

**TSH BIOPHARM CORPORATION LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2024 AND 2023**

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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' REVIEW REPORT

To the Board of Directors of TSH Biopharm Corporation Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of TSH Biopharm Corporation Ltd. and its subsidiaries (the "Group") as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard (IAS) No.34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on these interim the financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and of its consolidated financial performance and its cash flows for the three months ended March 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter Paragraph

As Note 4(2), TSH Biopharm Corporation Ltd.(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. Since TTY Biopharm Company Limited is the ultimate parent entity of the Company and Chuang Yi Biotech Co. Ltd., 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 consolidated financial statements for the three months ended March 31, 2023. The auditor did not modify the conclusion due to this matter.

KPMG

Taipei, Taiwan (Republic of China)

May 6, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and 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.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2024, December 31, 2023 and March 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Assets	31-Mar-24		31-Dec-23		31-Mar-23		Liabilities and Equity	31-Mar-24		31-Dec-23		31-Mar-23	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets:							Current liabilities:						
1100 Cash and cash equivalents (notes 6(1) and (20))	\$ 542,149	35	576,585	41	450,417	33	2130 Contract liabilities-current (note 6(17))	\$ 680	-	1,842	-	5,027	-
1120 Current financial assets at fair value through other comprehensive income (notes 6(2) 、(20) and 13)	206,480	13	79,228	6	54,112	4	2150 Notes payable (note 6(20))	907	-	446	-	1,187	-
1150 Notes receivable, net (notes 6(3) 、(17) and (20))	12,858	1	14,471	1	22,058	2	2170 Accounts payable (note 6(20))	8,587	-	6,730	1	3,181	-
1170 Accounts receivable, net (notes 6(3) 、(17) and (20))	141,327	9	193,095	14	121,152	9	2180 Accounts payable to related parties (notes 6(20) and 7)	25,461	2	44,248	3	17,746	1
1180 Accounts receivable from related parties (notes 6(3) 、(17) 、(20) and 7)	885	-	766	-	575	-	2200 Other payables (notes 6(10) 、(20) and 7)	58,456	4	66,738	5	56,582	4
1220 Current income tax assets	44	-	34	-	3	-	2230 Current income tax liabilities	13,479	1	2,972	-	11,127	1
1200 Other receivables (notes 6 (20))	2,625	-	2,141	-	2,281	-	2280 Current lease liabilities (notes 6(12) 、(20) 、(23) and 7)	5,559	-	7,397	1	7,345	1
130x Inventories (note 6(4))	127,785	9	118,395	9	110,736	8	2322 Long-term borrowings-current portion (notes 6(11) 、(20) 、(23) and 7)	-	-	-	-	18,965	1
1410 Prepayments	25,810	2	9,294	1	6,950	-	2300 Other current liabilities	2,904	-	3,253	-	8,251	1
1476 Other financial assets-current (notes 6(1) 、(9) and (20))	202,000	13	116,309	8	281,728	21		116,033	7	133,626	10	129,411	9
1479 Other current assets –other (notes 6(9) and 7)	1,752	-	3,441	-	11,157	1	Non-current liabilities:						
	1,263,715	82	1,113,759	80	1,061,169	78	2540 Long-term borrowings (notes 6(11) 、(20) 、(23) and 7)	-	-	-	-	4,812	-
Non-current assets:							2580 Non-current lease liabilities (notes 6(12) 、(20) 、(23) and 7)	-	-	-	-	5,523	1
1517 Non-current financial assets at fair value through other comprehensive income (notes 6(2) 、(20) and 13)	183,234	12	182,475	13	186,932	14	Total non-current liabilities	-	-	-	-	10,335	1
1600 Property, plant and equipment (note 6(6))	24,058	2	25,359	2	26,694	2	Total liabilities	116,033	7	133,626	10	139,746	10
1755 Right-of-use assets (note 6 (7))	5,487	-	7,316	1	12,803	1	Equity (note 6(15)) :						
1780 Intangible assets (note 6 (8))	51,028	3	53,636	4	61,736	5	3100 Capital stock	383,981	25	383,981	27	383,981	28
1840 Deferred income tax assets	1,509	-	1,509	-	1,800	-	3200 Capital surplus	459,554	30	459,500	33	459,511	34
1915 Prepayment for equipment	3,250	-	3,151	-	3,750	-	Retained earnings :						
1920 Refundable deposits paid (notes 6(9) 、(20) and 7)	6,641	1	6,237	-	4,842	-	3310 Legal reserve	121,910	8	121,910	9	115,721	9
1984 Other non-current assets (notes 6(9))	6,417	-	6,417	-	-	-	3320 Special reserve	4,417	-	4,417	-	-	-
	281,624	18	286,100	20	298,557	22	3350 Unappropriated retained earnings	123,161	8	82,232	6	123,326	9
							3400 Other equity	183,591	12	55,560	4	32,808	2
							Equity attributable to owners of the parent company	1,276,614	83	1,107,600	79	1,115,347	82
							35xx Equity attributable to former owner of business combination under common control	-	-	-	-	34,509	3
							36xx Non-controlling interest	152,692	10	158,633	11	70,124	5
							Total equity	1,429,306	93	1,266,233	90	1,219,980	90
Total assets	\$ 1,545,339	100	1,399,859	100	1,359,726	100	Total liabilities and equity	\$ 1,545,339	100	1,399,859	100	1,359,726	100

