

**TSH BIOPHARM CORPORATION LTD.
PARENT COMPANY ONLY FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022 (After Restatement)**

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

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of TSH Biopharm Corporation Ltd.

Opinion

We have audited the financial statements of TSH Biopharm Corporation Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2023 and 2022 (after restatement), the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the years ended December 31, 2023 and 2022 (after restatement), and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022(after restatement) and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audit in accordance with the “Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants” and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the parent company only financial statements in the current period are stated as follow:

1. Sales Revenue

Please refer to Note 4(13) of the financial statements for the accounting principles on revenue

recognition. Revenues are recognized by net values of contract prices, less sales returns and allowances, after controls of the products are transferred to the customers.

The Company's sales is mainly from the selling of pharmaceuticals and chemical drugs. Because the customers are diversity and numerous, it takes longer time to verify sales transactions. Therefore, the occurrence of sales transactions is one of the important issue in performing our audit procedures.

Auditing procedures performed include testing the effectiveness of the design and implementing the internal control system of sales and collection operation ; testing the samples of sales transaction before and after the balance sheet date to ensure the correctness of sales revenue and inspecting the related documents to ensure the adequacy and reasonableness of revenue recognition.

2. Valuation of Inventories

Please refer to notes 4(7), 5 and 6(5) of the notes to the parent company only financial statement for the accounting policies on measuring inventory, assumptions used and uncertainties considered in determining net realizable value, allowances for impairment loss and obsolescence and balances of impairment loss and obsolescence, respectively.

Description of key audit matter:

Inventories are stated at of cost and net realizable value. Due to fierce competition in pharmaceutical industry and the declining prices of health insurance drugs every year, which will affect the sales prices of related products, resulting in a risk that the cost of inventories to exceed its net value. Therefore, inventory evaluation is one of the key audit matters for our audit.

How the matter was addressed in our audit:

Our audit procedures for the above key audit matters included assessing the Company's inventory allowance amount based on the nature of the inventories; performing audit to check the correctness of the inventory age report; reviewing the company's past inventory allowances and assessing whether the estimation methods and assumptions are appropriate; observe the inventory count and check the inventory status to assess whether the inventory is expired or damaged; sampling the latest sales prices of inventory and assessing the reasonableness of net realizable value; assessing whether disclosure items for inventory allowances are appropriate.

Emphasis of Matter Paragraph

As Note6(6)and Note7(3)7, the Company participated in cash capital increase of Chuang Yi Biotech Co. Ltd. on November 24, 2023. The Company has cumulatively acquired 51.6% of Chuang Yi Biotech Co. Ltd., and took control and become the parent company. Referring to the regulations of the Accounting Research and Development Foundation's IFRS Q&A, the aforementioned transaction is an organizational reorganization under common control, and regarded as an acquisition from the beginning. The Company restated the parent company only financial statements for the year ended December 31, 2022. The auditor

did not modify the audit opinion due to this matter.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

Those charged with governance (including of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditor's report are Shin- Ting Huang and Yilien Han.

KPMG
Taipei, Taiwan (Republic of China)
February 27, 2024

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

(Expressed in thousands of New Taiwan Dollars)

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(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)

TSH Biopharm Corporation Ltd.

Statements of Comprehensive Income (After restatement)

For the years ended December 31, 2023 and 2022

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

		2023		2022 (After restatement)	
		AMOUNT	%	AMOUNT	%
4000	Operating revenue (notes 6(17) and 7)	\$ 497,305	100	\$ 464,378	100
5000	Operating costs (notes 6(5) and 7)	210,377	42	184,506	40
	Gross profit	286,928	58	279,872	60
6000	Operating expenses (notes 6(3) 、(12) 、(13) 、(18) 、7 and 12):				
6100	Selling expenses	145,102	29	139,681	30
6200	Administrative expenses	56,803	11	50,564	11
6300	Research and development expenses	19,862	4	26,345	6
6450	Expected credit loss	29	-	83	-
		221,796	44	216,673	47
	Operating income	65,132	14	63,199	13
	Non-operating income and expenses (notes 6(12) 、(19) and 7):				
7100	Interest income	6,217	1	3,224	1
7010	Other income	120	-	95	-
7020	Other gains and losses	5,497	1	10,499	2
7050	Finance costs	(112)	-	(29)	-
	Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method	(394)	-	2,194	-
		11,328	2	15,983	3
	Profit before tax	76,460	16	79,182	16
7950	Income tax expense (note 6(14))	(11,113)	(2)	(15,098)	(3)
	Profit for the year	\$ 65,347	14	\$ 64,084	13
8300	Other comprehensive income				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	40,014	8	(19,323)	(4)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	40,014	8	(19,323)	(4)
8360	Components of other comprehensive income that may be reclassified subsequently to profit or loss				
8380	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method - components that may be reclassified to profit or loss	(21)	-	19	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(21)	-	19	-
8300	Other comprehensive income (after tax)	39,993	8	(19,304)	(4)
8500	Total comprehensive income	\$ 105,340	22	\$ 44,780	9
8600	Profit attributable to:				
8610	Equity holders of the parent company	\$ 61,989	13	61,890	13
8615	Equity attributable to former owner of business combination under common control	3,358	1	2,194	-
		\$ 65,347	14	\$ 64,084	13
	Total comprehensive income attributable to:				
8710	Equity holders of the parent company	\$ 101,990	21	42,567	9
8715	Equity attributable to former owner of business combination under common control	3,350	1	2,213	-
		\$ 105,340	22	\$ 44,780	9
	Earnings per share (note 6(16))				
9750	Basic earnings per share	\$ 1.61		\$ 1.61	
9850	Diluted earnings per share	\$ 1.61		\$ 1.61	

See accompanying notes to financial statements.

(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)

TSH Biopharm Corporation Ltd.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022 (After restatement)

(Expressed in Thousands of New Taiwan Dollars)

	Retained Earnings					Other Equity Interest			Equity attributable to former owner of business combination under common control	Total equity
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain(loss) on financial assets at fair value through other comprehensive income	Equity attributable to owners of the parent company		
Balance at January 1, 2022	\$ 383,981	459,361	113,065	-	111,010	-	16,209	1,083,626	-	1,083,626
Retrospective adjustment of equity attributable to former owner of business combination under common control	-	-	-	-	-	-	25,689	25,689	39,248	64,937
Balance at January 1, 2022 after retrospective adjustment	383,981	459,361	113,065	-	111,010	-	41,898	1,109,315	39,248	1,148,563
Net income for the year	-	-	-	-	61,890	-	-	61,890	2,194	64,084
Other comprehensive income for the year	-	-	-	-	-	-	(19,323)	(19,323)	19	(19,304)
Total comprehensive income for the year	-	-	-	-	61,890	-	(19,323)	42,567	2,213	44,780
Distribution of retained earnings										
Legal reserve	-	-	2,656	-	(2,656)	-	-	-	-	-
Cash dividends	-	-	-	-	(57,597)	-	-	(57,597)	-	(57,597)
Other changes in capital surplus	-	74	-	-	-	-	-	74	-	74
Effect of equity attributable to former owner of business combination under common control	-	-	-	-	-	-	-	-	104	104
Balance at December 31, 2022 (after restatement)	383,981	459,435	115,721	-	112,647	-	22,575	1,094,359	41,565	1,135,924
Net income for the year	-	-	-	-	61,989	-	-	61,989	3,358	65,347
Other comprehensive income for the year	-	-	-	-	-	(13)	40,014	40,001	(8)	39,993
Total comprehensive income for the year	-	-	-	-	61,989	(13)	40,014	101,990	3,350	105,340
Distribution of retained earnings										
Legal reserve	-	-	6,189	-	(6,189)	-	-	-	-	-
Special reserve	-	-	-	4,417	(4,417)	-	-	-	-	-
Cash dividends	-	-	-	-	(61,437)	-	-	(61,437)	-	(61,437)
Other changes in capital surplus	-	65	-	-	-	-	-	65	-	65
Organizational restructuring	-	-	-	-	(27,157)	(220)	-	(27,377)	(44,915)	(72,292)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	6,796	(6,796)	-	-	-	-
Balance at December 31, 2023	\$ 383,981	459,500	121,910	4,417	82,232	(233)	55,793	1,107,600	-	1,107,600

See accompanying notes to financial statements.

