

**TSH BIOPHARM CORPORATION LTD.  
PARENT COMPANY ONLY FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REVIEW REPORT  
FOR THE THREE MONTHS ENDED  
MARCH 31, 2023 AND 2022**

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For the convenience of readers and for information purpose only, the independent auditors' review 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' review 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 balance sheets of TSH Biopharm Corporation Ltd. (“the Company”) as of March 31, 2023 and 2022, and the related statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023 and 2022, and notes to the parent company only financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the parent company only 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” of the Republic of China. A review of the parent company only 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 parent company only financial statements do not present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and 2022, and of its financial performance and its cash flows for the three months ended March 31, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Hsin-Ting Huang and Yilien Han.

KPMG

Taipei, Taiwan (Republic of China)

May 4, 2023

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

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

Reviewed only, not audited in accordance with the standards on auditing of the Republic of China

**TSH Biopharm Corporation Ltd.**

**Balance Sheets**

**March 31, 2023, December 31, 2022 and March 31, 2022**

(Expressed in thousands of New Taiwan Dollars)

| Assets                     |   | March 31, 2023 |     | December 31, 2022 |     | March 31, 2022 |      | Liabilities and Equity      |   | March 31, 2023 |     | December 31, 2022 |     | March 31, 2022 |     |
|----------------------------|---|----------------|-----|-------------------|-----|----------------|------|-----------------------------|---|----------------|-----|-------------------|-----|----------------|-----|
|                            |   | Amount         | %   | Amount            | %   | Amount         | %    |                             |   | Amount         | %   | Amount            | %   | Amount         | %   |
| <b>Current assets:</b>     |   |                |     |                   |     |                |      | <b>Current liabilities:</b> |   |                |     |                   |     |                |     |
| 1100                       | Cash and cash equivalents (notes 6(1) and (19))   | \$ 380,663     | 33  | 404,476           | 35  | 382,443        | 33   | 2150                        | Notes payable (note 6(19))                                    | \$ 994         | -   | 733               | -   | 1,091          | -   |
| 1120                       | Current financial assets at fair value through other comprehensive income (notes 6(2) 、(19) and 13)     | 54,112         | 5   | 51,811            | 5   | 46,157         | 4    | 2170                        | Accounts payable (note 6(19))                                 | 3,130          | -   | 8,500             | 1   | 5,020          | -   |
| 1150                       | Notes receivable, net (notes 6(3) 、(16) and (19))   | 21,985         | 2   | 16,077            | 1   | 22,961         | 2    | 2180                        | Accounts payable to related parties (notes 6(19) and 7)       | 6,449          | 1   | 7,245             | -   | 5,150          | 1   |
| 1170                       | Accounts receivable, net (notes 6(3) 、(16) and (19))  | 92,708         | 8   | 90,939            | 8   | 86,621         | 8    | 2200                        | Other payables (notes 6(10) 、(19) and 7)                      | 41,845         | 4   | 52,212            | 5   | 40,463         | 4   |
| 1180                       | Accounts receivable from related parties (notes 6(3) 、(16) 、(19) and 7)                                 | 472            | -   | 301               | -   | 2,334          | -    | 2230                        | Current income tax liabilities                                | 11,127         | 1   | 8,018             | 1   | 11,925         | 1   |
| 1200                       | Other receivables (notes 6(4) 、(19) and 7)  | 2,269          | -   | 1,658             | -   | 1,464          | -    | 2280                        | Current lease liabilities (notes 6(11) 、(19) 、(22) and 7)     | 4,503          | -   | 4,485             | -   | 3,430          | -   |
| 130x                       | Inventories (note 6(5))   | 60,288         | 5   | 59,259            | 5   | 61,048         | 5    | 2300                        | Other current liabilities                                     | 1,030          | -   | 1,308             | -   | 1,026          | -   |
| 1476                       | Other financial assets—current (notes 6(1) 、(9) and (19))   | 281,728        | 24  | 275,053           | 24  | 288,538        | 25   |                             |   | 69,078         | 6   | 82,501            | 7   | 68,105         | 6   |
| 1479                       | Other current assets (notes 6(9))   | 10,718         | 1   | 7,948             | 1   | 18,329         | 2    |                             |   |                |     |                   |     |                |     |
|                            |   | 904,943        | 78  | 907,522           | 79  | 909,895        | 79   | 2580                        | Non-current lease liabilities (notes 6(11) 、(19) 、(22) and 7) | 3,425          | -   | 4,557             | -   | -              | -   |
|                            |   |                |     |                   |     |                |      |                             | <b>Total liabilities</b>                                      | 72,503         | 6   | 87,058            | 7   | 68,105         | 6   |
|                            |   |                |     |                   |     |                |      |                             | <b>Equity (note 6(2) and (14)) :</b>                          |                |     |                   |     |                |     |
| <b>Non-current assets:</b> |   |                |     |                   |     |                |      |                             |   |                |     |                   |     |                |     |
| 1517                       | Non-current financial assets at fair value through other comprehensive income (notes 6(2) 、(19) and 13) | 200,191        | 17  | 192,259           | 17  | 211,177        | 18   |                             | Capital stock   | 383,981        | 33  | 383,981           | 33  | 383,981        | 33  |
| 1600                       | Property, plant and equipment (note 6(6))   | 24,294         | 2   | 24,566            | 2   | 22,222         | 2    | 3100                        | Capital surplus   | 459,511        | 39  | 459,435           | 40  | 459,361        | 39  |
| 1755                       | Right-of-use assets (note 6 (7))  | 7,912          | 1   | 9,042             | 1   | 3,426          | -    | 3200                        | Retained earnings :   |                |     |                   |     |                |     |
| 1780                       | Intangible assets (note 6 (8))  | 13,892         | 1   | 14,392            | 1   | 9,498          | 1    |                             | Legal reserve   | 115,721        | 10  | 115,721           | 10  | 113,065        | 10  |
| 1840                       | Deferred income tax assets  | 1,800          | -   | 1,800             | -   | 2,010          | -    | 3310                        | Unappropriated retained earnings                              | 123,326        | 11  | 112,647           | 10  | 130,433        | 11  |
| 1915                       | Prepayments for equipment   | 3,750          | -   | 711               | -   | 945            | 3350 |                             | Other equity  | 5,816          | 1   | (4,417)           | -   | 8,847          | 1   |
| 1920                       | Refundable deposits paid (notes 6(9) 、(19) and 7)   | 4,076          | 1   | 4,049             | -   | 4,383          | -    | 3400                        |   |                |     |                   |     |                |     |
| 1984                       | Other non-current financial assets (notes 6(9) and (19))  | -              | -   | 84                | -   | 236            | -    |                             | <b>Total equity</b>   | 1,088,355      | 94  | 1,067,367         | 93  | 1,095,687      | 94  |
|                            |   | 255,915        | 22  | 246,903           | 21  | 253,897        | 21   |                             |   |                |     |                   |     |                |     |
|                            |   | \$ 1,160,858   | 100 | 1,154,425         | 100 | 1,163,792      | 100  |                             | <b>Total liabilities and equity</b>                           | \$ 1,160,858   | 100 | 1,154,425         | 100 | 1,163,792      | 100 |
|                            | <b>Total assets</b>   |                |     |                   |     |                |      |                             |   |                |     |                   |     |                |     |

See accompanying notes to financial statements.