See accompanying notes to financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three-month periods ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		Three-month periods ended March 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
4000	Operating revenue (notes 6(17) and 7)	\$ 200,492	100	144,858	100
5000	Operating costs (notes 6(4) and 7)	76,195	38	64,044	44
	Gross profit	124,297	62	80,814	56
6000	Operating expenses (notes 6(3) 、(12) 、(13) 、(18) 、7 and 12):				
6100	Selling expenses	46,047	23	49,193	34
6200	Administrative expenses	24,721	12	23,504	16
6300	Research and development expenses	9,324	5	8,784	6
6450	Gain on reversal of expected credit loss	(29)	-	(490)	-
		80,063	40	80,991	56
	Operating income	44,234	22	(177)	-
	Non-operating income and expenses (notes 6(12) 、(19) and 7):				
7100	Interest income	630	-	1,185	1
7010	Other income	129	-	30	-
7020	Other gains and losses	565	-	(668)	-
7050	Finance costs	(26)	-	(241)	-
		1,298	-	306	1
	Profit before tax	45,532	22	129	1
7950	Less : Income tax expense (note 6(14))	(10,564)	(5)	(3,136)	(2)
	Profit for the year	34,968	17	(3,007)	(1)
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	128,011	64	10,233	7
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	128,011	64	10,233	7
8360	Components of other comprehensive income that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	40	-	12	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-
8300	Other comprehensive income (after tax)	128,051	64	10,245	7
8500	Total comprehensive income	\$ 163,019	81	7,238	6
8600	Profit attributable to:				
8610	Equity holders of the parent company	\$ 40,929	20	10,679	(1)
8615	Equity attributable to former owner of business combination under common control	-	-	(7,062)	-
8620	Non-controlling interest	(5,961)	(3)	(6,624)	-
		\$ 34,968	17	(3,007)	(1)
	Total comprehensive income attributable to:				
8710	Equity holders of the parent company	\$ 168,960	84	20,912	14
8715	Equity attributable to former owner of business combination under common control	-	-	(7,056)	(4)
8720	Non-controlling interest	(5,941)	(3)	(6,618)	(4)
		\$ 163,019	81	7,238	6
	Earnings per share (note 6(16))				
9750	Basic earnings per share	\$ 1.07		0.28	
9850	Diluted earnings per share	\$ 1.06		0.28	

See accompanying notes to financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the three-month periods ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Retained Earnings					Other Equity Interest		Equity attributable to owners of the parent company	Equity attributable to former owner of business combination under common control	Non-controlling interest	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				
Balance at January 1, 2023	\$ 383,981	459,435	115,721	-	112,647	-	(4,417)	1,067,367	-		1,067,367
Retrospective adjustment of equity attributable to former owner of business combination under common control	-	-	-	-	-	-	26,992	26,992	41,565	76,742	145,299
Balance at January 1, 2023 after retrospective adjustment	383,981	459,435	115,721	-	112,647	-	22,575	1,094,359	41,565	76,742	1,212,666
Net income for the period	-	-	-	-	10,679	-	-	10,679	(7,062)	(6,624)	(3,007)
Other comprehensive income for the period	-	-	-	-	-	-	10,233	10,233	6	6	10,245
Total comprehensive income for the period	-	-	-	-	10,679	-	10,233	20,912	(7,056)	(6,618)	7,238
Other changes in capital surplus	-	76	-	-	-	-	-	76	-	-	76
Balance at March 31, 2023	\$ 383,981	459,511	115,721	-	123,326	-	32,808	1,115,347	34,509	70,124	1,219,980
Balance at January 1, 2024	\$ 383,981	459,500	121,910	4,417	82,232	(233)	55,793	1,107,600	-	158,633	1,266,233
Net income for the period	-	-	-	-	40,929	-	-	40,929	-	(5,961)	34,968
Other comprehensive income for the period	-	-	-	-	-	20	128,011	128,031	-	20	128,051
Total comprehensive income for the period	-	-	-	-	40,929	20	128,011	168,960	-	(5,941)	163,019
Other changes in capital surplus	-	54	-	-	-	-	-	54	-	-	54
Balance at March 31, 2024	\$ 383,981	459,554	121,910	4,417	123,161	(213)	183,804	1,276,614	-	152,692	1,429,306

See accompanying notes to financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the three-month periods ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Three-month periods ended March 31	
	2024	2023
Cash flows from operating activities:		
Profit before tax	\$ 45,532	129
Adjustments:		
Adjustments to reconcile profit		
Depreciation	3,130	2,679
Amortization	2,608	3,220
Gain on reversal of expected credit loss	(29)	(490)
Interest expense	26	241
Interest income	(630)	(1,185)
Total adjustment to reconcile profit	5,105	4,465
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	1,613	(5,923)
Decrease in accounts receivable	51,678	65,173
Decrease (increase) in other receivables	(631)	218
Increase in inventories	(9,390)	(3,346)
Decrease (increase) in prepayments	(16,516)	2,848
Decrease (increase) in other current assets	1,690	(5,584)
Decrease in contract liabilities	(1,162)	(405)
Increase in notes payable (including related parties)	461	454
Decrease in accounts payable (including related parties)	(16,930)	(35,976)
Decrease in other payables	(8,285)	(23,141)
Decrease in other current liabilities	(295)	(195)
Total changes in operating assets and liabilities	2,233	(5,877)
Total adjustments	7,338	(1,412)
Cash flows from operations	52,870	(1,283)
Interest received	788	518
Interest paid	(26)	(241)
Income tax paid	(67)	(27)
Net cash flows from operating activities	53,565	(1,033)

(Continued)

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the three-month periods ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Three-month periods ended March 31	
	2024	2023
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	-	(410)
Acquisition of intangible assets	-	(177)
Decrease (increase) in guarantee deposits paid	(404)	(27)
Decrease in other financial assets - current	(85,691)	(6,675)
Increase in other non-current financial assets	-	84
Increase in prepayment for equipment	(99)	(3,777)
Net cash flows from (used in) investing activities	(86,194)	(10,982)
Cash flows used in financing activities:		
Increase in short-term borrowings	-	(20,000)
Decrease in long-term borrowings	-	(4,671)
Payments of lease liabilities	(1,838)	(1,810)
Net cash flows used in financing activities	(1,838)	(26,481)
Effect of fluctuations in exchange rate	31	9
Net decrease in cash and cash equivalents	(34,436)	(38,487)
Cash and cash equivalents at beginning of year	576,585	488,904
Cash and cash equivalents at end of year	\$ 542,149	450,417

See accompanying notes to financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH BIOPHARM CORPORATION LTD. and Subsidiaries
Notes to the Consolidated Financial Statements
March 31, 2024 and 2023

(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 and its subsidiaries (the “Group”) 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 consolidated financial statements were authorized for issue by the Board of Directors on May 6, 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 Group believes that the adoption of the following IFRSs from January 1, 2024 would not have any material impact on its consolidated 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”

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

The IASB has issued standards and interpretations that have not yet been endorsed by the FSC. The potential impact on the Group is as follows:

<u>Newly issued or revised standards</u>	<u>Major revisions</u>	<u>Effective Date of the Council's Publication</u>
IFRS 18 “ Presentation and Disclosure in Financial Statements”	The new standard introduces three types of income and expenses, two subtotal items in the income statement, and a single note regarding management performance measurement. These three amendments strengthen guidance on how information is disaggregated in financial statements, providing users with better and more consistent information, and will impact all companies.	January 1, 2027

IFRS 18 “ Presentation and Disclosure in Financial Statements”

- More Structured Income Statement: January 1, 2027
Under current standards, companies use different formats to express their operating results, making it difficult for investors to compare the financial performance of different companies. The new standard adopts a more structured income statement, introducing a subtotal of "operating profit" based on new definitions and stipulating that all income and expenses be classified into three new distinct categories based on the company's primary operating activities.
- Management Performance Measurement (MPM): The new standard introduces the definition of Management Performance Measurement and requires companies to explain in a single note to the financial statements for each performance measure why it provides useful information, how it is calculated, and how the measure is adjusted to reconcile with the amounts recognized under International Financial Reporting Standards accounting standards.
- More Detailed Information: The new standard includes guidance on how companies should enhance the grouping of information in financial statements. This includes guidance on whether information should be included in the primary financial statements or further disaggregated in the notes.

