. For the related information, please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2023.

(i) Capital surplus

The balances of capital surplus as of June 30, 2024, December 31 and June 30, 2023 were as follows:

		June 30, 2024	December 31, 2023	June 30, 2023
Additional paid-in capital	$	2,127,990	2,127,990	1,270,247
Cash capital increase reserved for employees' subscription		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		8,788	8,788	8,788
Employee stock options		5,582	5,582	5,582
	$	**2,233,590**	**2,233,590**	**1,357,127**

(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.

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(iii) Earnings distribution

Based on the resolution of stockholders' meeting held on May 30, 2024 and June 19, 2023, the appropriation of earnings for the year 2023 and 2022 was approved. The above dividends per share were appropriated as follows:

	2023		2022	
	Amount per share (dollars)	**Total amount**	**Amount per share (dollars)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 1.25	149,387	0.25	23,846
Stock	-	-	1.25	119,228
Total		$ 149,387		143,074

(iv) Other equity (net of tax)

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance at January 1, 2024	$ 25,457
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(7,053)
Balance at June 30, 2024	$ 18,404
Balance at January 1, 2023	$ (54,727)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	241,563
Disposal of investments in equity instruments designated at fair value through other comprehensive income	(46,735)
Balance at June 30, 2023	$ 140,101

(q) Share-based payment

Based on the resolution of the Board of Directors held on August 10, 2023, the Company decided to conduct a cash capital increase, information related to the share-based payment resulting from the reserved employees' subscription,. Please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2023.

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(r) Earnings per share

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Basic earnings per share				
Profit attributable to ordinary shareholders of the Company	**$ 62,193**	**199,518**	**106,702**	**262,956**
Weighted-average number of ordinary shares (thousand shares)	**119,509**	**107,305**	**119,509**	**107,305**
	$ 0.52	**1.86**	**0.89**	**2.45**
Diluted earnings per share				
Profit attributable to ordinary shareholders of the Company	**$ 62,193**	**199,518**	**106,702**	**262,956**
Weighted-average number of ordinary shares (thousand shares)	119,509	107,305	119,509	107,305
Effect of potentially dilutive ordinary shares:				
Effect of employee compensation	133	116	241	212
Weighted-average number of ordinary shares (thousand shares) (diluted)	**119,642**	**107,421**	**119,750**	**107,517**
	$ 0.52	**1.86**	**0.89**	**2.45**

The above mentioned weighted average number of ordinary shares has been retroactively adjusted for the shares obtained as stock dividends, with August 2, 2023 as the date of capital increase.

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(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Primary geographical markets:				
Italy	$ 76,183	100,887	136,357	179,270
Switzerland	38,015	16,759	83,590	40,089
Germany	14,210	12,860	48,947	74,172
Spain	28,368	2,092	56,785	16,666
Japan	11,235	44,093	35,740	54,711
Netherlands	57,552	-	81,802	27,025
Taiwan	43,908	28,064	65,240	41,331
United States	33,830	48,427	54,269	71,816
Australia	6,831	2,323	17,882	22,964
Others	82,584	57,610	121,983	126,850
	$ 392,716	**313,115**	**702,595**	**654,894**
Major products:				
Active Pharmaceutical Ingredients	$ 273,539	178,233	500,287	386,944
Intermediates	112,136	134,219	192,703	265,049
Specialty Chemical	7,041	663	9,605	2,901
	$ 392,716	**313,115**	**702,595**	**654,894**

(ii) Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023
Notes and accounts receivable	$ 368,812	307,369	286,091
Less: Loss allowance	-	-	-
Total	**$ 368,812**	**307,369**	**286,091**
Contract liabilities (sales received in advance)	**$ 37,475**	**38,367**	**31,460**

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

The amount of revenue recognized for the six months ended June 30, 2024 and 2023, that was included in the contract liability balance at the beginning of the period was $2,823 and $323, respectively.

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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.

(t) Remuneration to employees and directors

In accordance with the Articles of incorporation, 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.

For the three months and six months ended June 30, 2024 and 2023, the remunerations to employees amounted to $6,322, $6,121, $12,042 and $13,743, respectively, and the remunerations to directors amounted to $720, $2,950, $1,350 and $4,200, 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.