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

Reviewed only, not audited in accordance with the standards on auditing of the Republic of China

**TSH Biopharm Corporation Ltd.**

**Statements of Comprehensive Income**

**For the three months ended March 31, 2023 and 2022**

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

|      |   | For the three months ended March 31, |           |                 |             |
|------|---|--------------------------------------|-----------|-----------------|-------------|
|      |   | 2023                                 |           | 2022            |             |
|      |   | AMOUNT                               | %         | AMOUNT          | %           |
| 4000 | Operating revenue (notes 6(16) and 7)   | \$ 117,462                           | 100       | 120,449         | 100         |
| 5000 | Operating costs (notes 6(5) and 7)  | 49,050                               | 42        | 49,045          | 41          |
|      | <b>Gross profit</b>   | <u>68,412</u>                        | <u>58</u> | <u>71,404</u>   | <u>59</u>   |
| 6000 | <b>Operating expenses (notes 6(3)、(11)、(12)、(17)、7 and 12):</b>   |                                      |           |                 |             |
| 6100 | Selling expenses  | 35,506                               | 30        | 30,309          | 25          |
| 6200 | Administrative expenses   | 12,252                               | 10        | 11,810          | 10          |
| 6300 | Research and development expenses   | 7,311                                | 6         | 7,129           | 6           |
| 6450 | Expected credit (gain) loss   | 99                                   | -         | 130             | -           |
|      |   | <u>55,168</u>                        | <u>46</u> | <u>49,378</u>   | <u>41</u>   |
|      | <b>Operating income</b>   | <u>13,244</u>                        | <u>12</u> | <u>22,026</u>   | <u>18</u>   |
|      | <b>Non-operating income and expenses (notes 6(11)、(18) and 7):</b>  |                                      |           |                 |             |
| 7100 | Interest income   | 1,176                                | 1         | 466             | -           |
| 7010 | Other income  | 30                                   | -         | 12              | -           |
| 7020 | Other gains and losses  | ( 600)                               | ( 1)      | 1,781           | 2           |
| 7050 | Finance costs   | ( 35)                                | -         | ( 12)           | -           |
|      |   | <u>571</u>                           | <u>-</u>  | <u>2,247</u>    | <u>2</u>    |
|      | <b>Profit before tax</b>  | <u>13,815</u>                        | <u>12</u> | <u>24,273</u>   | <u>20</u>   |
| 7950 | Income tax expense (note 6(13))   | ( 3,136)                             | ( 3)      | ( 4,850)        | ( 4)        |
|      | <b>Profit for the period</b>  | <u>10,679</u>                        | <u>9</u>  | <u>19,423</u>   | <u>16</u>   |
| 8300 | <b>Other comprehensive income</b>   |                                      |           |                 |             |
| 8310 | <b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>            |                                      |           |                 |             |
| 8316 | Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income | 10,233                               | 9         | ( 7,362)        | ( 6)        |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss    | -                                    | -         | -               | -           |
|      | <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>                   | <u>10,233</u>                        | <u>9</u>  | <u>( 7,362)</u> | <u>( 6)</u> |
| 8300 | <b>Other comprehensive income</b>   | <u>10,233</u>                        | <u>9</u>  | <u>( 7,362)</u> | <u>( 6)</u> |
|      | <b>Total comprehensive income</b>   | <u>\$ 20,912</u>                     | <u>18</u> | <u>12,061</u>   | <u>10</u>   |
|      | <b>Earnings per share (note 6(15))</b>  |                                      |           |                 |             |
| 9750 | Basic earnings per share  | <u>\$ 0.28</u>                       |           | <u>0.51</u>     |             |
| 9850 | Diluted earnings per share  | <u>\$ 0.28</u>                       |           | <u>0.51</u>     |             |

See accompanying notes to financial statements.

(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)  
Reviewed only, not audited in accordance with the standards on auditing of the Republic of China

**TSH Biopharm Corporation Ltd.**  
**Statements of Changes in Equity**  
**For the three months ended March 31, 2023 and 2022**  
(Expressed in Thousands of New Taiwan Dollars)

|   |                           |                    | Retained earnings |  | Other equity interest   |                  |
|---|---------------------------|--------------------|-------------------|--|---|------------------|
|   | Ordinary<br>share capital | Capital<br>surplus | Legal<br>reserve  | Unappropriated<br>retained<br>earnings | Unrealized gains (losses)<br>from financial assets<br>measured at fair value<br>through other<br>comprehensive income | Total equity     |
| Balance as of January 1, 2022             | \$ 383,981                | 459,361            | 113,065           | 111,010                                | 16,209  | 1,083,626        |
| Net income for the period                 | -                         | -                  | -                 | 19,423                                 | -   | 19,423           |
| Other comprehensive income for the period | -                         | -                  | -                 | -                                      | (7,362)   | (7,362)          |
| Total comprehensive income for the period | -                         | -                  | -                 | 19,423                                 | (7,362)   | 12,061           |
| <b>Balance as of March 31, 2022</b>       | <b>\$ 383,981</b>         | <b>455,361</b>     | <b>113,065</b>    | <b>130,433</b>                         | <b>8,847</b>  | <b>1,095,687</b> |
| <b>Balance as of January 1, 2023</b>      | <b>\$ 383,981</b>         | <b>459,435</b>     | <b>115,721</b>    | <b>112,647</b>                         | <b>(4,417)</b>  | <b>1,067,367</b> |
| Net income for the period                 | -                         | -                  | -                 | 10,679                                 | -   | 10,679           |
| Other comprehensive income for the period | -                         | -                  | -                 | -                                      | 10,233  | 10,233           |
| Total comprehensive income for the period | -                         | -                  | -                 | 10,679                                 | 10,233  | 20,912           |
| Other changes in capital surplus          | -                         | 76                 | -                 | -                                      | -   | 76               |
| <b>Balance as of March 31, 2023</b>       | <b>\$ 383,981</b>         | <b>459,511</b>     | <b>115,721</b>    | <b>123,326</b>                         | <b>5,816</b>  | <b>1,088,355</b> |

See accompanying notes to financial statements.