The Group is currently assessing the impact of the aforementioned standards and interpretations on the financial position and operating results of the consolidated company. Relevant impacts will be disclosed upon completion of the assessment.

The Group anticipates that the following additional yet to be endorsed new releases and amendments will not have a significant impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- 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

(1) Statement of compliance

The accompanying consolidated 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 IAS 34, Interim Financial Reporting, as endorsed and issued into effect by the FSC. These consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under 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”).

Excepted for the accounting policies mentioned below, the significant accounting policies adopted in the interim financial statements is the same as those in the financial statements for the year ended December 31, 2023. For the related information, please refer to Note 4 of the financial statements for the year ended December 31, 2023.

(2) Basis of consolidation

A. Subsidiaries included in the consolidated financial statements:

<u>Name of Investor</u>	<u>Name of subsidiary</u>	<u>Main Business Activities</u>	<u>Percentage of Ownership</u>			<u>Note</u>
			<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	
TSH Biopharm Corporation Ltd.	Chuang Yi Biotech Co. Ltd.	Selling of health food	51.60%	51.60%	51.60%	Note
Chuang Yi Biotech Co. Ltd.	Immortal Fame Global Ltd.	General export trade and investment in various production enterprises	100%	100%	100%	
Immortal Fame Global Ltd.	Chuang Yi (Shanghai) Trading Co., Ltd	Selling of dietary supplement	100%	100%	100%	

Note: The Company participated the cash capital increase of Chuang Yi Biotech Co. Ltd. on November 24, 2023, and has cumulatively acquired 51.60% of Chuang Yi Biotech Co. Ltd., achieving significant control. Since TTY Biopharm Company Limited is the ultimate 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 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. The profit or loss belong to former controlling shareholders record as “Equity attributable to former owner of business combination under common control”.

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

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

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

The Group classifies 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.

(4) 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. Short-term employee benefits

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 Group 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.

(5) Income taxes

The Group measures and discloses interim period income tax expense in accordance with paragraph B12 of IAS 34, Interim Financial Reporting.

Income tax expense for the period is best estimated by multiplying pre-tax income of the interim period by a projected annual effective tax rate, and is recognized as current tax expense.

Income taxes that are recognized directly in equity or other comprehensive income are measured in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases at the tax rates that are expected to be applied in the year in which the asset is realized or the liability is settled.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34, Interim Financial Reporting, as endorsed and issued into effect 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. In preparing the consolidated financial statements, critical accounting judgments and key sources of estimations and assumptions uncertainty used by management in the application of accounting policies are consistent with those described in Note 5 of the financial statements for the year ended December 31, 2023.

6. Explanation of significant accounts

Except for the following disclosure, the significant account disclosure in the financial statements for the three months ended 31, 2023 don't have significant difference with those in the financial statements for the year ended December 31, 2023. For the related information, please refer to Note 6 of the financial

statements for the year ended December 31, 2023.

(1) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Petty cash	\$ 220	220	170
Cash in banks	541,929	574,365	350,247
Time deposits	-	2,000	100,000
	<u>\$ 542,149</u>	<u>576,585</u>	<u>450,417</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 March 31, 2024, December 31, 2023 and March 31 2023, the amount of time deposits were \$202,000, \$116,309 and \$281,728, respectively.
- C. Please refer to note 6(20) for the foreign currency risk and sensitivity analysis of the financial assets of the Group.

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Equity instruments at fair value through other comprehensive income :			
Current	\$ 206,480	79,228	54,112
Non - current	183,234	182,475	186,932
	<u>\$ 389,714</u>	<u>261,703</u>	<u>241,044</u>

A. Equity instruments at fair value through other comprehensive income

The Group 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.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the three-month periods ended March 31, 2023 and 2024.

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

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

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	\$ 12,858	14,471	22,072
Accounts receivable-measured at amortized cost	143,953	195,631	126,871
Less: Allowance for expected credit losses	(1,741)	(1,770)	(5,158)
	<u>\$ 155,070</u>	<u>208,332</u>	<u>143,785</u>

The Group 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:

	March 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not past due	\$ 156,192	0%~1%	1,732
Past due 1~60 days	612	1%	6
Past due 61~120 days	-	-	-
Past due 121~180 days	7	2%~43%	3
Past due 181~365 days	-	-	-
Past due over 365 days	-	-	-
	\$ 156,811		1,741

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not past due	\$ 209,506	0%~1%	1,730
Past due 1~60 days	562	1%~8.14%	20
Past due 61~120 days	-	-	-
Past due 121~180 days	14	2%	-
Past due 181~365 days	-	-	-
Past due over 365 days	20	2%~100%	20
	\$ 210,102		1,770

	March 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not past due	\$ 144,136	0%~1%	1,217
Past due 1~60 days	875	1%	9
Past due 61~120 days	-	-	-
Past due 121~180 days	-	-	-
Past due over 365 days	3,932	100%	3,932
	\$ 148,943		5,158

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

	For the three-month periods ended March 31	
	2024	2023
Balance on January 1	\$ 1,770	5,648
Impairment losses reversed	(29)	(490)
Balance on December 31	\$ 1,741	5,158

The aforementioned notes and account receivables of the Group had not been pledged as collateral as of March 31 2024, December 31 2023 and March 31 ,2023.