For the years ended December 31, 2023 and 2022, the remunerations to employees amounted to $24,407 and $26,091, respectively, and the remunerations to directors amounted to $3,936 and $4,250, respectively. The remunerations to employees in 2022 amounting to $22,178, are calculated with the closing market prices of ordinary shares on the day before the resolution of the board of directors to distribute the remuneration to employee on March 14, 2023, and 203 thousand shares were distributed. The remunerations above are identical to those of the actual distributions. The information is available on the Market Observation Post System website.

(u) Other Income

	For the three months ended June 30,		For the six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Provisions reversal of fire indemnity	$ -	373	-	373
Insurance claim income, net	-	210,943	-	210,943
Rental income and others	2,689	1,935	5,484	3,751
	$ 2,689	**213,251**	**5,484**	**215,067**

(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(x) of the consolidated financial statements for the year ended December 31, 2023.

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(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 June 30, 2024, December 31 and June 30, 2023, there were eight, five and six major customers, respectively, that accounted for 72%, 76% and 63%, 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.

(ii) Liquidity Risk

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

	Carrying Amount	Contractual cash flows	Within a year	1 ~ 2 years	Over 2 years
June 30, 2024					
Non-derivative financial liabilities:					
Short-term borrowings	$ 129,000	(129,501)	(129,501)	-	-
Notes and accounts payable	51,905	(51,905)	(51,905)	-	-
Lease liabilities (including current and non-current)	3,802	(3,926)	(1,798)	(751)	(1,377)
Other payables	168,385	(168,385)	(168,385)	-	-
Payables on contractors and equipment	52,387	(52,387)	(52,387)	-	-
Dividends payable	149,387	(149,387)	(149,387)	-	-
Long-term borrowings (including current portion)	995,706	(1,035,746)	(144,305)	(448,001)	(443,440)
Guarantee deposits received	1,000	(1,000)	-	-	(1,000)
	$ 1,551,572	**(1,592,237)**	**(697,668)**	**(448,752)**	**(445,817)**

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
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	Carrying Amount	Contractual cash flows	Within a year	1 ~ 2 years	Over 2 years
December 31, 2023					
Non-derivative financial liabilities:					
Short-term borrowings	$ 175,000	(175,404)	(175,404)	-	-
Notes and accounts payable	44,251	(44,251)	(44,251)	-	-
Lease liabilities (including current and non-current)	4,804	(4,971)	(2,026)	(1,193)	(1,752)
Other payables	169,538	(169,538)	(169,538)	-	-
Payables on contractors and equipment	68,840	(68,840)	(68,840)	-	-
Long-term borrowings (including current portion)	862,670	(898,412)	(32,789)	(409,607)	(456,016)
Guarantee deposits received	1,000	(1,000)	-	-	(1,000)
	$ 1,326,103	**(1,362,416)**	**(492,848)**	**(410,800)**	**(458,768)**
June 30, 2023					
Non-derivative financial liabilities:					
Short-term borrowings	$ 105,000	(105,429)	(105,429)	-	-
Notes and accounts payable	36,693	(36,693)	(36,693)	-	-
Lease liabilities (including current and non-current)	4,827	(5,029)	(1,602)	(1,299)	(2,128)
Other payables	192,077	(192,077)	(192,077)	-	-
Payables on contractors and equipment	86,711	(86,711)	(86,711)	-	-
Dividends payable	23,846	(23,846)	(23,846)	-	-
Long-term borrowings	589,095	(618,184)	(8,376)	(86,137)	(523,671)
Guarantee deposits received	1,000	(1,000)	-	-	(1,000)
	$ 1,039,249	**(1,068,969)**	**(454,734)**	**(87,436)**	**(526,799)**

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

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(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

	June 30, 2024			December 31, 2023			June 30, 2023		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
USD to TWD	$ 9,333	32.4	302,389	11,322	30.655	347,076	10,057	31.09	312,672
EUR to TWD	3,175	34.51	109,569	303	33.78	10,235	1,257	33.61	42,248
Financial liabilities									
Monetary items									
USD to TWD	475	32.4	15,390	633	30.655	19,405	589	31.09	18,312

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.