(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)  
Reviewed only, not audited in accordance with the standards on auditing of the Republic of China

**TSH Biopharm Corporation Ltd.**

**Statements of Cash Flows**

**For the three months ended March 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

|  | For the three months ended |            |
|--|----------------------------|------------|
|  | March 31,                  |            |
|  | 2023                       | 2022       |
| <b>Cash flows from (used in) operating activities:</b>                     |                            |            |
| <b>Profit before tax</b>   | \$ 13,815                  | 24,273     |
| <b>Adjustments:</b>  |                            |            |
| Adjustments to reconcile profit (loss)                                     |                            |            |
| Depreciation   | 1,812                      | 1,711      |
| Amortization   | 1,388                      | 730        |
| Expected credit loss   | 99                         | 130        |
| Interest expense   | 35                         | 12         |
| Interest income  | ( 1,176 )                  | ( 466 )    |
| Total adjustment to reconcile profit (loss)                                | 2,158                      | 2,117      |
| Changes in operating assets and liabilities:                               |                            |            |
| Increase in notes receivable   | ( 5,908 )                  | ( 8,245 )  |
| (Increase) decrease in accounts receivable<br>( including related parties) | ( 2,039 )                  | ( 4,736 )  |
| (Increase) decrease in other receivables                                   | 56                         | ( 259 )    |
| (Increase) decrease in inventories   | ( 1,029 )                  | 12,171     |
| Increase in other current assets   | ( 2,770 )                  | ( 5,110 )  |
| Increase in notes payable (including related parties)                      | 261                        | 650        |
| Decrease in accounts payable (including related<br>parties)                | ( 6,166 )                  | ( 2,108 )  |
| Decrease in other payables   | ( 10,367 )                 | ( 20,546 ) |
| (Decrease) increase in other current liabilities                           | ( 202 )                    | 23         |
| Total changes in operating assets and liabilities                          | ( 28,164 )                 | ( 28,160 ) |
| Total adjustments  | ( 26,006 )                 | ( 26,043 ) |
| Cash flows from (used in) operations                                       | ( 12,191 )                 | ( 1,770 )  |
| Interest received  | 509                        | 325        |
| Interest paid  | ( 35 )                     | ( 12 )     |
| Income tax paid  | ( 27 )                     | ( 27 )     |
| <b>Net cash flows from (used in) operating activities</b>                  | ( 11,744 )                 | ( 1,484 )  |

(continued)



(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)  
Reviewed only, not audited in accordance with the standards on auditing of the Republic of China

**TSH Biopharm Corporation Ltd.**

**Statements of Cash Flows**

**For the three months ended March 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

|   | <b>For the three months ended</b> |                          |
|---|-----------------------------------|--------------------------|
|   | <b>March 31,</b>                  |                          |
|   | <u>2023</u>                       | <u>2022</u>              |
| <b>Cash flows (used in) from investing activities:</b>    |                                   |                          |
| Acquisition of property, plant and equipment              | ( 410)                            | -                        |
| Acquisition of intangible assets                          | ( 177)                            | ( 6,000)                 |
| Decrease (increase) in guarantee deposits paid            | ( 27)                             | 10                       |
| Decrease (increase) in other financial assets - current   | ( 6,675)                          | 10,051                   |
| Decrease in other financial assets - non-current          | 84                                | 61                       |
| Increase in prepayments for equipment                     | ( 3,750)                          | ( 945)                   |
| <b>Net cash flows (used in) from investing activities</b> | <u>( 10,955)</u>                  | <u>3,177</u>             |
| <b>Cash flows used in financing activities:</b>           |                                   |                          |
| Payments of lease liabilities                             | ( 1,114)                          | ( 1,137)                 |
| <b>Net cash flows used in financing activities</b>        | <u>( 1,114)</u>                   | <u>( 1,137)</u>          |
| Net increase (decrease) in cash and cash equivalents      | ( 23,813)                         | 556                      |
| Cash and cash equivalents at beginning of period          | 404,476                           | 381,887                  |
| Cash and cash equivalents at end of period                | <u><b>\$ 380,663</b></u>          | <u><b>\$ 382,443</b></u> |

See accompanying notes to financial statements.

**(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)**  
**Reviewed only, not audited in accordance with the standards on auditing of the Republic of China**  
**TSH BIOPHARM CORPORATION LTD.**

**Notes to the Parent Company Only Financial Statements**  
**For the three months ended March 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 May 4, 2023.

**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 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”

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

The Company assesses that the adoption of the following standards would not have any material 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 IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- IFRS 16 “Requirements for Sale and Leaseback Transactions”

**4. Summary of significant accounting policies**

(1) Statement of compliance

These parent company only financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” which are endorsed and issued by FSC and do not include all of the information required by the IFRSs, IASs, IFRIC Interpretations and SIC Interpretations endorsed and issued by FCS (hereinafter referred to as the “IFRS endorsed by the FSC”) for full annual financial statements.

(2) Basis of preparation

**TSH Biopharm Corporation Ltd.**  
**Notes to the Parent Company Only Financial Statements**

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

Transactions in foreign currencies are translated into the respective functional currencies of Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that 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:

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

(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

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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.

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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 )

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(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.

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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.

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

(8) 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          | 3 ~ 10 years |

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

(9) 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.



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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

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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.

(10) 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.

(11) 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

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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.

**(12) 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.

**(13) 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

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constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(14) Income taxes**

The income tax expense have been prepared and disclosed in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expense for the period is recognized based on the average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and it is fully recognized as tax expense for the current period.

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

**(15) 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.

**(16) Operating segment information**

The Company has one reportable segment. The information of segment revenue, profit or loss and assets are in line with the parent company only financial statements. Operating results of the operating segment are regularly reviewed by the Company’s chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance.

**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 IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The preparation of the interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with Note 5 of the parent company only financial statements for the year ended December 31,2022.

**6. Explanation of significant accounts**

Except for the following disclosures, there is no significant difference as compared with those disclosed in Note 6 of the parent company only financial statements for the year ended December 31, 2022.

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(1) Cash and cash equivalents

|                                       | <u>March 31, 2023</u> | <u>December 31, 2022</u> | <u>March 31, 2022</u> |
|---------------------------------------|-----------------------|--------------------------|-----------------------|
| Petty cash                            | \$ 150                | 150                      | 140                   |
| Demand deposits and checking accounts | 280,513               | 254,326                  | 282,303               |
| Time deposits                         | 100,000               | 150,000                  | 100,000               |
|                                       | <u>\$ 380,663</u>     | <u>404,476</u>           | <u>382,443</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, 2023, December 31, 2022 and March 31, 2022, the amount of time deposits were \$281,728, \$275,053 and \$288,538, respectively.

C. Please refer to note 6(19) for the currency risk of the financial assets and fair value sensitivity analysis of the Company.

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

| <u>Items</u>  | <u>March 31, 2023</u> | <u>December 31, 2022</u> | <u>March 31, 2022</u> |
|---|-----------------------|--------------------------|-----------------------|
| Equity instruments at fair value through other comprehensive income : |                       |                          |                       |
| Current   | \$ 54,112             | 51,811                   | 46,157                |
| Non - current   | 200,191               | 192,259                  | 211,177               |
|   | <u>\$ 254,303</u>     | <u>244,070</u>           | <u>257,334</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.

No strategic investments were disposed and there were no transfers of any cumulative gain or loss within equity relating to these investments for the three months ended March 31, 2023 and 2022, respectively.