(4) Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Merchandise	\$ 103,860	88,023	86,633
Raw materials and supplies	44,590	47,969	39,234
Less: Allowance for inventory market decline and obsolescence	(20,665)	(17,597)	(15,131)
	\$ 127,785	118,395	110,736

The details of cost of goods sold were as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Cost of goods sold	\$ 73,127	62,985
Losses on inventory market decline and obsolescence	3,068	1,059
	<u>\$ 76,195</u>	<u>64,044</u>

During the three-month periods ended March 31, 2024 and 2023 and the year ended December 31, 2023, the aforesaid inventories were not pledged as collateral.

(5) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

<u>Subsidiaries</u>	<u>Main operation place</u>	<u>Percentage of non- controlling interests</u>		
		<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Chuang Yi Biotech Co. Ltd.	Taiwan	48.40%	48.40%	48.40%

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

A. Chuang Yi Biotech Co. Ltd.'s collective financial information

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current assets	\$ 306,924	343,428	156,226
Non-current assets	45,110	47,805	55,901
Current liabilities	(36,556)	(63,479)	(60,331)
Non- current liabilities	-	-	(6,911)
Net assets	<u>\$ 315,478</u>	<u>327,754</u>	<u>144,885</u>
Non-controlling interests	<u>\$ 152,692</u>	<u>158,633</u>	<u>70,124</u>
		<u>For the three-month periods ended March 31, 2024</u>	<u>For the three-month periods ended March 31, 2023</u>
Sales revenue		<u>\$ 24,010</u>	<u>27,396</u>
Net income		\$ (12,316)	(13,685)
Other comprehensive income		40	12
Comprehensive income		<u>\$ (12,276)</u>	<u>(13,673)</u>
Loss, attributable to non-controlling interests		<u>\$ (5,961)</u>	<u>(6,624)</u>
Comprehensive income, attributable to non-controlling interests		<u>\$ (5,941)</u>	<u>(6,618)</u>
Net cash flows from operating activities	\$ 6,265		10,711
Net cash flows from investing activities		(101,989)	(27)
Net cash flows from financing activities		(706)	(25,367)
Effect of exchange rate changes on cash and cash equivalents		31	9
Net increase (loss) in cash and cash equivalents		<u>\$ (96,399)</u>	<u>(14,674)</u>

(6) Property, plant and equipment

	<u>Land</u>	<u>Building and constructio</u>	<u>Machinery equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
Book value :						
Balance on January 1, 2024	\$ <u>5,846</u>	<u>8,576</u>	<u>4,512</u>	<u>2,781</u>	<u>3,644</u>	<u>25,359</u>
Balance on March 31, 2024	\$ <u>5,846</u>	<u>8,358</u>	<u>4,020</u>	<u>2,454</u>	<u>3,380</u>	<u>24,058</u>
Balance on January 1, 2023	\$ <u>5,846</u>	<u>9,169</u>	<u>3,715</u>	<u>3,973</u>	<u>4,308</u>	<u>27,011</u>
Balance on March 31, 2023	\$ <u>5,846</u>	<u>8,957</u>	<u>3,937</u>	<u>3,780</u>	<u>4,174</u>	<u>26,694</u>

During the three-month periods ended March 31, 2024 and 2023, there was no significant change of addition, disposal, impairment loss and subsequent reversal in the Group's property, plant and equipment. Please refer to Note12(1) for the depreciation amount, and Note 6(6) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(7) Right-of-use assets

	<u>Building and construction</u>
Book value	
Balance on January 1, 2024	\$ <u>7,316</u>
Balance on March 31, 2024	\$ <u>5,487</u>
Balance on January 1, 2023	\$ <u>14,633</u>
Balance on March 31, 2023	\$ <u>12,803</u>

During the three-month periods ended March 31, 2024 and 2023, there was no significant change of addition, disposal, impairment loss and subsequent reversal in the Group's right-of use assets of renting office and equipment. Please refer to Note12(1) for the depreciation amount, and Note 6(7) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(8) Intangible assets

	<u>Computer software</u>	<u>Patent and drug permit license</u>	<u>Drug distribution license</u>	<u>Total</u>
Book value:				
Balance on January 1, 2024	\$ <u>2,041</u>	<u>10,377</u>	<u>41,218</u>	<u>53,636</u>
Balance on March 31, 2024	\$ <u>1,754</u>	<u>9,642</u>	<u>39,632</u>	<u>51,028</u>
Balance on January 1, 2023	\$ <u>2,386</u>	<u>14,123</u>	<u>47,559</u>	<u>64,068</u>
Balance on March 31, 2023	\$ <u>2,979</u>	<u>12,783</u>	<u>45,974</u>	<u>61,736</u>

During the three-month periods ended March 31, 2024 and 2023, there was no significant change of addition, disposal, impairment loss and subsequent reversal in the Group's right-of use assets of renting office and equipment. Please refer to Note12(1) for the amortization amount, and Note 6(8) of the consolidated financial statements for the year ended December 31, 2023 for further details.

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

The details of other current assets and other non-current assets were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other current financial assets	\$ 202,000	116,309	281,728
Other current assets	1,752	3,441	11,157
Long-term prepayments	6,417	6,417	-
Refundable deposits	<u>6,641</u>	<u>6,237</u>	<u>4,842</u>
	<u>\$ 216,810</u>	<u>132,404</u>	<u>297,727</u>

A. 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).

B. The long-term prepayments primarily serve to acquire intangible assets, representing payments made before the intangible assets are ready for use. Please refer to Note 9 for detailed explanations regarding related unrecognized contractual commitments.

(10) Other payables

The details of other payables were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Salaries and compensation of employees and directors	\$ 25,175	33,250	23,008
Research expenses	3,078	550	3,467
Commission	1,297	1,406	1,229
Others	<u>28,906</u>	<u>31,532</u>	<u>28,878</u>
	<u>\$ 58,456</u>	<u>66,738</u>	<u>56,582</u>

(11) Long-term borrowings

The details of the short-term borrowings were as follows:

	<u>March 31, 2023</u>
Borrowings from bank- Due date is June 2024.	\$ 23,777
Less : current portion	(18,965)
Total	<u>\$ 4,812</u>
Interest rate range	<u>2.5%</u>

The long-term borrowings of the Group did not have significant issuances, repurchases, or repayments during the period for the three-month periods ended March 31, 2024 and 2023. Please refer to Note 6(19) for details on interest expenses and other relevant information, and consult Note 6(12) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(12) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current	<u>\$ 5,559</u>	<u>7,397</u>	<u>7,345</u>
Non-current	<u>\$ -</u>	<u>-</u>	<u>5,523</u>

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

The amounts recognized in profit or loss were as follows:

	For the three-month periods ended March 31	
	2024	2023
Interest on lease liabilities	\$ 26	55
Expenses of short-term leases	\$ 41	85
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 39	66

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

	For the three-month periods ended March 31	
	2024	2023
Total cash outflow for leases	\$ 1,944	2,016

A. Real estate leases

The Group leased buildings for its office and plant with lease term of 2 to 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 Group during the lease period. It is a variable lease payment that is not included in the measurement of the lease liability. Therefore, the Group will pay the relevant lease payment during the lease period to recognize the expense.