(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)

TSH Biopharm Corporation Ltd.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022(after restatement)</u>
Cash flows from operating activities:		
Profit before tax	\$ 76,460	79,182
Adjustments:		
Adjustments to reconcile profit		
Depreciation	7,785	7,059
Amortization	3,991	3,836
Expected credit loss (gain)	29	83
Interest expense	112	29
Interest income	(6,217)	(3,224)
Dividend income	(6,464)	(6,379)
Share of loss (profit) of associates accounted for using equity method	394	(2,194)
Loss on disposal of property, plant and equipment	42	32
Total adjustment to reconcile profit	(328)	(758)
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	1,606	(1,361)
Increase in accounts receivable(including related parties)	(2,531)	(6,974)
(Increase) decrease in other receivables	162	(295)
(Increase) decrease in inventories	(16,012)	13,960
(Increase) decrease in other current assets	(1,303)	5,271
Increase (decrease) in notes payable (including related parties)	(287)	292
Increase (decrease) in accounts payable(including related parties)	(2,499)	3,467
Decrease in other payables	(4,755)	(8,197)
Increase in other current liabilities	225	379
Total changes in operating assets and liabilities	(25,394)	6,542
Total adjustments	(25,722)	5,784
Cash flows from operations	50,738	84,966
Interest received	5,653	2,925
Interest paid	(112)	(29)
Income tax paid	(15,868)	(13,972)
Net cash flows from operating activities	<u>40,411</u>	<u>73,890</u>

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(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)

TSH Biopharm Corporation Ltd.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022 (after restatement)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	9,121	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	(160,010)	-
Acquisition of property, plant and equipment	(2,202)	(4,298)
Increase in guarantee deposits paid	(1,422)	344
Acquisition of intangible assets	(177)	(14,600)
Decrease in other financial assets - current	158,744	23,536
Decrease (increase) in other assets - non-current	(6,333)	213
Increase in prepayment for equipment	(3,151)	(711)
Dividends received	<u>6,464</u>	<u>6,379</u>
Net cash flows from (used in) investing activities	<u>1,034</u>	<u>10,863</u>
Cash flows used in financing activities:		
Payments of lease liabilities	(4,485)	(4,567)
Cash dividends paid	(61,437)	(57,597)
Net cash flows used in financing activities	<u>(65,922)</u>	<u>(62,164)</u>
Net (decrease) increase in cash and cash equivalents	(22,477)	22,589
Cash and cash equivalents at beginning of year	<u>404,476</u>	<u>381,887</u>
Cash and cash equivalents at end of year	<u><u>\$ 379,999</u></u>	<u><u>404,476</u></u>

See accompanying notes to financial statements.

(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)

TSH BIOPHARM CORPORATION LTD.

Notes to the Parent Company Only Financial Statements

December 31, 2023 and 2022

(Amounts expressed in thousands of New Taiwan Dollars unless otherwise specified)

1. History and organization

TSH Biopharm Corporation Ltd. (the “Company”) was incorporated on September 21, 2010. The Company's registered office address is 3F.-1, No. 3-1, Park St., Nangang Dist., Taipei City 115, Taiwan (R.O.C.). The shares of the Company have been listed on the Taipei Exchange (“TPEX”) since April 2012. The main activity of the Company is in sale of a variety of pharmaceuticals, chemical drugs and engaged in biotechnology services.

2. Approval date and procedures of the financial statements

The accompanying parent company only financial statements were authorized for issue by the Board of Directors on February 27, 2024.

3. Application of new standards, amendments and interpretations

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

The Company believes that the adoption of the following IFRSs from January 1, 2023 would not have any material impact on its parent-company-only financial statements.

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Company believes that the adoption of the following IFRSs from May 23, 2023 would not have any material impact on its parent-company-only financial statements.

- Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”

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

The Company believes that the adoption of the following IFRS, which took effect from January 1, 2024 would not have any material impact on its parent company only financial statements.

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

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company believes that the adoption of the following standards would not have any significant impact on its parent-company-only 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”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

4. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these parent company only financial statements are summarized as follows. Except for those described individually, the significant accounting policies have been applied consistently to all periods presented in these parent company only financial statements.

(1) Statement of compliance

These parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to as “IFRSs endorsed by FSC”).

(2) Basis of preparation

A. Basis of measurement

The parent company only financial statements have been prepared on a historical cost basis except for financial assets at fair value through other comprehensive income are measured at fair value.

B. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan Dollars (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand unless otherwise stated.

(3) Foreign currency

A. Foreign currencies transactions

Transactions in foreign currencies are translated into the respective functional currencies using the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are re-translated at the exchange rate prevailing at reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- (i) an investment in equity securities designated as at fair value through other comprehensive income;
- (ii) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- (iii) qualifying cash flow hedges to the extent that the hedges are effective.

B. Foreign Operation

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into New Taiwan Dollar at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into New Taiwan Dollar at average exchange rate of the period. Exchange differences are recognized in other comprehensive

income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss in current period. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss in current period.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

The Company classifies an asset as current when any one of the following requirements is met. Assets that are not classified as current are non-current assets.

- A. It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- B. It holds the asset primarily for the purpose of trading;
- C. It expects to realize the asset within twelve months after the reporting period; or
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies a liability as current when any one of the following requirements is met. Liabilities that are not classified as current are non-current liabilities.

- A. It expects to settle the liability in its normal operating cycle;
- B. It holds the liability primarily for the purpose of trading;
- C. The liability is due to be settled within twelve months after the reporting period; or
- D. It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash comprise cash and cash in bank. Cash equivalents are short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are classified as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(6) Financial instruments

Accounts receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual

provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(A) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(B) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

(C) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes :

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or

realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

(D) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers :

- contingent events that would change the amount or timing of cash flows ;
- terms that may adjust the contractual coupon rate, including variable rate features ;
- prepayment and extension features ; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. nonrecourse features)

(E) Impairment of financial assets

The Company recognizes its loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets).

The Company measures its loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL :

- debt securities that are determined to have low credit risk at the reporting date ; and
- other debt securities and bank balances for which the credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since

initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment, as well as forward looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs resulting from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data :

- significant financial difficulty of the borrower or issuer ;
- a breach of contract such as a default or being more than 90 days past due ;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;
- it is probable that the borrower will enter bankruptcy or other financial reorganization ; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(F) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of

balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

B. Financial liabilities and equity instrument

(A) Classification of debt or equity

Debt and or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(B) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(C) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(D) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(7) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(8) Investments accounted for using equity method / subsidiaries

The subsidiaries, which are controlled by the Company, are evaluated using the equity method when preparing their financial statements. Under the equity method, the net income, other comprehensive income and equity of parent-company-only financial statements are the same as those of the net income, other comprehensive income and equity in the equity attributable to the owners of the parent company in the consolidated financial statements.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are accounted for as equity transactions

(9) Property, plant and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

C. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

(a) Buildings and structures	14 ~20 years
(b) Machinery and equipment	3 ~ 10 years
(c) Furniture and fixtures	3 ~ 10 years
(d) Other equipment	5 ~ 10 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(10) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- (A) fixed payments, including in-substance fixed payments;
- (B) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (C) amounts expected to be paid under a residual value guarantee; and
- (D) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- (A) there is a change in future lease payments arising from the change in an index or rate; or
- (B) there is a change in the Company's estimate of the amount expected to be paid under a residual value guarantee; or
- (C) there is a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- (D) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an extension or termination option; or
- (E) there are any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets, transportation equipment, furniture and fixtures equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. As a lessee

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract.

(11) Intangible assets

A. Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Company including patents, computer software and drug permit licenses and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

C. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- | | |
|--------------------------------------|------------|
| (A) Patents and drug permit licenses | 3~10 years |
| (B) Computer software cost | 5~10 years |

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(12) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(13) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

A. Sale of goods

The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

B. Testing revenue

The company provides blood tests and other related services. This service is priced separately. When the service is provided according to the contract and has the right to collect the consideration unconditionally, the Company recognized revenue and accounts receivable.

C. Services revenue

When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commission made by the Company.

The Company provides consulting and related management services to its customers. Revenue from providing services is recognized based on the actual service provided to the reporting date as a proportion of the total services to be provided. The proportion of services provided is determined based on the rendered services to date as a proportion of the total estimated rendered services of the transaction.

(14) Employee benefits

A. Defined contribution plans

Obligations for contributions to the defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are provided by employees.

B. Defined benefit plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(15) Income taxes

Income taxes include both current taxes and deferred taxes. Except for items related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes include tax payables and tax deduction receivables on taxable profits (losses) for the year calculated using the statutory tax rate on the reporting date, tax payables that are calculated based on the part of the prior-year's earnings that have been decided during the shareholders' meeting in the current year which have not been distributed to the shareholders using the statutory tax rate, as well as and the tax adjustments related to prior years.