B. Please refer to note 6(19) 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, 2023</u> | <u>December 31, 2022</u> | <u>March 31, 2022</u> |
|--|-----------------------|--------------------------|-----------------------|
| Notes receivable                               | \$ 21,985             | 16,077                   | 22,961                |
| Accounts receivable-measured at amortized cost | 94,363                | 92,324                   | 90,086                |
| Less: Allowance for expected credit losses     | ( 1,183 )             | ( 1,084 )                | ( 1,131 )             |
|  | <u>\$ 115,165</u>     | <u>107,317</u>           | <u>111,916</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:

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|                    | <b>March 31, 2023</b>        |                                   |                                 |
|--------------------|------------------------------|-----------------------------------|---------------------------------|
|                    | <b>Gross carrying amount</b> | <b>Weighted-average loss rate</b> | <b>Loss allowance provision</b> |
| Not past due       | \$ 115,454                   | 1%                                | 1,154                           |
| Past due 1~60 days | 874                          | 1%                                | 9                               |
| Past due 365 days  | 20                           | 100%                              | 20                              |
|                    | <b>\$ 116,348</b>            |                                   | <b>1,183</b>                    |

|                       | <b>December 31, 2022</b>     |                                   |                                 |
|-----------------------|------------------------------|-----------------------------------|---------------------------------|
|                       | <b>Gross carrying amount</b> | <b>Weighted-average loss rate</b> | <b>Loss allowance provision</b> |
| Not past due          | \$ 107,929                   | 1%                                | 1,079                           |
| Past due 1~60 days    | 452                          | 1%                                | 5                               |
| Past due 181~365 days | 20                           | 2%                                | -                               |
|                       | <b>\$ 108,401</b>            |                                   | <b>1,084</b>                    |

|                       | <b>March 31, 2022</b>        |                                   |                                 |
|-----------------------|------------------------------|-----------------------------------|---------------------------------|
|                       | <b>Gross carrying amount</b> | <b>Weighted-average loss rate</b> | <b>Loss allowance provision</b> |
| Not past due          | \$ 112,511                   | 1%                                | 1,125                           |
| Past due 1~60 days    | 481                          | 1%                                | 5                               |
| Past due 181~365 days | 55                           | 2%                                | 1                               |
|                       | <b>\$ 113,047</b>            |                                   | <b>1,131</b>                    |

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

|                              | <b>For the three months ended March 31,</b> |              |
|------------------------------|---|--------------|
|                              | <b>2023</b>                                 | <b>2022</b>  |
| Balance on January 1         | \$ 1,084                                    | 1,001        |
| Impairment losses recognized | 99  | 130          |
| Balance on March 31          | <b>\$ 1,183</b>                             | <b>1,131</b> |

As of March 31, 2023, December 31, 2022 and March 31, 2022, the accounts receivable and notes receivable for the Company were not pledged as collateral.

(4) Other receivables

|                                     | <b>March 31, 2023</b> | <b>December 31, 2022</b> | <b>March 31, 2022</b> |
|-------------------------------------|-----------------------|--------------------------|-----------------------|
| Other receivables                   | \$ 2,269              | 1,658                    | 1,464                 |
| Other receivables - Related parties | -                     | -                        | -                     |
|                                     | <b>\$ 2,269</b>       | <b>1,658</b>             | <b>1,464</b>          |

For further credit risk information, please refer to note 6(19).

(5) Inventories

|   | <b>March 31, 2023</b> | <b>December 31, 2022</b> | <b>March 31, 2022</b> |
|---|-----------------------|--------------------------|-----------------------|
| Merchandise   | \$ 34,964             | 33,360                   | 29,502                |
| Raw materials and supplies                                    | 34,134                | 33,650                   | 40,013                |
| Less: Allowance for inventory market decline and obsolescence | ( 8,810)              | ( 7,751)                 | ( 8,467)              |
|   | <b>\$ 60,288</b>      | <b>59,259</b>            | <b>61,048</b>         |

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The cost of inventories recognized as operating costs were as follows:

|   | <b>For the three months ended March 31,</b> |               |
|---|---|---------------|
|   | <b>2023</b>                                 | <b>2022</b>   |
| Cost of goods sold                                  | \$ 47,991                                   | 47,745        |
| Losses on inventory market decline and obsolescence | 1,059                                       | 954           |
| Inventory write off loss                            | -   | 346           |
|   | <b>\$ 49,050</b>                            | <b>49,045</b> |

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

(6) Property, plant and equipment

|                            | <b>Land</b> | <b>Building and construction</b> | <b>Machinery equipment</b> | <b>Office equipment</b> | <b>Other equipment</b> | <b>Total</b> |
|----------------------------|-------------|----------------------------------|----------------------------|-------------------------|------------------------|--------------|
| Carrying amounts:          |             |                                  |                            |                         |                        |              |
| Balance on January 1, 2023 | \$ 5,846    | 9,169                            | 3,693                      | 1,550                   | 4,308                  | 24,566       |
| Balance on March 31, 2023  | \$ 5,846    | 8,958                            | 3,913                      | 1,403                   | 4,174                  | 24,294       |
| Balance on January 1, 2022 | \$ 5,846    | 10,014                           | 4,074                      | 1,842                   | 1,016                  | 22,792       |
| Balance on March 31, 2022  | \$ 5,846    | 9,802                            | 3,898                      | 1,708                   | 968                    | 22,222       |

There were no significant additions, disposal, or recognition and reversal of impairment losses of property, plant and equipment for the three months ended March 31, 2023 and 2022. Information on depreciation for the periods is disclosed in Note 12(1). Please refer to Note 6(6) of the 2022 annual financial statements for other related information.

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

(7) Right-of-use assets

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

|   | <b>Building and construction</b> |
|---|----------------------------------|
| Costs:  |                                  |
| Balance on January 1, 2023 (The same balance on March 31, 2023) | \$ 9,042                         |
| Balance on January 1, 2022 (The same balance on March 31, 2022) | \$ 4,567                         |
| Accumulated depreciation:                                       |                                  |
| Balance on January 1, 2023                                      | \$ -                             |
| Depreciation for the period                                     | 1,130                            |
| Balance on March 31, 2023                                       | \$ 1,130                         |
| Balance on January 1, 2022                                      | \$ -                             |
| Depreciation for the period                                     | 1,141                            |
| Balance on March 31, 2022                                       | \$ 1,141                         |
| Carrying amounts :  |                                  |
| Balance on January 1, 2023                                      | \$ 9,042                         |
| Balance on March 31, 2023                                       | \$ 7,912                         |
| Balance on January 1, 2022                                      | \$ 4,567                         |
| Balance on March 31, 2022                                       | \$ 3,426                         |