The analysis assumes that all other variables remain constant. A strengthening (weakening) 1% of the functional currency against each foreign currency for the six months ended June 30, 2024 and 2023, would have affected the net profit before tax increased or decreased $3,966 and $3,366, 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 six months ended June 30, 2024 and 2023, the exchange gains (losses), including realized and unrealized, are $4,699, $8,005, $18,739 and $7,229, 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	
	June 30, 2024	June 30, 2023
Variable rate instruments:		
Financial assets	$ 814,513	120,896
Financial liabilities	1,127,359	697,852

(Continued)

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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 by $391 and $721, respectively, for the six months ended June 30, 2024 and 2023, with all other variable factors remaining constant. This is mainly due to the Group's bank savings and borrowings with variable interest rates.

(v) Other market price risks

For the years ended June 30, 2024 and 2023, 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:

	For the six months ended June 30,			
	2024		2023	
Price of securities at the reporting date	Other comprehensive income after tax	Profit or loss before tax	Other comprehensive income after tax	Profit or loss before tax
Increasing 5%	$ 4,488	3,232	12,069	4,464
Decreasing 5%	$ (4,488)	(3,232)	(12,069)	(4,464)

(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:

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	June 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	$ 64,634	64,634	-	-	64,634
Financial assets at fair value through other comprehensive income					
Emerging stocks	89,761	89,761	-	-	89,761
Financial assets measured at amortized cost					
Cash and cash equivalents	846,821	-	-	-	-
Notes and accounts receivable	368,812	-	-	-	-
Other receivables	7	-	-	-	-
Refunded deposits (recognized as other non-current assets)	1,720	-	-	-	-
Subtotal	1,217,360				
Total	$ 1,371,755				
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 129,000	-	-	-	-
Notes and accounts payable	51,905	-	-	-	-
Lease liabilities (including current and non-current)	3,802	-	-	-	-
Other payables	168,385	-	-	-	-
Payables on contractors and equipment	52,387	-	-	-	-
Dividends payable	149,387	-	-	-	-
Long-term borrowings (including current portion)	995,706	-	-	-	-
Deposits received (recognized as other non-current liabilities)	1,000	-	-	-	-
Total	$ 1,551,572				

(Continued)

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	December 31, 2023				
		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	$ 88,998	88,998	-	-	88,998
Financial assets at fair value through other comprehensive income					
Listed stocks	96,814	96,814	-	-	96,814
Financial assets measured at amortized cost					
Cash and cash equivalents	942,057	-	-	-	-
Notes and accounts receivable	307,369	-	-	-	-
Other receivables	151	-	-	-	-
Refunded deposits (recognized as other non-current assets)	920	-	-	-	-
Subtotal	1,250,497				
Total	**$ 1,436,309**				
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 175,000	-	-	-	-
Notes and accounts payable	44,251	-	-	-	-
Lease liabilities (including current and non-current)	4,804	-	-	-	-
Other payables	169,538	-	-	-	-
Payables on contractors and equipment	68,840	-	-	-	-
Long-term borrowings (including current portion)	862,670	-	-	-	-
Deposits received (recognized as other non-current liabilities)	1,000	-	-	-	-
Total	**$ 1,326,103**				

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	June 30, 2023				
		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	$ 89,283	89,283	-	-	89,283
Financial assets at fair value through other comprehensive income					
Listed stocks and emerging stocks	241,377	241,377	-	-	241,377
Financial assets measured at amortized cost					
Cash and cash equivalents	143,703	-	-	-	-
Notes and accounts receivable	286,091	-	-	-	-
Other receivables	1,000	-	-	-	-
Refunded deposits (recognized as other non-current assets)	920	-	-	-	-
Subtotal	431,714				
Total	**$ 762,374**				
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 105,000	-	-	-	-
Notes and accounts payable	36,693	-	-	-	-
Lease liabilities (including current and non-current)	4,827	-	-	-	-
Other payables	192,077	-	-	-	-
Payables on contractors and equipment	86,711	-	-	-	-
	23,846	-	-	-	-
Long-term borrowings	589,095	-	-	-	-
Deposits received (recognized as other non-current liabilities)	1,000	-	-	-	-
Total	**$ 1,039,249**				

(Continued)

SCI PHARMTECH, INC. AND SUBSIDIARIES
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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.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

The measurement of fair value of a non-active market financial instruments held by the Group which do not have quoted market prices are based on the comparable market approach, with the use of price-book ratio multiple or earnings multiple of comparable companies as its basic measurement. These assumptions have been adjusted for the effect of discount without the marketability of the equity securities.

(Continued)

4) Transfers between Levels

The Group holds investment in equity shares, which are classified as financial assets at fair value through other comprehensive income, with the fair value of $89,761, $96,814 and $241,377 as of June 30, 2024, December 31 and June 30, 2023, respectively.