B. Other leases

The Group lease office equipment with lease term of 0.5 to 5 years, these leases are leases of short-term or low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(13) Employee benefits

Defined contribution plans

The Group 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 Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

	For the three-month periods ended March 31	
	2024	2023
Selling expenses	\$ 1,187	1,242
Administrative expenses	423	383
Research and development expenses	78	121
	\$ 1,688	1,746

(14) Income taxes

A. Income tax expense

The components of income tax in the years 2024 and 2023 were as follows:

	For the three-month periods ended March 31	
	2024	2023
Current income tax expense		
Current period	\$ 10,564	3,136
Income tax expenses	\$ 10,564	3,136

The Group's tax returns for the years through 2022 were assessed by the Taipei National Tax Administration.

(15) Capital and other equity

Except as described below, there were no significant changes in equity of the Group for the three-month periods ended March 31 2024 and 2023. Please refer to the consolidated financial statements for the year ended December 31, 2023 for relevant information..

A. Capital surplus

The balances of capital surplus were as following:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Share Capital	\$ 458,977	458,977	458,977
Others	577	523	534
	<u>\$ 459,554</u>	<u>459,500</u>	<u>459,511</u>

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 Group's article of incorporation stipulates that Group'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 Group'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 Group's financial structure and maintain investors' equity, the Group adopts a stable dividends policy in which earnings distribution cannot be less than 50% of distributable earnings, and cash dividends payment has to be over than 50% of the distribution.

(A) Legal reserve

When a Group 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 Group 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, 2011. When distributing the distributable surplus, the Group 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 February 27, 2024 the board of directors proposed the 2023 earnings distribution to shareholders and on May 25, 2023, the general meeting of shareholders resolved to appropriate 2022 earnings. The earnings were appropriated as follows:

	For the year ended December 31,			
	2023		2022	
	Amount per share (dollars)	Total amount	Amount per share (dollars)	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 1.28	<u>49,150</u>	1.60	<u>61,437</u>

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, 2024	(\$ 233)	55,793	55,560
Exchange differences on foreign operations	20	-	20
Unrealized gains on financial assets measured at fair value through other comprehensive income	-	128,011	128,011
At March 31, 2024	<u>(\$ 213)</u>	<u>183,804</u>	<u>183,591</u>
At January 1, 2023	\$ -	22,575	22,575
Unrealized gains on financial assets measured at fair value through other comprehensive income	-	10,233	10,233
At March 31, 2023	<u>\$ -</u>	<u>32,808</u>	<u>32,808</u>

D. Non-controlling interests

	For the three-month periods ended March 31	
	2024	2023
Beginning balance	\$ 158,633	76,742
Attributable to non-controlling interests:		
Net income(loss)	(5,961)	(6,624)
Exchange differences on translation of foreign financial statements	20	6
Ending balance	<u>\$ 152,692</u>	<u>70,124</u>

(16) Earnings per share

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

	<u>For the three-month periods ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Basic earnings per share		
Net income attributable to ordinary shareholders	<u>\$ 40,929</u>	<u>10,679</u>
Weighted-average number of ordinary shares	<u>38,398</u>	<u>38,398</u>
	<u>\$ 1.07</u>	<u>0.28</u>
Diluted earnings per share		
Net income attributable to ordinary shareholders (after adjustment of dilutive potential ordinary shares)	<u>\$ 40,929</u>	<u>10,679</u>
Weighted-average number of ordinary shares	<u>38,398</u>	<u>38,398</u>
Effect of dilutive potential ordinary shares		
Effect of employee share bonus	<u>35</u>	<u>27</u>
Weighted-average number of ordinary shares (after adjustment of dilutive potential ordinary shares)	<u>38,433</u>	<u>38,452</u>
	<u>\$ 1.06</u>	<u>0.28</u>

(17) Revenue from contracts with customers

A. Disaggregation of revenue

	<u>For the three-month periods ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Major products/service lines:		
Pharmaceuticals	\$ 148,495	137,636
Vaccine	1,176	1,784
Test	9,672	4,842
Services	<u>41,149</u>	<u>596</u>
	<u>\$ 200,492</u>	<u>144,858</u>

B. Contract balances

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	\$ 12,858	14,471	22,072
Accounts receivable (included related parties)	143,953	195,631	126,871
Less: Allowance for expected credit losses	(1,741)	(1,770)	(5,158)
Total	<u>\$ 155,070</u>	<u>208,332</u>	<u>143,785</u>
Contract liabilities	<u>\$ 680</u>	<u>1,842</u>	<u>5,027</u>

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

The contract liabilities primarily relate to the deferred recognition of revenue relating to customer loyalty programs and the unearned sales revenue, for which revenue is recognized when the performance obligation is satisfied. The amount of revenue recognized for the three-month periods ended March 31, 2024 and 2023 that were included in the contract liability balance at the beginning of the period were \$623 and \$1,175, respectively.

C. Customer contract explanation

The Group accepts product returns from sales channels such as clinics and pharmacies, and agrees to provide discounts to certain channels under specific conditions. Taking into account the accumulated experience, the Group estimates the expected return rate based on historical sales return information, and estimates the expected value of sales or allowances based on historical

experience, thereby recognizing a refund liability.

(18) Remuneration to employees and directors

According to the Group's articles of incorporation, the Group 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 Group 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 Group's affiliated companies who meet certain conditions.

For the three-month periods ended March 31, 2024 and 2023, the Group estimated its employee compensation and directors' remuneration both amounting to \$1,073 and \$287, 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 Group'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.

If there is a difference between the actual distribution amount and the estimated amount in the following year, it will be accounted for as an adjustment according to accounting estimates, and such difference will be recognized in the profit or loss for the following year. In the event that the board of directors decides to issue stock as employee compensation, the basis for calculating the number of shares for stock-based compensation is determined based on the closing price of common shares on the day before the board of directors' decision, taking into account any adjustments for dividends and rights issues.