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(8) Intangible assets

The movement of intangible assets were as follows:

|   | <u>Computer<br/>software</u> | <u>Patent and drug<br/>permit license</u> | <u>Total</u>  |
|---|------------------------------|---|---------------|
| Costs :                                       |                              |   |               |
| Balance on January 1, 2023                    | \$ 696                       | 56,791                                    | 57,487        |
| Additions                                     | 177                          | -   | 177           |
| Reclassification                              | 711                          | -   | 711           |
| Balance on March 31, 2023                     | <u>\$ 1,584</u>              | <u>56,791</u>                             | <u>58,375</u> |
| Balance on January 1, 2022                    | \$ 696                       | 42,191                                    | 42,887        |
| Additions                                     | -                            | 6,600                                     | 6,600         |
| Balance on March 31, 2022                     | <u>\$ 696</u>                | <u>48,191</u>                             | <u>49,887</u> |
| Accumulated amortization and impairment loss: |                              |   |               |
| Balance on January 1, 2023                    | \$ 427                       | 42,668                                    | 43,095        |
| Amortization for the period                   | 49                           | 1,339                                     | 1,388         |
| Balance on March 31, 2023                     | <u>\$ 476</u>                | <u>44,007</u>                             | <u>44,483</u> |
| Balance on January 1, 2022                    | \$ 291                       | 38,968                                    | 39,259        |
| Amortization for the period                   | 34                           | 696                                       | 730           |
| Balance on March 31, 2022                     | <u>\$ 325</u>                | <u>39,664</u>                             | <u>39,989</u> |
| Carrying amounts :                            |                              |   |               |
| January 1, 2023                               | <u>\$ 269</u>                | <u>14,123</u>                             | <u>14,392</u> |
| Balance on March 31, 2023                     | <u>\$ 1,108</u>              | <u>12,784</u>                             | <u>13,892</u> |
| Balance on January 1, 2022                    | <u>\$ 405</u>                | <u>3,223</u>                              | <u>3,628</u>  |
| Balance on March 31, 2022                     | <u>\$ 371</u>                | <u>9,127</u>                              | <u>9,498</u>  |

Please refer to Note 6(8) of the 2022 annual financial statements for other related information.

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

|                                    | <u>March 31, 2023</u> | <u>December 31, 2022</u> | <u>March 31, 2022</u> |
|------------------------------------|-----------------------|--------------------------|-----------------------|
| Other current financial assets     | \$ 281,728            | 275,053                  | 288,538               |
| Other non-current financial assets | -                     | 84                       | 236                   |
| Other current assets               | 10,718                | 7,948                    | 18,329                |
| Refundable deposits                | 4,076                 | 4,049                    | 4,383                 |
|                                    | <u>\$ 296,522</u>     | <u>287,134</u>           | <u>311,486</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(19).

(10) Other payables

The nature of other payables was as follows:



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|  | <u>March 31, 2023</u> | <u>December 31, 2022</u> | <u>March 31, 2022</u> |
|--|-----------------------|--------------------------|-----------------------|
| Salaries and compensation of employees and directors | \$ 16,117             | 25,307                   | 17,789                |
| Research expenses                                    | 3,467                 | 1,793                    | 2,576                 |
| Commission   | 1,229                 | 1,351                    | 1,190                 |
| Test and conversion expenses                         | 7,171                 | 8,881                    | 4,186                 |
| Others   | 13,861                | 14,880                   | 14,722                |
|  | <u>\$ 41,845</u>      | <u>52,212</u>            | <u>40,463</u>         |

(11) Lease liabilities

The carrying amounts of lease liabilities were as follows:

|             | <u>March 31, 2023</u> | <u>December 31, 2022</u> | <u>March 31, 2022</u> |
|-------------|-----------------------|--------------------------|-----------------------|
| Current     | <u>\$ 4,503</u>       | <u>4,485</u>             | <u>3,430</u>          |
| Non-current | <u>\$ 3,425</u>       | <u>4,557</u>             | <u>-</u>              |

For the maturity analysis, please refer to note 6(19).

The amounts recognized in profit or loss were as follows:

|  | <u>For the three months ended March 31,</u> |             |
|--|---|-------------|
|  | <u>2023</u>                                 | <u>2022</u> |
| Interest on lease liabilities  | <u>\$ 35</u>                                | <u>12</u>   |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | <u>\$ 32</u>                                | <u>45</u>   |

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

|                               | <u>For the three months ended March 31,</u> |              |
|-------------------------------|---|--------------|
|                               | <u>2023</u>                                 | <u>2022</u>  |
| Total cash outflow for leases | <u>\$ 1,181</u>                             | <u>1,194</u> |

A. Real estate leases

On December 1, 2020, the Company leased buildings for its office with a leases period of 1 years. In addition, the 2 year lease was renewed on December 28, 2022.

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 transportation and 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.

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(12) 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 three months ended March 31, 2023 and 2022 were as follows:

|                                   | <b>For the three months ended March 31,</b> |             |
|-----------------------------------|---|-------------|
|                                   | <b>2023</b>                                 | <b>2022</b> |
| Selling expenses                  | \$ 922                                      | 690         |
| Administrative expenses           | 212   | 196         |
| Research and development expenses | 82  | 72          |
|                                   | <b>\$ 1,216</b>                             | <b>958</b>  |

(13) Income taxes

A. Income tax expense

The components of income tax for the three months ended March 31, 2023 and 2022 were as follows:

|                            | <b>For the three months ended March 31,</b> |              |
|----------------------------|---|--------------|
|                            | <b>2023</b>                                 | <b>2022</b>  |
| Current income tax expense |   |              |
| Current period             | <b>\$ 3,136</b>                             | <b>4,850</b> |

B. Assessment of tax

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

(14) Capital and other equity

As of March 31, 2023, December 31, 2022 and March 31, 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 were as follows:

|               | <b>March 31, 2023</b> | <b>December 31, 2022</b> | <b>March 31, 2022</b> |
|---------------|-----------------------|--------------------------|-----------------------|
| Share Capital | \$ 458,977            | 458,977                  | 458,977               |
| Others        | 534                   | 458                      | 384                   |
|               | <b>\$ 459,511</b>     | <b>459,435</b>           | <b>459,361</b>        |

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,

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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) Earnings distribution**

On February 24, 2023, the Company's Board of Directors resolved to appropriate the 2022 earnings. On May 25, 2022, the general shareholders' meeting resolved to appropriate 2021 earnings. The earnings were appropriated as follows:

|   | <b>For the years ended December 31,</b>   |                         |   |                         |
|---|---|-------------------------|---|-------------------------|
|   | <b>2022</b>                               |                         | <b>2021</b>                               |                         |
|   | <b>Amount<br/>per share<br/>(dollars)</b> | <b>Total<br/>amount</b> | <b>Amount<br/>per share<br/>(dollars)</b> | <b>Total<br/>amount</b> |
| Dividends distributed to ordinary shareholders: |   |                         |   |                         |
| Cash  | \$ 1.60                                   | <b>61,437</b>           | 1.50                                      | <b>57,597</b>           |