During the six months ended June 30, 2023, one of the above financial assets, Sunny Pharmtech Inc., listed its equity shares on an exchange and became publicly quoted on an active market. Furthermore, the degree of the stock trading activity of Energenesis, an emerging company, meets the definition of an active market. Therefore, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy as of June 30, 2023. For the six months ended June 30, 2024, the Group has no any transfer between fair value.

5) Reconciliation of Level 3 fair values

For the six months ended June 30, 2024, the Group has no financial assets and liabilities of Level 3 fair values.

	Fair value through other comprehensive income Unquoted equity instruments
January 1, 2023	$ 66,723
Total gains and losses recognized:	
In profit or loss	-
In other comprehensive income	241,563
Reclassifications	(241,377)
Disposal	(66,909)
June 30, 2023	$ -

For the three months and six months ended June 30, 2023, total gains and losses that were included in unrealized gains and losses from financial assets at fair value through other comprehensive income were as follows:

	For the three months ended June 30, 2023	For the six months ended June 30, 2023
Total gains and losses recognized:		
In other comprehensive income, and presented in "unrealized gains and losses from financial assets at fair value through other comprehensive income"	$ 3,511	-

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(w) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(y) of the consolidated financial statements for the year ended December 31, 2023.

(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, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to note 6(z) of the consolidated financial statements for the year ended December 31, 2023.

(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 six months ended June 30, 2024 and 2023, were as follows:

(i) For the acquisition of right-of-use assets by lease for the six months ended June 30, 2024 and 2023, please refer to note 6(h).

(ii) Reconciliation of liabilities arising from financing activities for the six months ended June 30, 2024 and 2023, were as follows:

			Non-cash changes		
	January 1, 2024	**Cash flows**	**Acquisition**	**Others**	**June 30, 2024**
Short-term borrowings	$ 175,000	(46,000)	-	-	129,000
Long-term borrowings (including current portion)	862,670	131,787	-	1,249	995,706
Lease liabilities	4,804	(1,002)	-	-	3,802
	$ 1,042,474	**84,785**	**-**	**1,249**	**1,128,508**

			Non-cash changes		
	January 1, 2023	**Cash flows**	**Acquisition**	**Others**	**June 30, 2023**
Short-term borrowings	$ 112,000	(7,000)	-	-	105,000
Long-term borrowings	432,356	157,085	-	(346)	589,095
Lease liabilities	1,023	(894)	4,698	-	4,827
	$ 545,379	**149,191**	**4,698**	**(346)**	**698,922**

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(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

(b) Significant transaction with related parties:

(i) 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 June 30,		For the six months ended June 30,				
	2024	2023	2024	2023	June 30, 2024	December 31, 2023	June 30, 2023
Associates-Framosa	$ 1,635	1,524	3,270	3,081	-	-	-

	Guarantee deposits received (recorded as other non-current liability)		
	June 30, 2024	December 31, 2023	June 30, 2023
Associates-Framosa	$ 1,000	1,000	1,000

(ii) Property transactions

The Group entrusted Framosa with the construction of its wastewater treatment equipment, the total contract price is $248,818 (before tax), as of June 30, 2024, December 31 and June 30, 2023, the amount of $90,238, $90,238 and $0, respectively, was recorded as construction in progress. As of June 30, 2024, the above transaction price of construction in progress has been paid.

(iii) Guarantee

	June 30, 2024	December 31, 2023	June 30, 2023
Associates-Framosa	$ 400,000	400,000	-

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

(iv) 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 six months ended June 30, 2024 and 2023. Please refer to note 6(h).

(c) Key management personnel compensation

	For the three months ended June 30,		For the six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Salary and short-term employee benefits	$ 5,803	5,605	11,188	11,322

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Assets	Subject	June 30, 2024	December 31, 2023	June 30, 2023
Land	Pledged as collaterals	$ 42,736	42,736	42,736
Building	〃	2,169	2,315	2,570
		$ 44,905	45,051	45,306

(9) Commitments and contingencies:

(a) As of June 30, 2024, December 31 and June 30, 2023, the unused balance of the Group’ s outstanding standby letters of credit amounted to $115,815, $35,813 and $2,480, respectively.