Deferred taxes will be recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial purposes and their tax base, and will not be recognized for:

- A. temporary differences on the initial recognized of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or losses;
- B. temporary differences related the investments in subsidiaries, associates and joint arrangement to the extent that the Company is able to control the timing of the reverse of the temporary differences and its probable that they will not reverse in the foreseeable future; and
- C. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, which is the tax rate that had been enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if the following criteria are met:

- A. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (A) the same taxable entity; or
 - (B) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(16) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee bonus.

(17) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of the consideration transferred (which is generally measured at fair value) and the amount of non-controlling interest in the acquire, both

over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all the assets acquired and all the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any noncontrolling interests in the acquiree either at fair value or at the noncontrolling interest's proportionate share of the acquiree's identifiable net assets, if the noncontrolling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of noncontrolling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

(18) Organization restructuring

The Company did not use the acquisition method to deal with the business combination under the organizational restructuring, but adopted the book value method and regarded as a combination from the beginning. The Company restated the financial statements for the year ended December 31, 2022.

The Company acquired subsidiaries is an organizational restructuring within the Company due to economic substance, which recognized the carrying amounts of subsidiary originally held by the seller. The subsidiary is regarded as a combination from the beginning. The Company restated the financial statements for the year ended December 31, 2022. In preparing the balance sheet and statement of changes in equity, the equity from acquisition record as "Equity attributable to former owner of business combination under common control"; In preparing the statement of comprehensive income, the profit or loss belong to former controlling shareholders record as "profit or loss, attributable to former owner of business combination under common control".

(19) Operating segment information

The Company discloses the operating segments information in the consolidated financial statements. Therefore, the Company does not disclose the operating segments information in the parent company only financial statements.

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

The preparation of the parent company only financial statements in conformity with the Regulations and the IFRSs 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 management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent company only financial statements is as follows: None

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

Valuation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. Please refer to note 6(5) for further description of the valuation of inventories.

6. Explanation of significant accounts

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Petty cash	\$ 200	\$ 150
Cash in banks	379,799	254,326
Time deposits	-	150,000
	<u>\$ 379,999</u>	<u>\$ 404,476</u>

A. The above cash and cash equivalents were not pledged as collateral.

B. Time deposits which do not meet the definition of cash equivalents are accounted for under other financial assets-current. As of December 31, 2023 and 2022, the amount of time deposits were \$116,309 and \$275,053, respectively.

C. Please refer to note 6(20) for the foreign currency risk and sensitivity analysis of the financial assets of the Company.

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

<u>Items</u>	<u>December 31, 2023</u>	<u>December 31, 2022 (after restatement)</u>
Equity instruments at fair value through other comprehensive income :		
Current	\$ 79,228	\$ 51,811
Non - current	182,475	179,000
	<u>\$ 261,703</u>	<u>\$ 230,811</u>

A. Equity instruments at fair value through other comprehensive income

The Company holds such equity investments as long-term strategic investment that is not held for trading purposes; thus, they are designated as equity investment measured at fair value through other comprehensive income.

In 2023, the Company had sold part of the financial instruments at fair value through other comprehensive income with the fair value of \$9,121, when the cumulative gain on disposal amounted to \$6,796, which has been transferred to retained earnings from other equity.

B. Please refer to note 6(6) for the reason of restatement.

C. Please refer to note 6(20) for credit and market risk information.

D. The above financial assets were not pledged as collateral.

(3) Notes receivable and accounts receivable (including related parties)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$ 14,471	\$ 16,077
Accounts receivable-measured at amortized cost	94,855	92,324
Less: Allowance for expected credit losses	(1,113)	(1,084)
	<u>\$ 108,213</u>	<u>\$ 107,317</u>

The Company applies the simplified approach to provide for its expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as forward looking information. The loss allowance provision was determined as follows:

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not past due	\$ 108,937	1%	\$ 1,089
Past due 1~60 days	355	1%	4
Past due 61~120 days	-	1%	-
Past due 121~180 days	14	2%	-
Past due 181~365 days	-	2%	-
Past due over 365 days	20	100%	20
	\$ 109,326		\$ 1,113

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not past due	\$ 107,929	1%	\$ 1,079
Past due 1~60 days	452	1%	5
Past due 61~120 days	-	1%	-
Past due 121~180 days	-	2%	-
Past due 181~365 days	20	2%	-
Past due over 365 days	-	100%	-
	\$ 108,401		\$ 1,084

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

	For the years ended December 31,	
	2023	2022
Balance on January 1	\$ 1,084	\$ 1,101
Expected credit losses recognized	29	83
Balance on December 31	\$ 1,113	\$ 1,084

As of December 31, 2023 and 2022, the above note receivables and account receivables were not pledged as collateral.

(4) Other receivables

	December 31, 2023	December 31, 2022
Other receivables	\$ 2,060	\$ 1,658
Other receivables - related parties	-	-
	\$ 2,060	\$ 1,658

For further credit risk information, please refer to note 6(20).

(5) Inventories

	December 31, 2023	December 31, 2022
Merchandise	\$ 37,785	\$ 33,360
Raw materials and supplies	44,039	33,650
Less: Allowance for inventory market decline and obsolescence	(6,553)	(7,751)
	<u>\$ 75,271</u>	<u>\$ 59,259</u>

The details of cost of goods sold were as follows:

	For the years ended December 31,	
	2023	2022
Cost of goods sold	\$ 208,755	181,183
Losses on inventory market decline and obsolescence	(1,198)	238
Inventory physical count loss	37	451
Inventory write off loss	2,783	2,634
	<u>\$ 210,377</u>	<u>184,506</u>

As of December 31, 2023 and 2022, the reduced amount of cost of good sold were \$1,198 and \$0 respectively due to inventory obsolescence.

As of December 31, 2023 and 2022, the aforesaid inventories were not pledge as collateral.

(6) Investment accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2023	December 31, 2022 (after restatement)
Subsidiaries	<u>\$ 169,121</u>	<u>\$ 81,816</u>

A. Subsidiaries

Please refer to consolidated financial statements for the year ended December 31, 2023.

The Company acquired 16,001 thousand shares of Chuang Yi Biotech Co. Ltd. from TTY Biopharm Company Ltd with cash of \$160,010 and the Company has cumulatively acquired 51.60% of Chuang Yi Biotech Co. Ltd., achieving significant control. Since TTY Biopharm Company Limited is the parent company of the Company and Chuang Yi Biotech Co. Ltd., the aforementioned transaction is an organizational reorganization under common control according to the Interpretation Letter No.301 issued by the Accounting Research and Development Foundation'(101), and regarded as an acquisition from the beginning. The Company reclassify \$ 5,893 from financial asset at fair value through other comprehensive Income to the equity method and restated the parent company only financial statements for the prior period with \$81,816. The profit or loss belong to former controlling shareholders record as " Equity attributable to former owner of business combination under common control".

B. Collateral

For the years ended December 31, 2023 and 2022, the Company's investments under equity method has not been pledged as collaterals.

(7) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the

years ended December 31, 2023 and 2022, were as follows:

	Land	Building and construction	Machinery equipment	Office equipment	Other equipment	Total
Cost						
Balance on January 1, 2023	\$ 5,846	\$ 13,938	\$ 10,456	\$ 5,391	\$ 10,641	\$ 46,272
Additions	-	257	1,945	-	-	2,202
Disposals	-	-	-	(189)	-	(189)
Balance on December 31, 2023	<u>\$ 5,846</u>	<u>\$ 14,195</u>	<u>\$ 12,401</u>	<u>\$ 5,202</u>	<u>\$ 10,641</u>	<u>\$ 48,285</u>
Balance on January 1, 2022	\$ 5,846	\$ 13,938	\$ 10,117	\$ 5,384	\$ 6,974	\$ 42,259
Additions	-	-	339	292	3,667	4,298
Disposals	-	-	-	(285)	-	(285)
Balance on December 31, 2022	<u>\$ 5,846</u>	<u>\$ 13,938</u>	<u>\$ 10,456</u>	<u>\$ 5,391</u>	<u>\$ 10,641</u>	<u>\$ 46,272</u>
Accumulated depreciation and impairment:						
Balance on January 1, 2023	\$ -	\$ 4,769	\$ 6,763	\$ 3,841	\$ 6,333	\$ 21,706
Depreciation for the year	-	850	1,148	602	664	3,264
Disposals	-	-	-	(147)	-	(147)
Balance on December 31, 2023	<u>\$ -</u>	<u>\$ 5,619</u>	<u>\$ 7,911</u>	<u>\$ 4,296</u>	<u>\$ 6,997</u>	<u>\$ 24,823</u>
Balance on January 1, 2022	\$ -	\$ 3,924	\$ 6,043	\$ 3,542	\$ 5,958	\$ 19,467
Depreciation for the year	-	845	720	552	375	2,492
Disposals	-	-	-	(253)	-	(253)
Balance on December 31, 2022	<u>\$ -</u>	<u>\$ 4,769</u>	<u>\$ 6,763</u>	<u>\$ 3,841</u>	<u>\$ 6,333</u>	<u>\$ 21,706</u>
Carrying amounts:						
Balance on December 31, 2023	<u>\$ 5,846</u>	<u>\$ 8,576</u>	<u>\$ 4,490</u>	<u>\$ 906</u>	<u>\$ 3,644</u>	<u>\$ 23,462</u>
Balance on January 1, 2022	<u>\$ 5,846</u>	<u>\$ 10,014</u>	<u>\$ 4,074</u>	<u>\$ 1,842</u>	<u>\$ 1,016</u>	<u>\$ 22,792</u>
Balance on December 31, 2022	<u>\$ 5,846</u>	<u>\$ 9,169</u>	<u>\$ 3,693</u>	<u>\$ 1,550</u>	<u>\$ 4,308</u>	<u>\$ 24,566</u>

As of December 31, 2023 and 2022, the property, plant and equipment were not pledged as collateral.

(8) Right-of-use assets

The movements in the cost and depreciation of the leased buildings and transportation equipment were as follows:

	Building and construction
Costs:	
Balance on January 1, 2023(same as balance on December 31,2023)	<u>\$ 9,042</u>
Balance on January 1, 2022	\$ 4,567
Additions	9,042
Decrease	(4,567)
Balance on December 31, 2022	<u>\$ 9,042</u>
Accumulated depreciation:	
Balance on January 1, 2023	\$ -
Depreciation for the year	4,521
Balance on December 31, 2023	<u>\$ 4,521</u>

Balance on January 1, 2022	\$ -
Depreciation for the year	4,567
Decrease	(4,567)
Balance on December 31, 2022	\$ -

Building and construction

Carrying amounts :

Balance on December 31, 2023	\$ 4,521
Balance on January 1, 2022	\$ 4,567
Balance on December 31, 2022	\$ 9,042

(9) Intangible assets

The cost, amortization and impairment of the intangible assets of the Company for the years ended December 31, 2023 and 2022, were as follows:

	Computer software	Patent and drug permit license	Total
Costs:			
Balance on January 1, 2023	\$ 696	\$ 56,791	\$ 57,487
Additions	177	-	177
Disposals	(148)	(42,191)	(42,339)
Reclassification	711	-	711
Balance on December 31, 2023	\$ 1,436	14,600	16,036
Balance on January 1, 2022	696	42,191	42,887
Additions	-	14,600	14,600
Balance on December 31, 2022	\$ 696	\$ 56,791	\$ 57,487
Accumulated amortization and impairment loss:			
Balance on January 1, 2023	\$ 427	\$ 42,668	\$ 43,095
Amortization for the year	245	3,746	3,991
Disposals	(148)	(42,191)	(42,339)
Balance on December 31, 2023	\$ 524	\$ 4,223	\$ 4,747
Balance on January 1, 2022	\$ 291	\$ 38,968	\$ 39,259
Amortization for the year	136	3,700	3,836
Balance on December 31, 2022	\$ 427	\$ 42,668	\$ 43,095
Carrying amounts :			
Balance on December 31, 2023	\$ 912	\$ 10,337	\$ 11,289
Balance on January 1, 2022	\$ 405	\$ 3,223	\$ 3,628
Balance on December 31, 2022	\$ 269	\$ 14,123	\$ 14,392

A. Amortization expenses

Amortization expenses for intangible assets for the years ended December 31, 2023 and 2022 were recognized in the statement of comprehensive income, were as follows:

	For the years ended December 31	
	2023	2022
Operating expenses	\$ 3,991	\$ 3,836

B. Collateral

As of December 31, 2023 and 2022, the aforementioned intangible assets were not pledged as collateral.

(10) Other current assets and other non-current assets

	December 31, 2023	December 31, 2022
Other current financial assets	\$ 116,309	\$ 275,053
Other current assets - other	9,251	7,948
Other non-current assets - other	6,417	84
Refundable deposits	5,471	4,049
	\$ 137,448	\$ 287,134

Other current financial assets were time deposits which did not meet the definition of cash equivalents. For further credit and market risk information, please refer to note 6(20).

(11) Other payables

The nature of other payables was as follows:

	December 31, 2023	December 31, 2022
Salaries and compensation of employees and directors	\$ 24,115	\$ 25,307
Research expenses	550	1,793
Commission	1,406	1,351
Others	21,387	23,761
	\$ 47,458	\$ 52,212

(12) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	\$ 4,557	\$ 4,485
Non-current	\$ -	\$ 4,557

For the maturity analysis, please refer to note 6(20).

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2023	2022
Interest on lease liabilities	\$ 112	\$ 29
Variable lease payments not included in the measurement of lease liabilities	\$ 300	\$ 300
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 141	\$ 166

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

	For the years ended December 31	
	2023	2022
Total cash outflow for leases	\$ 5,038	\$ 5,062

A. Real estate leases

On January 1, 2021, the Company leased buildings for its office and plant. The leases of office typically run for a period of 2 years, and the 2 years lease was renewed on December 28, 2022 due to modification of some contract contents.

On July 1, 2019, the Company leased buildings for its plant with a leases period of 13.5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The lease payment of the plant contract is calculated on basis of the purchase quantity of the plant leased by the Company during the lease period. It is a variable lease payment that is not included in the measurement of the lease liability. Therefore, the Company will pay the relevant lease payment during the lease period to recognize the expense.

B. Other leases

The Company lease office equipment with lease term of 1 to 5 years, these leases are leases of short-term or low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(13) Employee benefits

Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Selling expenses	\$ 3,690	\$ 3,168
Administrative expenses	846	777
Research and development expenses	311	298
	\$ 4,847	\$ 4,243

(14) Income taxes

A. Income tax expense

The components of income tax in the years 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Current income tax expense		
Current period	\$ 11,327	\$ 15,268
Adjustment for prior periods	(505)	(380)
	10,822	14,888
Deferred income tax expense		

Origination and reversal of temporary differences	291 (210)
Income tax expenses	<u>\$ 11,113</u>	<u>\$ 15,098</u>

There was no income tax recognized directly in equity and other comprehensive income for 2023 and 2022.

Reconciliation of income tax and profit before tax for 2023 and 2022 is as follows:

	For the years ended December 31	
	2023	2022
Profit before income tax	\$ 76,460	\$ 79,182
Income tax using the Company's domestic tax rate	\$ 15,292	\$ 15,398
Tax-exempt income	750	-
Tax incentives	(1,293)	(1,276)
Change in provision in prior periods	(242)	(515)
Surtax on unappropriated retained earnings	(505)	(380)
Others	(2,889)	1,871
	<u>\$ 11,113</u>	<u>\$ 15,098</u>

B. Deferred tax assets

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

	Impairment loss	Loss from inventory devaluation	Others	Total
Deferred tax assets:				
Balance on January 1, 2023	(\$ 71)	(\$ 1,550)	(\$ 179)	(\$ 1,800)
Debit (credit) recognized in profit or loss	71	239	(19)	291
Balance on December 31, 2023	<u>\$ -</u>	<u>(\$ 1,311)</u>	<u>(\$ 198)</u>	<u>(\$ 1,509)</u>
Balance on January 1, 2022	(\$ 282)	(\$ 1,503)	(\$ 225)	(\$ 2,010)
Debit (credit) recognized in profit or loss	211	(47)	46	210
Balance on December 31, 2022	<u>(\$ 71)</u>	<u>(\$ 1,550)</u>	<u>(\$ 179)</u>	<u>(\$ 1,800)</u>

C. Assessment of tax

The Company's tax returns for the years through 2021 were assessed by the Taipei National Tax Administration.