**C. Other equity interests**

|   | <b>Unrealized gains (losses) on financial<br/>assets measured at fair value through<br/>other comprehensive income</b> |              |
|---|--|--------------|
| Balance on January 1, 2023  | (\$  | 4,417)       |
| Unrealized gains on financial assets measured at fair value through other comprehensive income  |  | 10,233       |
| Balance on March 31, 2023   | <b>\$</b>  | <b>5,816</b> |
| Balance on January 1, 2022  | \$   | 16,209       |
| Unrealized losses on financial assets measured at fair value through other comprehensive income | (  | 7,362)       |
| Balance on March 31, 2022   | <b>\$</b>  | <b>8,847</b> |

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(15) Earnings per share

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

|   | <b>For the three-month periods ended March 31,</b> |             |
|---|--|-------------|
|   | <b>2023</b>  | <b>2022</b> |
| Basic earnings per share  |  |             |
| Net income attributable to ordinary shareholders  | \$ 10,679  | 19,423      |
| Weighted-average number of ordinary shares  | 38,398   | 38,398      |
|   | <b>\$ 0.28</b>                                     | <b>0.51</b> |
| Diluted earnings per share  |  |             |
| Net income attributable to ordinary shareholders (after adjustment of dilutive potential ordinary shares) | \$ 10,679  | 19,423      |
| Weighted-average number of ordinary shares  | 38,398   | 38,398      |
| Effect of dilutive potential ordinary shares  |  |             |
| Effect of employee share bonus  | 27   | 32          |
| Weighted-average number of ordinary shares (after adjustment of dilutive potential ordinary shares)       | 38,425   | 38,430      |
|   | <b>\$ 0.28</b>                                     | <b>0.51</b> |

(16) Revenue from contracts with customers

A. Disaggregation of revenue

|                               | <b>For the three months ended March 31,</b> |                |
|-------------------------------|---|----------------|
|                               | <b>2023</b>                                 | <b>2022</b>    |
| Major products/service lines: |   |                |
| Pharmaceuticals               | \$ 112,024                                  | 115,516        |
| Test                          | 4,842                                       | 4,369          |
| Services                      | 596   | 564            |
|                               | <b>\$ 117,462</b>                           | <b>120,449</b> |

B. Contract balances

|  | <b>March 31, 2023</b> | <b>December 31, 2022</b> | <b>March 31, 2022</b> |
|--|-----------------------|--------------------------|-----------------------|
| Notes receivable                               | \$ 21,985             | 16,077                   | 22,961                |
| Accounts receivable (included related parties) | 94,363                | 92,324                   | 90,086                |
| Less: Allowance for expected credit losses     | (1,183)               | (1,084)                  | (1,131)               |
| Total  | <b>\$ 115,165</b>     | <b>107,317</b>           | <b>111,916</b>        |

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

(17) 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

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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 three months ended March 31, 2023 and 2022, the Company estimated its employee compensation amounting to \$287 and \$287 and directors' remuneration amounting to \$505 and \$505, 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 2022 and 2021. Related information is available on the Market Observation Post System website.

If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimated and will be reflected in profit or loss in the following year. If the Board of Directors resolved employee compensation be settled in the form of stock, the number of shares for stock compensation is based on the closing price of ordinary shares on the day before the approval by Board of Directors calculated, and taking into account the impact of ex-dividends.

For the years ended December 31, 2022 and 2021, the remuneration to employees amounted to \$1,604 and \$1,604, respectively, while the remuneration to directors amounted to \$1,282 and \$1,282, respectively. There was no difference with the amount resolved at the Board of Directors. Related information is available on the Market Observation Post System website.

(18) Non-operating income and expenses

A. Interest income

The details of interest income were as follows:

|                                    | <b>For the three months ended March 31,</b> |             |
|------------------------------------|---|-------------|
|                                    | <b>2023</b>                                 | <b>2022</b> |
| Interest income from bank deposits | <b>\$ 1,176</b>                             | <b>466</b>  |

B. Other income

The details of other income were as follows:

|             | <b>For the three months ended March 31,</b> |             |
|-------------|---|-------------|
|             | <b>2023</b>                                 | <b>2022</b> |
| Rent income | <b>\$ 30</b>                                | <b>12</b>   |

C. Other gains and losses

The details of other gains and losses were as follows:

|                                 | <b>For the three months ended March 31,</b> |                 |
|---------------------------------|---|-----------------|
|                                 | <b>2023</b>                                 | <b>2022</b>     |
| Foreign exchange gains (losses) | (\$ 415)                                    | 1,904           |
| Others                          | ( 185)                                      | ( 123)          |
|                                 | <b>(\$ 600)</b>                             | <b>\$ 1,781</b> |

D. Finance costs

The details of finance costs were as follows:

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|   | For the three months ended March 31, |       |
|---|--------------------------------------|-------|
|   | 2023                                 | 2022  |
| Other finance costs - Interest expenses | \$ 35                                | \$ 12 |

(19) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Company's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to Note 6(19) of the financial statements for the year ended December 31, 2022.

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 18%, 14% and 20% of the total receivables as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively. The concentration of credit risk accounted for 42%, 35% and 44% from the other top 10 customers of the Company of total receivables, 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 three months ended March 31, 2023 and 2022. The balance as of March 31, 2023 and 2022 are both zero.

B. Liquidity risk

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

|  | Carrying<br>amount | Contractual<br>cash flows | Within a<br>year | 2~3<br>years | 4~5<br>years |
|--|--------------------|---------------------------|------------------|--------------|--------------|
| <b>March 31, 2023</b>                                  |                    |                           |                  |              |              |
| Non-derivative financial liabilities                   |                    |                           |                  |              |              |
| Notes and accounts payable (including related parties) | \$ 10,573          | 10,573                    | 10,573           | -            | -            |
| Other payables   | 41,845             | 41,845                    | 41,845           | -            | -            |
| Lease liabilities                                      | 7,928              | 8,044                     | 4,597            | 3,447        | -            |
|  | <b>\$ 60,346</b>   | <b>60,462</b>             | <b>57,015</b>    | <b>3,447</b> | -            |