For the year ended December 31, 2024 and 2023, the Group estimated its employee compensation and directors' remuneration both amounting to \$1,523 and \$1,064, respectively. The amounts are identical to those of the actual distributions for 2023 and 2022. Related information is available on the Market Observation Post System website.

(19) Non-operating income and expenses

A. Interest income

The details of interest income were as follows:

	For the three-month periods ended March 31,	
	2024	2023
Interest income from bank deposits	\$ 630	1,185

B. Other income

The details of other income were as follows:

	For the three-month periods ended March 31,	
	2024	2023
Rent income	\$ 29	30
Other income-other	100	-
	\$ 129	30

C. Other gains and losses

The details of other gains and losses were as follows:

	For the three-month periods ended March 31,	
	2024	2023
Foreign exchange gains (losses)	\$ 804	(480)
Others	(239)	(188)
Other gains and losses(net)	<u>\$ 565</u>	<u>(668)</u>

D. Finance costs

The details of finance costs were as follows:

	For the three-month periods ended March 31,	
	2024	2023
Other finance costs - Interest expenses	\$ -	186
Other finance costs – Lease Liabilities	26	55
	<u>\$ 26</u>	<u>241</u>

(20) Financial instruments

Except as described below, there were no significant changes in the fair value of financial instruments and the exposure to credit risk, liquidity risk, and market risk arising from financial instruments of the Group. Please refer to Note 6(21) of the consolidated financial statements for 2023 for relevant information.

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 Group has a customer base that includes hospitals, medical centers, pharmacies, and clinics, which results in the Group having no significant concentration of credit risk. The Group regularly assesses the likelihood of accounts receivable collection and recognize allowance for doubtful accounts, and the impairment losses are always within management's expectations.

(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 (7). There were no recognition and reversal of impairment losses for the three-month periods ended March 31, 2024 and 2023. The balance as of March 31, 2024 and 2023 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>
March 31, 2024					
Non-derivative financial liabilities					
Notes and accounts payable (including related parties)	\$ 34,955	34,955	34,955	-	-
Other payables	58,456	58,456	58,456	-	-
Lease liabilities	5,559	5,592	5,592	-	-
	<u>\$ 98,970</u>	<u>99,003</u>	<u>99,003</u>	<u>-</u>	<u>-</u>
December 31, 2023					
Non-derivative financial liabilities					
Notes and accounts payable (including related parties)	\$ 51,424	51,424	51,424	-	-
Other payables	66,738	66,738	66,738	-	-
Lease liabilities	7,397	7,457	7,457	-	-
	<u>\$ 125,559</u>	<u>125,619</u>	<u>125,619</u>	<u>-</u>	<u>-</u>
March 31, 2024					
Non-derivative financial liabilities					
Borrowings from bank	\$ 23,777	24,155	19,324	4,831	-
Notes and accounts payable (including related parties)	22,144	22,114	22,114	-	-
Other payables	56,582	56,582	56,582	-	-
Lease liabilities	12,868	13,050	7,457	5,593	-
	<u>\$ 115,341</u>	<u>115,901</u>	<u>105,477</u>	<u>10,424</u>	<u>-</u>

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

	<u>March 31, 2024</u>			<u>December 31, 2023</u>			<u>March 31, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</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	\$ 400	32.000	12,786	928	30.705	28,466	1,400	30.45	42,670
CNY	-	-	-	2,358	4.327	10,205	2,358	4.431	10,450
HKD	340	4.089	1,391	340	3.929	1,336	338	3.879	1,311

(B) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that is denominated in foreign currency. A strengthening (weakening) 1% of the TWD against the USD, CNY, and HKD as of March 31, 2024 and 2023 would have increased (decreased) the net profit after tax by \$113 and \$436 thousand, 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

The exchange gain and loss (realized and unrealized) of foreign currency monetary items of the Group translated into the functional currency, NTD, are as follows:

	For the three-month periods ended March 31,			
	2024		2023	
	Exchange gain(loss)	Average exchange rate	Exchange gain(loss)	Average exchange rate
USD	576	31.408	(492)	30.365
CNY	143	4.3665	55	4.4172
EUR	7	34.097	(23)	32.595

(D) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

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

If the interest rate had increased / decreased by 0.25 %, the Group's net income and net loss would have decreased / increased by \$89 for the three-month periods ended March 31, 2024 and 2023, respectively, with all other variable factors remaining constant.

(E) Other market price risk

For the three-month periods ended March 31, 2024 and 2023, 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 three-month periods ended March 31,			
	2024		2023	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 10%	\$ 38,971	-	24,104	-
Decreasing 10%	(\$ 38,971)	-	(24,104)	-

D. 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 Group's financial assets and liabilities, including the information on fair value hierarchy, were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

		March 31, 2024			
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	\$ 174,217	174,217	-	-	174,217
Domestic OTC stocks	206,480	206,480	-	-	206,480
Foreign unlisted stocks	9,017	-	-	9,017	9,017
Subtotal	<u>389,714</u>	<u>380,697</u>	<u>-</u>	<u>9,017</u>	<u>389,714</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 542,149	-	-	-	-
Notes and accounts receivable (including related parties)	155,070	-	-	-	-
Other receivables(including related parties)	2,625	-	-	-	-
Other financial assets	202,000	-	-	-	-
Refundable deposits	6,614	-	-	-	-
Subtotal	<u>908,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,298,199</u>	<u>380,697</u>	<u>-</u>	<u>9,017</u>	<u>389,714</u>
Financial liabilities at amortized cost					
Notes and accounts payable (including related parties)	\$ 34,955	-	-	-	-
Other payables	58,456	-	-	-	-
Lease liabilities	5,559	-	-	-	-
Subtotal	<u>98,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 98,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

		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	<u>261,703</u>	<u>222,686</u>	<u>-</u>	<u>9,017</u>	<u>261,703</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 576,585	-	-	-	-
Notes and accounts receivable (including related parties)	208,332	-	-	-	-
Other receivables (including related parties)	2,141	-	-	-	-
Other financial assets	116,309	-	-	-	-
Refundable deposits	6,237	-	-	-	-
Subtotal	<u>909,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,171,307</u>	<u>252,686</u>	<u>-</u>	<u>9,017</u>	<u>261,703</u>
Financial liabilities at amortized cost					
Notes and accounts payable (including related parties)	\$ 51,424	-	-	-	-
Other payables	66,738	-	-	-	-
Lease liabilities	7,397	-	-	-	-
Subtotal	<u>125,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 125,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