(15) Capital and other equity

As of December 31, 2023 and 2022, the authorized capital of the Company amounted to \$1,000,000, with par value of \$10 per share, which consisting of 100,000 thousand shares of ordinary stock. The paid-in capital was \$383,981 which consisting of 38,398 thousand shares. All proceeds from shares issued have been collected.

A. Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022 were as following:

	December 31, 2023	December 31, 2022
Share Capital	\$ 458,977	\$ 458,977
Others	523	458
	\$ 459,500	\$ 459,435

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

B. 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, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, until the accumulated legal reserve equals the Company's paid-in capital. In addition, a special reserve in accordance with applicable laws and regulations shall also be set aside. Then, any remaining profit, together with any undistributed retained earnings, shall be distributed according to the proposal by the Board of Directors and submitted to the stockholders' meeting for approval.

To enhance the Company's financial structure and maintain investors' equity, the Company adopts a stable dividends policy in which earnings distribution cannot be less than 50% of distributable earnings, and cash dividends payment has to be 50% of the distribution.

(A) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(B) Special reserve

The Company has set aside the same amount of special surplus reserve in accordance with the requirements of the Financial Supervisory Commission's Order No. 1010012865 dated April 6, 101. When distributing the distributable surplus, the company will record the deduction for other shareholders' equity that occurred in the current year. The difference between the net amount of the item and the special surplus reserve balance mentioned in the previous paragraph shall be included in the special surplus reserve from the profit and loss of the current period and the undistributed surplus of the previous period. The special surplus reserve shall not be distributed. If the amount of deductions from other shareholders' equity is subsequently reversed, the reversed portion of the earnings may be distributed.

(C) Earnings distribution

On May 25, 2023 and May 25, 2022, the general meeting of shareholders resolved to appropriate 2022 and 2021 earnings, respectively. The earnings were appropriated as follows:

For the years ended December 31,			
2022		2021	
Amount per share (dollars)	Total amount	Amount per share (dollars)	Total amount

Dividends distributed to ordinary shareholders:				
Cash	\$ 1.60	\$ 61,437	\$ 1.50	\$ 57,597

On February 27, 2024, the board of directors proposed the 2023 earnings distribution to shareholders was as follows:

	For the years ended December 31, 2023	
	Amount per share (dollars)	Total amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 1.28	\$ 49,150

C. Other equity interests

	Exchange differences on translation of foreign financial statements	Unrealized gains on financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2023 (after restatement)	\$ -	\$ 22,575	\$ 22,575
Exchange differences on translation of foreign financial statements, accounted for using equity method	(13)	-	(13)
Unrealized gains on financial assets measured at fair value through other comprehensive income	-	40,014	40,014
Disposal of equity instruments measured at fair value through other comprehensive income	- (6,796)	(6,796)	(6,796)
Organizational restructuring	(220)	-	(220)
At December 31, 2023	<u>(\$ 233)</u>	<u>\$ 55,793</u>	<u>\$ 55,560</u>
At January 1, 2022	\$ -	\$ 16,209	\$ 16,209
Effect of equity attributable to former owner of business combination under common control	-	25,689	25,589
Unrealized gains on financial assets measured at fair value through other comprehensive income	- (19,323)	(19,323)	(19,323)
At December 31, 2022 (after restatement)	<u>\$ -</u>	<u>\$ 22,575</u>	<u>\$ 22,575</u>

(16) Earnings per share

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

For the years ended December 31,	
2023	2022

Basic earnings per share		
Net income attributable to ordinary shareholders	\$ 61,989	\$ 61,890
Weighted-average number of ordinary shares	38,398	38,398
	<u>\$ 1.61</u>	<u>\$ 1.61</u>
Diluted earnings per share		
Net income attributable to ordinary shareholders (after adjustment of dilutive potential ordinary shares)	\$ 61,989	\$ 61,890
Weighted-average number of ordinary shares	38,398	38,398
Effect of dilutive potential ordinary shares		
Effect of employee share bonus	36	54
Weighted-average number of ordinary shares (after adjustment of dilutive potential ordinary shares)	38,434	38,452
	<u>\$ 1.61</u>	<u>\$ 1.61</u>

(17) Revenue from contracts with customers

A. Disaggregation of revenue

	For the years ended December 31,	
	2023	2022
Major products/service lines:		
Pharmaceuticals	\$ 461,811	\$ 442,268
Test	28,920	17,798
Services	6,574	4,312
	<u>\$ 497,305</u>	<u>\$ 464,378</u>

B. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	\$ 14,471	\$ 16,077	\$ 14,716
Accounts receivable (included related parties)	94,855	92,324	85,350
Less: Allowance for expected credit losses	(1,113)	(1,084)	(1,001)
Total	<u>\$ 108,213</u>	<u>\$ 107,317</u>	<u>\$ 99,065</u>

For details on notes receivable, accounts receivable and allowance for expected credit losses, please refer to note 6 (3)

(18) Remuneration to employees and directors

According to the Company's articles of incorporation, the Company should contribute 2% to 8% of annual profits as employee compensation and no more than 2% of annual profits as directors' remuneration when there is profit for the year. Directors' remuneration can only be settled in the form of cash. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of employee compensation and directors' remuneration is reported to shareholders' meeting. The recipients of employee compensation may include the employees of the Company's affiliated companies who meet certain conditions.

For the year ended December 31, 2023 and 2022, the Company estimated its employee compensation and directors' remuneration both amounting to \$1,523 and \$1,604, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the

remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles of incorporation. These compensation and remunerations recognized as operating expenses during 2023 and 2022. Related information is available on the Market Observation Post System website.

The amounts, as stated in the financial statements, are identical to those of the actual distributions for 2023 and 2022.

(19) Non-operating income and expenses

A. Interest income

The details of interest income for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31,	
	2023	2022
Interest income from bank deposits	\$ 6,217	\$ 3,224

B. Other income

The details of other income for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31,	
	2023	2022
Rent income	\$ 120	\$ 95

C. Other gains and losses

The details of other gains and losses for the years ended December 31, 2023 and 2022 were as follows:

	For the year ended December 31,	
	2023	2022
Foreign exchange gains (losses)	(\$ 431)	\$ 4,432
Dividend income	6,464	6,379
Losses on disposals of property, plant and equipment	(42)	(32)
Others	(494)	(280)
	\$ 5,497	\$ 10,499

D. Finance costs

The details of finance costs for the years ended December 31, 2023 and 2022 were as follows:

	For the year ended December 31,	
	2023	2022
Other finance costs - Interest expenses	\$ 112	\$ 29

(20) Financial instruments

A. Credit risk

(A) Credit risk exposure

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

(B) Concentration of credit risk

The Company's concentration of credit risk on the top one customer accounted for 15% and

14% of the total receivables as of December 31, 2023 and 2022, respectively. The concentration of credit risk on the other top 10 customers accounted for 40% and 35% of total receivables as of December 31, 2023 and 2022, respectively.

(C) Credit risk of accounts receivables and debt securities

For credit risk exposure of notes and accounts receivables, please refer to note 6 (3).

Other financial assets at amortized cost includes other receivables and time deposits. All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4 (6). There were no recognition and reversal of impairment losses for the years ended December 31, 2023 and 2022. The balance as of December 31, 2023 and 2022 are both zero.

B. 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>2~3 years</u>	<u>4~5 years</u>
December 31, 2023					
Non-derivative financial liabilities					
Notes and accounts payable (including related parties)	\$ 13,692	\$ 13,692	\$ 13,692	\$ -	\$ -
Other payables	47,458	47,458	47,458	-	-
Lease liabilities	4,557	4,597	4,597	-	-
	<u>\$ 65,707</u>	<u>\$ 65,747</u>	<u>\$ 65,747</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>2~3 years</u>	<u>4~5 years</u>
December 31, 2022					
Non-derivative financial liabilities					
Notes and accounts payable (including related parties)	\$ 16,478	\$ 16,478	\$ 16,478	\$ -	\$ -
Other payables	52,212	52,212	52,212	-	-
Lease liabilities	9,042	9,193	4,597	4,596	-
	<u>\$ 77,732</u>	<u>\$ 77,883</u>	<u>\$ 73,287</u>	<u>\$ 4,596</u>	<u>\$ -</u>

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

C. Currency risk

(A) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk were as follows:

	<u>December 31, 2023</u>			<u>December 31, 2022</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
Financial assets						
Monetary items						
USD	\$ 789	30.705	\$ 24,211	\$ 1,295	30.71	\$ 39,759

CNY	2,358	4,327	10,205	2,311	4,408	10,185
EUR	-	-	-	104	32.72	3,408

(B) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that is denominated in foreign currency. A strengthening (weakening) 1% of the TWD against the USD, CNY, and EUR as of December 31, 2023 and 2022 would have increased (decreased) the net profit after tax by \$275 and \$427, respectively. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for both periods.