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|  | <u>Carrying<br/>amount</u> | <u>Contractual<br/>cash flows</u> | <u>Within a<br/>year</u> | <u>2~3<br/>years</u> | <u>4~5<br/>years</u> |
|--|----------------------------|-----------------------------------|--------------------------|----------------------|----------------------|
| <b>December 31, 2022</b>                               |                            |                                   |                          |                      |                      |
| 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>          |
| <b>March 31, 2022</b>                                  |                            |                                   |                          |                      |                      |
| Non-derivative financial liabilities                   |                            |                                   |                          |                      |                      |
| Notes and accounts payable (including related parties) | \$ 11,261                  | 11,261                            | 11,261                   | -                    | -                    |
| Other payables   | 40,463                     | 40,463                            | 40,463                   | -                    | -                    |
| Lease liabilities                                      | 3,430                      | 3,430                             | 3,430                    | -                    | -                    |
|  | <u>\$ 55,154</u>           | <u>55,154</u>                     | <u>55,154</u>            | <u>-</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>March 31, 2023</u>       |                          |            | <u>December 31, 2022</u>    |                          |            | <u>March 31, 2022</u>       |                          |            |
|------------------|-----------------------------|--------------------------|------------|-----------------------------|--------------------------|------------|-----------------------------|--------------------------|------------|
|                  | <u>Foreign<br/>currency</u> | <u>Exchange<br/>rate</u> | <u>TWD</u> | <u>Foreign<br/>currency</u> | <u>Exchange<br/>rate</u> | <u>TWD</u> | <u>Foreign<br/>currency</u> | <u>Exchange<br/>rate</u> | <u>TWD</u> |
| Financial assets |                             |                          |            |                             |                          |            |                             |                          |            |
| Monetary items   |                             |                          |            |                             |                          |            |                             |                          |            |
| USD              | \$ 1,250                    | 30.45                    | 38,052     | 1,295                       | 30.71                    | 39,759     | 1,475                       | 28.63                    | 42,230     |
| CNY              | 2,358                       | 4.431                    | 10,450     | 2,311                       | 4.408                    | 10,185     | 2,311                       | 4.506                    | 10,413     |
| EUR              | -                           | -                        | -          | 104                         | 32.72                    | 3,408      | 104                         | 31.92                    | 3,320      |

(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 are denominated in foreign currency. A strengthening (weakening) of 1% of the NTD against the USD, CNY and EUR as of March 31, 2023 and 2022 would have increased (decreased) the net profit after tax by \$388 and \$448, respectively.

(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:

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|     | For the three months ended March 31,  |                             |                                       |                             |
|-----|---------------------------------------|-----------------------------|---------------------------------------|-----------------------------|
|     | 2023                                  |                             | 2022                                  |                             |
|     | Foreign<br>exchange<br>gains (losses) | Average<br>exchange<br>rate | Foreign<br>exchange<br>gains (losses) | Average<br>exchange<br>rate |
| USD | ( 447)                                | -                           | 1,472                                 | -                           |
| CNY | 55                                    | -                           | 369                                   | -                           |
| EUR | ( 23)                                 | -                           | 63                                    | -                           |

(D) Interest rate analysis: None

(E) Other market price risk

For the three months ended March 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:

|  | For the three months ended March 31,           |            |  |            |
|--|--|------------|--|------------|
|  | 2023   |            | 2022   |            |
|  | Other<br>comprehensive<br>income, after<br>tax | Net income | Other<br>comprehensive<br>income, after<br>tax | Net income |
| Prices of securities at the reporting date |  |            |  |            |
| Increasing 10%                             | <u>\$ 25,430</u>                               | <u>-</u>   | <u>25,733</u>                                  | <u>-</u>   |
| Decreasing 10%                             | <u>(\$ 25,430)</u>                             | <u>-</u>   | <u>( 25,733)</u>                               | <u>-</u>   |

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 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:

|  | March 31, 2023 |            |         |         |         |
|--|----------------|------------|---------|---------|---------|
|  | Book Value     | Fair Value |         |         | Total   |
|  |                | Level 1    | Level 2 | Level 3 |         |
| <b>Financial assets at fair value through other comprehensive income</b> |                |            |         |         |         |
| Domestic listed stocks   | \$ 175,556     | 175,556    | -       | -       | 175,556 |
| Domestic OTC stocks  | 54,112         | 54,112     | -       | -       | 54,112  |
| Domestic unlisted stocks   | 13,259         | -          | -       | 13,259  | 13,259  |
| Foreign unlisted stocks  | 11,376         | -          | -       | 11,376  | 11,376  |
| Subtotal   | 254,303        | 229,668    | -       | 24,635  | 254,303 |



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**Notes to the Parent Company Only Financial Statements**

**March 31, 2023**

|   | <b>Book Value</b>   | <b>Fair Value</b> |                |                | <b>Total</b>   |
|---|---------------------|-------------------|----------------|----------------|----------------|
|   |                     | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b> |                |
| <b>Financial assets measured at amortized cost</b>        |                     |                   |                |                |                |
| Cash and cash equivalents                                 | \$ 380,663          | -                 | -              | -              | -              |
| Notes and accounts receivable (including related parties) | 115,165             | -                 | -              | -              | -              |
| Other receivables   | 2,269               | -                 | -              | -              | -              |
| Other financial assets                                    | 281,728             | -                 | -              | -              | -              |
| Refundable deposits                                       | 4,076               | -                 | -              | -              | -              |
| Subtotal  | 783,901             | -                 | -              | -              | -              |
| Total   | <b>\$ 1,038,204</b> | <b>229,668</b>    | -              | <b>24,635</b>  | <b>254,303</b> |
| <b>Financial liabilities at amortized cost</b>            |                     |                   |                |                |                |
| Notes and accounts payable (including related parties)    | \$ 10,573           | -                 | -              | -              | -              |
| Other payables  | 41,845              | -                 | -              | -              | -              |
| Lease liabilities   | 7,928               | -                 | -              | -              | -              |
| Subtotal  | 60,346              | -                 | -              | -              | -              |
| Total   | <b>\$ 60,346</b>    | -                 | -              | -              | -              |

**December 31, 2022**

|  | <b>Book Value</b>   | <b>Fair Value</b> |                |                | <b>Total</b>   |
|--|---------------------|-------------------|----------------|----------------|----------------|
|  |                     | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b> |                |
| <b>Financial assets at fair value through other comprehensive income</b> |                     |                   |                |                |                |
| Domestic listed stocks   | \$ 167,624          | 167,624           | -              | -              | 167,624        |
| Domestic OTC stocks  | 51,811              | 51,811            | -              | -              | 51,811         |
| Domestic unlisted stocks   | 13,259              | -                 | -              | 13,259         | 13,259         |
| Foreign unlisted stocks  | 11,376              | -                 | -              | 11,376         | 11,376         |
| Subtotal   | 244,070             | 219,435           | -              | 24,635         | 244,070        |
| <b>Financial assets measured at amortized cost</b>                       |                     |                   |                |                |                |
| 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  | <b>\$ 1,036,707</b> | <b>219,435</b>    | -              | <b>24,635</b>  | <b>244,070</b> |
| <b>Financial liabilities at amortized cost</b>                           |                     |                   |                |                |                |
| Notes and accounts payable (including related parties)                   | \$ 16,478           | -                 | -              | -              | -              |
| Other payables   | 52,212              | -                 | -              | -              | -              |
| Lease liabilities  | 9,042               | -                 | -              | -              | -              |
| Subtotal   | 77,732              | -                 | -              | -              | -              |
| Total  | <b>\$ 77,732</b>    | -                 | -              | -              | -              |