(b) The significant outstanding purchase commitments for property, plant and equipment were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Acquisitions of property, plant and equipment	$ 888,505	614,765	410,047

(10) Losses Due to Major Disasters:

A major fire occurred on December 20, 2020, and caused damage to some of the Company's buildings, equipment, construction in progress and inventories, and spread to several nearby plants, resulting in damage to their property and interruption of their operations. In 2020, the Company derecognized damaged assets, including buildings, equipment and construction in progress and inventories and estimated the amount of fire indemnity for the nearby companies.

The Company is currently in the process of negotiating with the above-mentioned damaged companies for fire indemnity payments. For the indemnity payment, please refer to note 6(m) for the details. As of December 31, 2023, the indemnity payment had been fully completed.

The Company has already entered into related property insurance and public liability insurance contracts, and received insurance claims progressively from 2021. As of June 30, 2024, the above-mentioned insurance claims have not been settled yet. The Company expects to complete the application in 2024.

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For the three months and six months ended June 30, 2024 and 2023, the Company received insurance claim income amounting to $0, $210,943, $0 and $210,943, respectively, which was recorded under other income.

(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 June 30, 2024			For the three months ended June 30, 2023		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	47,721	19,026	66,747	40,596	15,487	56,083
Labor and health insurance	4,071	1,176	5,247	3,129	1,079	4,208
Pension	1,977	653	2,630	1,476	552	2,028
Remuneration of directors	-	720	720	-	2,950	2,950
Others	1,012	2,416	3,428	863	1,874	2,737
Depreciation	51,330	6,451	57,781	23,779	6,685	30,464
Amortization	1,038	1,065	2,103	1,038	1,072	2,110

By function / By item	For the six months ended June 30, 2024			For the six months ended June 30, 2023		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	91,792	36,550	128,342	79,215	36,212	115,427
Labor and health insurance	8,582	2,668	11,250	6,499	2,349	8,848
Pension	3,884	1,295	5,179	2,937	1,096	4,033
Remuneration of directors	-	1,350	1,350	-	4,200	4,200
Others	2,139	4,713	6,852	1,761	3,579	5,340
Depreciation	93,914	12,901	106,815	46,498	13,698	60,196
Amortization	2,076	2,130	4,206	2,080	2,144	4,224

(b) Seasonality of operations

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

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(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 six months ended June 30, 2024:

(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	505,021	400,000	400,000	83,108	-	7.92 %	2,020,086	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) Securities held as of June 30, 2024 (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	61	1,058	-	1,058	-
〃	Stock (Cathay Financial Holding Co., Ltd. Preferred Stock A)	-	〃	376	22,974	-	22,974	-
〃	Stock (Cathay Financial Holding Co., Ltd. Preferred Stock B)	-	〃	0.023	1	-	1	-
〃	Stock (CTBC Financial Holding Co., Ltd. Preferred Shares B)	-	〃	483	29,125	-	29,125	-
〃	Stock (Shin Kong Financial Holding Co., Ltd. Preferred Shares A)	-	〃	380	11,476	-	11,476	-
〃	Stock (Energenesis Biomedical Co., Ltd.)	-	Financial assets at fair value through other comprehensive income	1,603	89,761	2.10 %	89,761	-

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of $300 million or 20% of the capital stock: None.

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(v) Acquisition of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock:

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Buildings	2021.10.19	$ 630,000	$ 535,500	ECO Technical Services Co., Ltd.	None	Not applicable	Not applicable	Not applicable	-	Price negotiation	to expand production	

(vi) Disposal of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None.

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

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

(ix) Trading in derivative instruments: None.

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

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2024 (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
				June 30, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Yushan Pharmaceuticals Inc.	R.O.C.	The research and development, manufacture and sale of API	351,761	351,761	35,190	100 %	350,896	(2,130)	(1,851)	Note 1
The Company	Framosa Co., Ltd.	R.O.C.	Circular economy by purifying and utilizing used solvents	143,750	143,750	14,375	25 %	112,041	(17,774)	(4,775)	
Yushan Pharmaceuticals Inc.	HoneyBear Biosciences, Inc.	R.O.C	Biotechnology services	33,000	33,000	3,300	11.54 %	24,944	(20,384)	(3,048)	

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

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

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(d) Major shareholders:

Unit: shares

Shareholding Shareholders' Name	Shares	Percentage
Mercuries & Associates Holding Ltd.	35,590,777	29.78 %

(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.