(C) Foreign exchange gain and loss on monetary items

Information on the foreign exchange gains or losses, including these realized and unrealized by significant foreign currency, were as follows:

	For the years ended December 31,			
	2023		2022	
	Foreign exchange gains (losses)	Average exchange rate	Foreign exchange gains (losses)	Average exchange rate
USD	(217)	31.128	4,143	29.761
CNY	(191)	4.386	143	4.416
EUR	(23)	33.645	146	31.340

D. Interest rate analysis: None

E. Other market price risk

For the years ended December 31, 2023 and 2022, the sensitivity analysis for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss with all other variable factors remaining constant as illustrated below:

Prices of securities at the reporting date	For the years ended December 31,			
	2023		2022 (after restatement)	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 10%	\$ 26,170	\$ -	\$ 23,081	\$ -
Decreasing 10%	(\$ 26,170)	\$ -	(\$ 23,081)	\$ -

F. Fair value of financial instruments

(A) Categories of financial instruments and fair value hierarchy

The fair value of financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company'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:

	December 31, 2023				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	\$ 173,458	\$ 173,458	\$ -	\$ -	\$ 173,458
Domestic OTC stocks	79,228	79,228	-	-	79,228
Foreign unlisted stocks	9,017	-	-	9,017	9,017
Subtotal	261,703	252,686	-	9,017	261,703
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 379,999	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable (including related parties)	108,213	-	-	-	-
Other receivables	2,060	-	-	-	-
Other financial assets	116,309	-	-	-	-
Refundable deposits	5,471	-	-	-	-
Subtotal	612,052	-	-	-	-
Total	\$ 873,755	\$ 252,686	\$ -	\$ 9,017	\$ 261,703
Financial liabilities at amortized cost					
Notes and accounts payable (including related parties)	\$ 13,692	\$ -	\$ -	\$ -	\$ -
Other payables	47,458	-	-	-	-
Lease liabilities	4,557	-	-	-	-
Subtotal	65,707	-	-	-	-
Total	\$ 65,707	\$ -	\$ -	\$ -	\$ -
	December 31, 2022 (after restatement)				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	\$ 167,624	\$ 167,624	\$ -	\$ -	\$ 167,624
Domestic OTC stocks	51,811	51,811	-	-	51,811
Foreign unlisted stocks	11,376	-	-	11,376	11,376
Subtotal	230,811	219,435	-	11,376	230,811
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 404,476	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable (including related parties)	107,317	-	-	-	-
Other receivables	1,658	-	-	-	-
Other financial assets	275,137	-	-	-	-
Refundable deposits	4,049	-	-	-	-
Subtotal	792,637	-	-	-	-
Total	\$ 1,023,448	\$ 219,435	\$ -	\$ 11,376	\$ 230,811
Financial liabilities at amortized cost					
Notes and accounts payable (including related parties)	\$ 16,478	\$ -	\$ -	\$ -	\$ -

Other payables	52,212	-	-	-	-
Lease liabilities	9,042	-	-	-	-
Subtotal	77,732	-	-	-	-
Total	<u>\$ 77,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(B) Fair value hierarchy

The table below analyzes financial instruments carried at fair value by the levels in the fair value hierarchy. The different levels have been defined as follows:

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

(C) Valuation techniques for financial instruments not measured at fair value

The Company estimates its financial instruments, that are not measured at fair value, by methods and assumption as follows:

Cash and cash equivalents, accounts receivables, other financial assets, notes payable and accounts payable are either close to their expiry date, or their future receivable or payable are close to their carrying value; thus, their fair value are estimated from the book value of the balance sheet date.

(D) Valuation techniques for financial instruments measured at fair value

Financial instruments traded in active markets are 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 basis 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.

The fair value of the financial instruments held by the Company are determined by reference to the market quotation.

If the financial instruments held by the Company have no active market, their fair values are listed as follows according to their categories and attributes:

- Equity instruments without public quotation: The fair value is measured by using the transaction prices of the stocks of companies engaged in the same or similar businesses in the active market, the value multipliers implied by these prices, and related transaction information to determine the value of the financial instruments, as well as adjusted for considering liquidity discount.

(E) Transfer between levels

There was no change in valuation techniques for financial instruments measured at fair value for the years ended December 31, 2023 and 2022, so there was no transfer between levels.

(F) Reconciliation of level 3 fair values:

	Fair value through other comprehensive income	
	Equity instruments without quoted price	
Balance as of January 1, 2023 (after restatement)	\$	11,376
Recognized in other comprehensive income	(2,359)
Balance as of December 31, 2023	\$	9,017
Balance as of January 1, 2022 (after restatement)	\$	14,771
Recognized in other comprehensive income	(3,395)
Balance as of December 31, 2022 (after restatement)	\$	11,376

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

The Company's financial instruments that use Level 3 inputs to measure fair value include financial assets at fair value through other comprehensive income - equity investments.

The significant unobservable inputs of the equity investments without an active market are individually, and there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income — equity investments without an active market	Comparable companies method	<ul style="list-style-type: none"> Discount for lack of market liquidity (as of December 31, 2023 and 2022, the rate were 30% and 16.43%, respectively) expected volatility (as of December 31, 2023 was 58.78%) 	<p>The estimated fair value would decrease if the discount for lack of market liquidity was higher.</p> <p>The estimated fair value would increase if the volatility was higher.</p>

(H) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's measurement on the fair value of financial instruments is deemed reasonable. However, use of different valuation models or assumptions may lead to different results. The following is the effect on other comprehensive income from financial assets categorized within Level 3 if the inputs used to valuation models have changed:

			Recognized in other comprehensive income	
	<u>Input value</u>	<u>Degree of variation</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Equity investments without	Market	1%	90 (90)

an active market	liquidity discount rate			
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Market liquidity discount rate	1%	246 (246)
	expected volatility	1%	39 (39)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(21) Financial risk management

A. Overview

The Company is exposed to the following risks from its financial instruments:

- (A) Credit risk
- (B) Liquidity risk
- (C) Market risk

The following likewise discusses the Company's objectives, policies, and processes for measuring and managing the above mentored risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying financial statements.

B. Structure of risk management

The objective of the Company's financial risk management is to manage foreign exchange risk, interest rate risk, credit risk and liquidity risk related to operating activities. In order to reduce adverse effects on the financial performance, the Company identifies, evaluates and hedges market uncertainties.

The important financial activities of the Company are reviewed in accordance with relevant regulations and internal control systems approved by the Board of Directors. When performing financial plan, the Company must comply with the overall financial risk management and the authorized procedure of financial operating.

C. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

(A) Accounts receivable and other receivables

The Company's credit policy is to transact with creditworthy customers and to obtain collateral to mitigate risks arising from financial loss due to default. The Company transacts with customers with credit ratings equivalent to investment grade, and such ratings are provided by

independent rating agencies. Where it is not possible to obtain such information, the Company assesses the ratings based on other publicly available financial information and the records of transactions with its customers. The Company continuously monitor the exposure to credit risk and counterparty credit ratings, and to evaluate the customers' credit ratings and credit limits via annual review and approval by the finance department to manage the credit exposure.

The Company did not have any collateral or other credit enhancement to avoid credit risk of the financial assets.

(B) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments, is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any of the counterparties above to fail in meeting their obligations; hence, there is no significant credit risk arising from these counterparties.

(C) Guarantees

As of December 31, 2023 and 2022, the Company did not provide any endorsement or guarantee.

D. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

F. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(22) Capital management

Based on the characteristics of the current operating industry and the future development of the Company, and considered changes in the external environment, the Company plans the requirement of working capital, research and development expenses, and dividend payments in the future to ensure that the Company to continue to operate, to provide a return on shareholders, to maintain the interests of other stakeholders and to maintain an optimal capital structure to enhance shareholder value.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, issue new shares, reduce the capital for redistribution to shareholders, or buy back the stocks of the Company.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total amount of capital represents all the equity components (that is, share capital, capital surplus, retained earnings, and other equity) plus net debt.