March 31, 2023					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	\$ 175,556	175,556	-	-	175,556
Domestic OTC stocks	54,112	54,112	-	-	54,112
Foreign unlisted stocks	11,376	-	-	11,376	11,376
Subtotal	<u>241,044</u>	<u>229,668</u>	<u>-</u>	<u>11,376</u>	<u>241,044</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 450,417	-	-	-	-
Notes and accounts receivable (including related parties)	143,785	-	-	-	-
Other receivables (including related parties)	2,280	-	-	-	-
Other financial assets	281,728	-	-	-	-
Refundable deposits	4,842	-	-	-	-
Subtotal	<u>883,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,124,096</u>	<u>229,668</u>	<u>-</u>	<u>11,376</u>	<u>241,044</u>
Financial liabilities at amortized cost					
Borrowing from bank	\$ 23,777	-	-	-	-
Notes and accounts payable (including related parties)	22,114	-	-	-	-
Other payables	56,582	-	-	-	-
Lease liabilities	12,868	-	-	-	-
Subtotal	<u>115,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 115,341</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:

- a. Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- b. 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).
- c. 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 Group 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.

- a. Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

- b. Financial assets and financial liabilities measured at amortized cost

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

(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 accordance 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 Group are determined by reference to the market quotation.

If the financial instruments held by the Group 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 three-month periods ended March 31, 2024 and 2023, 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, 2024	\$ 9,017
Balance as of March 31, 2024	\$ 9,017
Balance as of January 1, 2023	\$ 11,376
Balance as of March 31, 2023	\$ 11,376

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

The Group'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 majority of fair values of the Group are classified as Level 3, with only a single significant unobservable input, while equity investments without active market are characterized by multiple significant unobservable inputs. 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	·Discount for lack of market liquidity (as of March 31, 2024, December 31, 2023 and March 31, 2023, the rate were 30% ,30% and 16.43%, respectively) ·Expected volatility (as of March 31, 2023 was 58.78%)	·The estimated fair value would decrease if the discount for lack of market liquidity was higher. ·The estimated fair value would increase if the volatility was higher.

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

The Group’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:

	Input value	Degree of variation	Recognized in other comprehensive income	
			Favourable change	Unfavourable change
March 31, 2024				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Market liquidity discount rate	1%	90 (90)
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Market liquidity discount rate	1%	90 (90)
March 31, 2023				
Equity investments without an active market	Market liquidity discount rate	1%	114 (114)
	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

There have been no significant changes to the financial risk management objectives and policies of the Group as disclosed in Note 6(22) of the financial statements for the year ended December 31, 2023.

(22) Capital management

The capital management objectives, policies, and procedures of the consolidated company remain

consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2023. Additionally, there have been no significant changes to the aggregated quantitative data for items related to capital management as disclosed in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 6(23) of the consolidated financial statements for the year ended December 31, 2023 for relevant information.

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

The Group's investing and financing activities which did not affect the current cash flow for the three-month periods ended March 31, 2024 and 2023, were as follows:

A. Acquisition of right-of-use assets under leases, please refer to note 6(7).

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

	<u>January 1, 2024</u>	<u>Cash flow</u>	<u>Non-cash changes</u> Others	<u>March 31, 2024</u>
Lease liabilities	\$ 7,397	(1,838)	-	5,559

	<u>January 1, 2023</u>	<u>Cash flow</u>	<u>Non-cash changes</u> Others	<u>December 31, 2023</u>
Long-term borrowings	\$ 28,447	(4,670)	-	23,777
Short-term borrowings	20,000	(20,000)	-	-
Lease liabilities	14,678	(1,810)	-	12,868
Total liabilities arising from financing activities	\$ 63,125	(26,480)	-	36,645

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 Group. It owns 56.48% of all shares outstanding of the Group, and has issued the Consolidated Financial Statements available for public use.

(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.

<u>Name of related parties</u>	<u>Relationship with the Group</u>
TTY Biopharm Company Limited	Parent company
American Taiwan Biopharm(Thailand)	Other related party
Shangta Pharmaceutical Co., Ltd.	Other related party (Note)

Note : Shangta Pharmaceutical Co., Ltd. was not related party since January, 2024.

(3) Significant related-party transactions

A. Operating revenue

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

	For the three-month periods ended March 31,	
	2024	2024
Parent company- TTY Biopharm Company Limited	\$ 1,149	596
Other related parties	2,180	2,211
	\$ 3,329	2,807

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 60-90 days, or 14 days after the date of shipment. The collection terms for commission were month-end 30 and 90 days.

B. Purchases

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

	For the three-month periods ended March 31,	
	2024	2023
Parent company - TTY Biopharm Company Limited	\$ 38,511	32,994

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 30-90 days.

C. Receivables from related parties

The amounts of receivables from related parties were as follows:

Items	Related Party Categories	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable	Parent company	\$ 885	652	575
Accounts receivable	Other related party	-	114	-
		\$ 885	766	575

D. Payables to related parties

The amounts of payables to related parties were as follows:

Items	Related Party Categories	March 31, 2024	December 31, 2023	March 31, 2023
Accounts payable- related parties	Parent company	\$ 25,461	44,248	17,746
Other payables	Parent company	1,876	2,454	1,802
Other payables	Other related party	-	19	-
		\$ 27,337	46,721	19,548

E. Guarantee

On March 31, 2023, the Group has utilized the full amount of a \$50,000 loan from the bank, which was guaranteed by the parent company TTY Biopharm Company Limited. The parent company TTY Biopharm Company Limited charged an endorsement guarantee fee of \$109 for the three-month periods ended March 31, 2023.