The Company's debt-to-equity ratio as of December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 70,147	\$ 87,058
Less: cash and cash equivalents	(379,999)	(404,476)
Net debt	(309,852)	(317,418)
Total capital	1,107,600	1,135,924
Adjusted capital	\$ 797,748	\$ 818,506
Debt to equity ratio	(38.84%)	(38.78%)

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

The Company's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022, were as follows:

A. Acquisition of right-of-use assets under leases, please refer to note 6(8).

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

	January 1, 2023	Cash flow	Non-cash changes Others	December 31, 2023
Lease liabilities	\$ 9,042	(\$ 4,485)	\$ -	\$ 4,557

	January 1, 2022	Cash flow	Non-cash changes Others	December 31, 2022
Lease liabilities	\$ 4,567	(\$ 4,567)	\$ 9,042	\$ 9,042

7. Related-party transactions

(1) Parent company and ultimate controlling company

TTY Biopharm Company Limited is both the parent company and the ultimate controlling party of the Company.

(2) Names and relationship with related parties

The followings are entities that have transactions with related party during the periods covered in the financial statements.

Name of related parties	Relationship with the Company
TTY Biopharm Company Limited	Parent company
Chuangyi Biotech Co., Ltd.	Subsidiary (Note)
American Taiwan Biopharm(Thailand)	Other related party

Note: Before organization restructuring, Chuangyi Biotech Co., Ltd. was other related party.

(3) Significant related-party transactions

A. Operating revenue

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

	For the years ended December 31,	
	2023	2022
Parent company- TTY Biopharm Company Limited	\$ 2,696	\$ 1,923
Other related parties	6,440	4,025
	\$ 9,136	\$ 5,948

The selling price and payment terms to related parties were not significantly different from those of sales to third parties. The collection terms for sales to related parties were month-end 60 days, or 14 days after the date of shipment. The collection terms for commission were month-end 30 to 90 days.

B. Purchases

The amounts of significant purchases by the Company from related parties were as follows:

	For the years ended December 31,	
	2023	2022
Parent company - TTY Biopharm Company Limited	\$ 82,699	\$ 80,282

The pricing and payment terms with related parties were not materially different from those of purchases with third parties. The payment terms for purchases from related parties were month-end 30 days.

C. Receivables from related parties

The amounts of receivables from related parties were as follows:

Items	Related Party Categories	December 31, 2023	December 31, 2022
Accounts receivable	Parent company	\$ 652	\$ 301

D. Payables to related parties

The amounts of payables to related parties were as follows:

Items	Related Party Categories	December 31, 2023	December 31, 2022
Accounts payable- related parties	Parent company	\$ 8,296	\$ 7,245
Other payables	Parent company	2,292	2,185
		\$ 10,588	\$ 9,430

F. Lease

The Company leases offices and equipments from the parent company, and the refundable deposits amounted to \$766 and \$766, respectively, as of December 31, 2023 and 2022.

In December 28, 2022, the Company signed a period of 2 years new lease contract with the parent company for office and equipment, with a total contract amount of \$9,193.

The interest expenses of \$112 and \$29 were recognized for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the balances of lease liabilities were \$4,557 and \$9,042, respectively.

G. Others

For the years ended December 31, 2023 and 2022, the operating expenses paid by the Company to the parent company or other related parties due to the operating and business transactions

amounted to \$7,492 and \$6,865, respectively

H. Equity investment

In order to increase the diversity of channels and drugs to improve corporate efficiency, the Company's board of directors decides on the following matters:

The Company participate the cash capital increase of Chuang Yi Biotech Co. Ltd. with a price of NTD 10 per share, totaling \$160,010. The Company has cumulatively acquired 51.60% of Chuang Yi Biotech Co. Ltd.. The transaction price is determined by considering historical financial information of the Company, recent financial reports of comparable companies, relevant industry economic reports, book value per share, profitability, and future growth prospects. The price has been analyzed by independent experts and the transaction has been completed and settled on November 24, 2023. The full payment has been made.

(4) Key management personnel compensation

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	\$ 21,137	\$ 19,124
Post-employment benefits	626	464
	\$ 21,763	\$ 19,588

8. Pledged assets: None.

9. Significant commitments and contingencies

As of December 31, 2023 and 2022, the unrecognized contractual commitments of the Company were as follows:

	December 31, 2023	December 31, 2022
Contract with other units for research and development	\$ 43,505	\$ 39,739
Acquisition of intangible assets	4,310	186

10. Losses due to major disasters: None.

11. Subsequent events: None.

12. Others

(1) The followings are the summary of employee benefits, depreciation, and amortization by function for the years ended December 31, 2023 and 2022:

By function	For the years ended December 31,					
	2023			2022		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
By item						
Employee benefits						
Salary	-	97,253	97,253	-	91,856	91,856
Labor and health insurance	-	7,899	7,899	-	7,042	7,042
Pension	-	4,847	4,847	-	4,243	4,243
Director's remuneration	-	4,218	4,218	-	4,168	4,168
Others	-	3,588	3,588	-	3,852	3,852

Depreciation	-	7,785	7,785	-	7,059	7,059
Amortization	-	3,991	3,991	-	3,836	3,836

Additional information on the number of employees and employee benefits of the Company for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31,	
	2023	2022
Number of employees	78	76
Number of directors who were not employees	7	7
Average of employees benefits	\$ 1,600	\$ 1,551
Average of salary	\$ 1,370	\$ 1,331
Average adjustment of salary	2.93%	16.04%
Supervisor's remuneration	\$ -	\$ -

The Company's salary and remuneration policy (including directors, managers and employees) were as follows:

A. The Company has constructed a salary structure table of different job attributes and ranks based on market standards and salary conditions in the same industry, and reviewed it based on the industry salary adjustment reports from time to time.

B. Annual salary adjustment

When the Company adjusted the annual salary, the main factors considered by the Company were as follows:

(A) Price index rate: The price index rate announced by the government is considered when the annual salary is adjusted.

(B) Industry salary adjustment: The industry salary adjustment of market surveys, which was also one of the main indicators to determine the average salary adjustment.

(C) Company's operating conditions: This is an important indicator to determine the average salary adjustment.

(D) The market salary level of important positions in the Company.

(2) Others:

The Company donated \$9,696 and \$9,146 to related medical foundation and associations to support non-profit organizations developing drugs, promoting disease prevention and correct dosages for the year ended December 31, 2023 and 2022, respectively.

13. Other disclosures

(1) 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 Company

A. Loans to other parties: None.

B. Guarantees and endorsements for other parties: None.

C. Securities held as of December 31, 2023 (excluding those investments in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/Thousands 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	
TSH Biopharm Corporation Ltd.	Lumosa Therapeutics Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	1,160	79,228	0.7 %	79,228	
"	Fubon Financial Holding Co., Ltd. Preferred stock B	-	Non-current financial assets at fair value through other comprehensive income	2,500	149,750	0.38 %	149,750	
"	Union Bank of Taiwan Preferred stock A	-	"	400	20,520	0.20 %	20,520	
"	Fubon Financial Holding Co., Ltd. Preferred stock C	-	"	58	3,188	0.02%	3,188	
"	CellMax Ltd.	-	"	1,593	9,017	- %	9,017	

D. Individual securities acquired or disposed of with an accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars/ Thousands shares)

Purchaser /seller	Category and name of security	Account title	Counter-party	Nature of Relationship	Beginning Balance		Acquisition-		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain/Loss on Disposal	Shares	Amount
TSH Biopharm Corporation Ltd.	Chuang Yi Biotech Co. Ltd.	Investments accounted for using equity method	-	-	-	-	16,001	160,010	-	-	-	-	16,590	169,121

Note 1 : The ending balance of shares includes the financial assets at fair value through the comprehensive income on account. Please refer to Note6(6).

Note 2 : The ending balance of amount includes the net investment income or loss and the adjustment of equity accounted for using equity method.

E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.

F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.

G. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

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

Purchaser /seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction term compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
TSH Biopharm Corporation Ltd.	TTY Biopharm Company Limited	parent company	Purchases	82,699	57.23%	month-end 30 days	Normal	-	(8,296)	(60.60)%	
Chuang Yi Biotech Co. Ltd.	TTY Biopharm Company Limited	parent company	Purchases	180,969	97.00%	month-end 90 days	Normal	-	(35,952)	(95.00)%	

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

I. Trading in derivative instruments: None.

(2) Information on investees:

(In Thousands of New Taiwan Dollars/Thousands shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			The highest shares during the period	Net Income (losses) of the investee	Share of Profits/ Losses of Investee	Footnote
				December 31, 2023	December 31, 2022	Shares (in Thousands)	Percentage of Ownership	Carrying Value				
TSH Biopharm Corporation Ltd.	Chuang Yi Biotech Co. Ltd.	Taiwan	Selling of health food	200,262	40,252	16,590	51.60%	169,121	51.60%	(763)	(3,751)	
Chuang Yi Biotech Co. Ltd.	Immortal Fame Global Ltd.	SAMOA	General export trade and investment in various production enterprises	16,820	16,820	568	100.00%	2,162	100.00%	(196)	(196)	

Note :The Company has cumulatively acquired 51.60% of Chuang Yi Biotech Co. Ltd., achieving significant control. Therefore, the Company reclassified from financial assets at fair value through other comprehensive income to investments accounted for using the equity. Please refer to Note6(6).

(3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information:

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Outflow	Inflow	Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses (note 2)	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
Chuang Yi (Shanghai) Trading Co., Ltd	Selling of health food	15,530 (USD 500)	(1)	15,530 (USD 500)	- USD -	-	15,530 (USD 500)	(197)	100%	(197)	2,126	-

Note 1 : Through the establishment of third-region companies, then investing in Mainland China.

Note 2 : The financial statements had been audited by the CPA of the parent company in Taiwan.

B. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NTD 15,530 (USD 500)	NTD 15,530 (USD 500)	NTD 196,652

C. Significant transactions: None.

(4) Major shareholders:

Shareholder's name	Shareholding Total shares owned	Percentage of ownership (%)
TTY Biopharm Company Limited	21,687,177	56.48%

14. Segment information

Please refer to the Consolidated Financial Statements of for the year ended December 31, 2023.

TSH Biopharm Corporation Ltd.
Statement of Cash and Cash Equivalents
December 31, 2023

(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Petty cash		\$ 200
Cash in banks	Checking accounts	144
	Demand deposits	361,548
	Foreign currency deposits	18,107
		379,799
		\$ 379,999

TSH Biopharm Corporation Ltd.

Statement of Notes Receivable

December 31, 2023

(Expressed in thousands of New Taiwan dollars)

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
A403001		\$ 8,890	
G330043D		6,109	
G360001		4,270	
HBAC002		3,339	
G220032O		3,003	
HBAJ001		2,887	
HAAF001		2,182	
HAAB001		1,907	
A104201		1,800	
G802002A		1,684	
Other		58,784	
Less: Allowance for expected credit losses		(1,113)	
Net amount		<u>\$ 93,742</u>	

TSH Biopharm Corporation Ltd.
Statement of Other Financial Assets - Current
December 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Other financial assets - current	Time deposits over 3 months	<u>\$ 116,309</u>	

TSH Biopharm Corporation Ltd.

Statement of Financial Assets at Fair Value Through Other Comprehensive Income - Current

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan dollars)

	Beginning Balance			Additions		Decrease			Ending Balance			
Name of investee	Shares	Percentage of ownership (%)	Amount	Shares	Amount	Shares	Amount	Valuation	Shares	Percentage of ownership (%)	Amount	Collateral
Lumosa Therapeutics Co., Ltd.	1,315,000	0.81%	\$ 51,811	-	-	155,000	7,742	35,159	1,160,000	0.70%	79,228	None

TSH Biopharm Corporation Ltd.

Statement of Financial Assets at Fair Value Through Other Comprehensive Income –Noncurrent

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan dollars)

Name of investee	Beginning Balance			Additions		Decrease			Ending Balance			Collateral
	Shares	Percentage of ownership (%)	Amount	Shares	Amount	Shares	Amount	Evaluation	Shares	Percentage of ownership (%)	Amount	
Fubon Financial Holdings Co., Ltd. Preferred Stock B	2,500,000	0.38%	\$ 143,750	-	\$ -	-	\$ -	(\$ 6,000)	2,500,000	0.38%	\$ 149,750	None
Fubon Financial Holdings Co., Ltd. Preferred Stock C	57,969	0.02%	3,194	-	-	-	-	(6)	57,969	0.02%	3,188	"
Union Bank of Taiwan Preferred Stock A	400,000	0.20%	20,680	-	-	-	-	(160)	400,000	0.20%	20,520	"
CellMax Ltd.	1,592,516	-%	11,376	-	-	-	-	(2,359)	1,592,516	-%	9,017	"
			<u>\$ 179,000</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ 3,475</u>			<u>\$ 182,475</u>	

TSH Biopharm Corporation Ltd.

Statement of Inventories

December 31, 2023

(Expressed in thousands of New Taiwan dollars)

Item	Amount		Note
	Cost	net realizable value	
Merchandise	\$ 37,785	61,458	net realizable value
Raw materials and supplies	44,039	44,039	replacement cost
Subtotal	81,824	105,497	
Allowance for inventory market decline and obsolescence	(6,553)		
Total	\$ 75,271		

TSH Biopharm Corporation Ltd.
Statement of Investments accounted for using equity method
December 31, 2023
(Expressed in thousands of New Taiwan dollars)

	Beginning Balance			Additions		Decrease		Profit and (loss) on investment	Translation adjustment	Ending Balance			Collateral
	Investee	Shares	Percentage of ownership (%)	Amount	Shares	Amount	Shares	Amount		Shares	Percentage of ownership (%)	Amount	
	Chuang Yi Biotech Co. Ltd.	1,319,808	51.60%	<u>\$ 81,816</u>	16,000,986	<u>87,720</u>	730,515	<u>- (394)</u>	<u>(21)</u>	16,590,279	51.60%	<u>\$ 169,121</u>	None

Note1 : Beginning balance arises due to organizational restructuring. Please refer to Note6(6).

Note2 : The reduction amount for this period is due to Chuang Yi Biotech Co. Ltd. reducing its capital to offset deficit for the current fiscal year.

TSH Biopharm Corporation Ltd.
Statement of Operating Revenue
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan dollars)

<u>Item</u>	<u>Quantity</u>	<u>Amount</u>	<u>Note</u>
Sales revenue:			
Lozenges	180,693,254	\$ 454,810	
Capsules	1,141,800	5,964	
Injections	43,360	3,985	
Sales revenue subtotal		464,759	
Testing revenue		29,176	
Service revenue		6,574	
Total		500,509	
Less: Sales returns and allowances		(3,204)	
Net revenue		<u>\$ 497,305</u>	

TSH Biopharm Corporation Ltd.
Statement of Operating Costs
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Raw materials and supplies	
Add: Raw material, beginning of the year	\$ 33,650
Add: Purchase	52,289
Less: Raw materials, end of the year	(44,039)
Loss on physical inventory count	(37)
Transferred to expenses and losses	(435)
Write off loss	(553)
Raw materials consumed	<u>40,875</u>
Raw materials consumed	40,875
Add: Contract manufacture	<u>144,496</u>
Cost of goods sold	<u>185,371</u>
Merchandise	
Add: Merchandise, beginning of the year	\$ 33,360
Purchased	34,408
Less: Merchandise, end of the year	(37,785)
Transferred to expenses and losses	(3,440)
Write off loss	(2,230)
Reclassification	(929)
Cost of Merchandise sold	208,755
Add: Loss from inventory market decline	(1,198)
Loss on physical inventory count	37
Write off loss	<u>2,783</u>
Operating costs	<u>\$ 210,377</u>

TSH Biopharm Corporation Ltd.
Statement of Operating Expenses
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Selling expenses	Administrative expenses	Research and development expenses	Total
Salaries	\$ 68,425	\$ 25,894	\$ 7,152	\$ 101,471
Meal expenses	1,324	546	159	2,029
Pension	3,690	846	311	4,847
Insurance expense	5,478	1,864	557	7,899
Royalty expense	128	-	-	128
Rent expense	-	141	300	441
Traveling expenses	1,849	247	502	2,598
Freight	112	1,308	10	1,430
Advertising expense	5,963	378	-	6,341
Post and telecommunications	634	542	18	1,194
Entertainment expenses	8,958	419	9	9,386
Donation	9,177	519	-	9,696
Depreciation	1,138	5,515	1,132	7,785
Amortization	2,171	220	1,600	3,991
Commission expenses	8,013	-	-	8,013
Professional service fees	4,828	6,069	158	11,055
Sample cost	3,435	-	-	3,435
Research expense	-	-	4,954	4,954
Meeting expense	7,067	205	296	7,568
Transportation expense	5,020	577	3	5,600
Employee welfare	-	982	-	982
Others	7,692	10,531	2,701	20,924
Total	\$ 145,102	\$ 56,803	\$ 19,862	\$ 221,767