F. Lease

The Group leases offices and equipments from the parent company, and the details were as follows:

Items	March 31, 2024	December 31, 2023	March 31, 2023
Guarantee deposits paid	\$ <u>805</u>	<u>805</u>	<u>805</u>
Lease liabilities	\$ <u>3,597</u>	<u>4,786</u>	<u>8,325</u>
Items		For the three-month periods ended March 31, 2024	For the three-month periods ended March 31, 2023
Interest paid		\$ <u>18</u>	<u>37</u>

G. Others

For the years ended December 31, 2023 and 2022, the operating expenses paid by the Group to the parent company or other related parties due to the operating and business transactions amounted to \$1,462 and \$1,408, respectively

(4) Key management personnel compensation

	For the three-month periods ended March 31,	
	2024	2023
Short-term employee benefits	\$ 9,859	\$ 8,004
Post-employment benefits	<u>223</u>	<u>172</u>
	<u>\$ 10,082</u>	<u>\$ 8,176</u>

8. Pledged assets: None.

9. Significant commitments and contingencies

As of March 31, 2024, December 31, 2023 and March 31, 2023, the unrecognized contractual commitments of the Group were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Contract with other units for research and development	\$ <u>45,660</u>	\$ <u>45,505</u>	\$ <u>43,739</u>
Acquisition of intangible assets	<u>\$ 4,336</u>	<u>4,310</u>	<u>10,140</u>

10. Losses due to major disasters: None.

11. Subsequent events:

To expand our operational scale, enhance operational performance, and increase the Company's competitiveness, on March 11, 2024, the Company signed a stock purchase agreement with unrelated parties, and acquired 51% of the issued and outstanding common shares of Top Pharm Medicalware Co., Ltd. and Top Biological Co., Ltd. for a total of \$301,451 thousand NT dollars. The share delivery date is scheduled for April 9, 2024.

12. Others

(1) The followings are the summary of employee benefits, depreciation, and amortization by function :

By function	For the three-month periods ended March 31,					
	2024			2023		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
By item						
Employee benefits						
Salary	-	34,147	34,147	-	39,232	39,232
Labor and health insurance	-	2,881	2,881	-	3,047	3,047
Pension	-	1,688	1,688	-	1,746	1,746
Others	-	1,137	1,137	-	1,113	1,113
Depreciation	-	3,130	3,130	-	2,679	2,679
Amortization	-	2,608	2,608	-	3,220	3,220

(2) Others:

The Group donated \$2,360 and \$2,318 to related medical foundation and associations to support non-profit organizations developing drugs, promoting disease prevention and correct dosages for the three months ended March 31, 2024 and 2023, respectively.

(3) Seasonality of operations

The operations of the Group are not affected by seasonal or cyclical factors.

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 Group

A. Loans to other parties: None.

B. Guarantees and endorsements for other parties: None.

C. Securities held as of March 31, 2024 (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 Group	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	206,480	0.7 %	206,480	
"	Fubon Financial Holding Co., Ltd. Preferred stock B	-	Non-current financial assets at fair value through other comprehensive income	2,500	150,000	0.38 %	150,000	
"	Union Bank of Taiwan Preferred stock A	-	"	400	21,040	0.20 %	21,040	
"	Fubon Financial Holding Co., Ltd. Preferred stock C	-	"	58	3,177	0.02%	3,177	
"	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	Carr ying Amount	Gain/ Loss on Disposal	Shares	Amount	
TSH Biopharm Corporation Ltd.	Top Pharm Medicalware Co., Ltd.	Note	High-End International Consultants Co., Ltd. and 12 others.	-	-	-	-	-	-	-	-	-	-	-	-
TSH Biopharm Corporation Ltd.	Top Biological Co., Ltd.	Note	High-End International Consultants Co., Ltd. and 5 others.	-	-	-	-	-	-	-	-	-	-	-	-

Note : On March 11, 2024, it was resolved by the board of directors to propose the acquisition of the aforementioned securities. For further details, please refer to Note (11).

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: None.

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.

J. Business relationships and significant intercompany transactions: 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 March 31, 2024			Net Income (losses) of the investee	Share of Profits/ Losses of Investee	Footnote
				March 31, 2024	December 31, 2023	Shares (in Thousands)	Percentage of Ownership	Carrying Value			
TSH Biopharm Corporation Ltd.	Chuang Yi Biotech Co. Ltd.	Taiwan	Selling of health food	200,262	200,262	16,590	51.60%	162,786	(12,316)	(6,355)	
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%	2,185	(17)	(17)	

Note : The aforementioned transactions were eliminated in the preparation of consolidated financial statements.

(3) Information on investment in mainland China:

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

(In Thousands of New Taiwan Dollars/Thousands shares)

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, 2024	For the three-month periods ended March 31, 2024		Accumulated Outflow of Investment from Taiwan as of March 31, 2024	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses (note 2)	Carrying Amount as of March 31, 2024	Accumulated Inward Remittance of Earnings as of March 31, 2024
					Outflow	Inflow						
Chuang Yi (Shanghai) Trading Co., Ltd	Selling of health food	16,000 (USD 500)	(1)	16,000 (USD 500)	- USD -	-	16,000 (USD 500)	(17)	100%	(17)	2,149	-

USD Exchange Rate: End of period rate: 32.00 ; Average rate: 31.4075

RMB Exchange Rate: End of period rate: 4.4080 ; Average rate: 4.3665

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

Note 2 : The aforementioned transactions were eliminated in the preparation of consolidated financial statements.

Note 3 : The financial statements had been reviewed by the CPA of the parent company in Taiwan.

B. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NTD 16,000 (USD 500)	NTD 16,000 (USD 500)	NTD 189,287

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

(1) General information

The Group's operating segments required to be disclosed are categorized as Domestic Cardiovascular Business Unit, Gastrointestinal Drugs Business Unit, and Investment Business Unit, etc.

The segments' profit is measured at profit before tax. The Group assesses performance of the segments based on the segments' profit. The operating segments' accounting policies are similar to those described in Note 4 "significant accounting policies"

(2) Information about reportable segments and their measurement and reconciliations

The Group's operating segment information and reconciliation are as follows:

	Domestic Cardiovascular and Gastrointestinal Drugs	Investment	Others	Adjustment and elimination	Total
For the three-month periods ended March 31, 2024					
Revenue					
Revenue from External Customer	\$ 176,482	24,010	-	-	200,492
Interest revenue	-	-	-	-	-
Total	\$ 176,482	24,010	-	-	200,492
Reportable segment profit or loss	\$ 57,848	(12,316)	-	-	45,532
For the three-month periods ended March 31, 2023					
Revenue					
Revenue from External Customer	\$ 117,462	27,396	-	-	144,858
Interest revenue	-	-	-	-	-
Total	\$ 117,462	27,396	-	-	144,858
Reportable segment profit or loss	\$ 13,815	(13,686)	-	-	129
Reportable segment assets					
March 31, 2024	\$ 1,193,304	352,035	-	-	1,545,339
December 31, 2023	\$ 1,008,626	391,233	-	-	1,399,859
March 31, 2023	\$ 1,147,599	212,127	-	-	1,359,726