**TSH Biopharm Corporation Ltd.**  
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|  |    | March 31, 2022 |            |         |         |         |
|--|----|----------------|------------|---------|---------|---------|
|  |    | Book Value     | Fair Value |         |         | Total   |
|  |    |                | Level 1    | Level 2 | Level 3 |         |
| <b>Financial assets at fair value through other comprehensive income</b> |    |                |            |         |         |         |
| Domestic listed stocks   | \$ | 181,843        | 181,843    | -       | -       | 181,843 |
| Domestic OTC stocks  |    | 46,157         | 46,157     | -       | -       | 46,157  |
| Domestic emerging stocks   |    | 14,563         | -          | -       | 14,563  | 14,563  |
| Foreign unlisted stocks  |    | 14,771         | -          | -       | 14,771  | 14,771  |
| Subtotal   |    | 257,334        | 228,000    | -       | 29,334  | 257,334 |
| <b>Financial assets measured at amortized cost</b>                       |    |                |            |         |         |         |
| Cash and cash equivalents  | \$ | 382,443        | -          | -       | -       | -       |
| Notes and accounts receivable (including related parties)                |    | 111,916        | -          | -       | -       | -       |
| Other receivables  |    | 1,464          | -          | -       | -       | -       |
| Other financial assets   |    | 288,774        | -          | -       | -       | -       |
| Refundable deposits  |    | 4,393          | -          | -       | -       | -       |
| Subtotal   |    | 788,990        | -          | -       | -       | -       |
| Total  | \$ | 1,046,324      | 228,000    | -       | 29,334  | 257,334 |
| <b>Financial liabilities at amortized cost</b>                           |    |                |            |         |         |         |
| Notes and accounts payable (including related parties)                   | \$ | 11,261         | -          | -       | -       | -       |
| Other payables   |    | 40,463         | -          | -       | -       | -       |
| Lease liabilities  |    | 3,430          | -          | -       | -       | -       |
| Subtotal   |    | 55,154         | -          | -       | -       | -       |
| Total  | \$ | 55,154         | -          | -       | -       | -       |

**(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 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 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

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**Notes to the Parent Company Only Financial Statements**

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 three months ended March 31, 2023 and 2022, so there was no transfer between levels.

(F) Reconciliation of Level 3 fair values:

|                               | <b>Fair value through other<br/>comprehensive income</b> |
|-------------------------------|--|
|                               | <b>Equity instruments without<br/>quoted price</b>       |
| Balance as of January 1, 2023 | \$ 24,635  |
| Balance as of March 31, 2023  | <b>\$ 24,635</b>   |
| Balance as of January 1, 2022 | \$ 29,334  |
| Balance as of March 31, 2022  | <b>\$ 29,334</b>   |

(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:

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| 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"> <li>• Discount for lack of market liquidity (as of March 31, 2023, December 31, 2022 and March 31, 2022, the rate were 16.43%~30%, 16.43%~30% and 20%~28.52%, respectively)</li> <li>• expected volatility (as of March 31, 2023, December 31, 2022 and March 31, 2022, the rate were 58.78%, 58.78% and 60.84%, respectively)</li> </ul> | <ul style="list-style-type: none"> <li>• The estimated fair value would decrease if the discount for lack of market liquidity was higher.</li> <li>• The estimated fair value would increase if the volatility was higher.</li> </ul> |

(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:

|   | Input value                    | Degree of variation | Recognized in other comprehensive income |                     |
|---|--------------------------------|---------------------|--|---------------------|
|   |                                |                     | Favourable change                        | Unfavourable change |
| <b>March 31, 2023</b>   |                                |                     |  |                     |
| 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)                 |
| <b>December 31, 2022</b>  |                                |                     |  |                     |
| 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)                 |

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|   | <u>Input value</u>               | <u>Degree of variation</u> | <u>Recognized in other comprehensive income</u> |                            |
|---|----------------------------------|----------------------------|---|----------------------------|
|   |                                  |                            | <u>Favourable change</u>                        | <u>Unfavourable change</u> |
| <b>March 31, 2022</b>   |                                  |                            |   |                            |
| Financial assets at fair value through other comprehensive income |                                  |                            |   |                            |
| Equity investments without an active market                       | Weighted average cost of capital | 1%                         | 2 (   | 2)                         |
|   | Market liquidity discount rate   | 1%                         | 494 (   | 489)                       |

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.

(20) Financial risk management

There were no significant changes in the Company's financial risk management and policies as disclosed in Note 6(20) of the financial statements for the year ended December 31, 2022.

(21) Capital management

The objectives, policies and processes of capital management of the Company has applied consistently with those described in the financial statements for the year ended December 31, 2022. Also, there were no significant changes in the Company's capital management information as disclosed for the year ended December 31, 2022. Please refer to Note 6(21) of the financial statements for the year ended December 31, 2022 for further details.

(22) 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 three months ended March 31, 2023 and 2022, 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, 2023</u> | <u>Cash flow</u> | <u>Non-cash changes</u> |  | <u>March 31, 2023</u> |
|-------------------|------------------------|------------------|-------------------------|--|-----------------------|
|                   |                        |                  | <u>Others</u>           |  |                       |
| Lease liabilities | \$ <u>9,042</u>        | ( <u>1,114</u> ) | -                       |  | <u>7,928</u>          |
|                   | <u>January 1, 2022</u> | <u>Cash flow</u> | <u>Non-cash changes</u> |  | <u>March 31, 2022</u> |
|                   |                        |                  | <u>Others</u>           |  |                       |
| Lease liabilities | \$ <u>4,567</u>        | ( <u>1,137</u> ) | -                       |  | <u>3,430</u>          |

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**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                |
| American Taiwan Biopharm(Thailand) | Other related party           |
| Chuangyi Biotech Co., Ltd.         | 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:

|  | <b>For the three months ended March 31,</b> |              |
|--|---|--------------|
|  | <b>2023</b>                                 | <b>2022</b>  |
| Parent company- TTY Biopharm Company Limited | \$ 596                                      | 564          |
| Other related parties                        | 2,113                                       | 1,945        |
|  | <b>\$ 2,709</b>                             | <b>2,509</b> |

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 and 90 days.

B. Purchases

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

|  | <b>For the three months ended March 31,</b> |               |
|--|---|---------------|
|  | <b>2023</b>                                 | <b>2022</b>   |
| Parent company- TTY Biopharm Company Limited | <b>\$ 21,257</b>                            | <b>18,619</b> |

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 | March 31, 2023 | December 31, 2022 | March 31, 2022 |
|---------------------|--------------------------|----------------|-------------------|----------------|
| Accounts receivable | Parent company           | \$ 472         | 301               | 389            |
| Accounts receivable | Other related parties    | -              | -                 | 1,945          |
|                     |                          | <b>\$ 472</b>  | <b>301</b>        | <b>2,334</b>   |

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**D. Payables to related parties**

The amounts of payables to related parties were as follows:

| <u>Items</u>                     | <u>Related Party Categories</u> | <u>March 31, 2023</u> | <u>December 31, 2022</u> | <u>March 31, 2022</u> |
|----------------------------------|---------------------------------|-----------------------|--------------------------|-----------------------|
| Accounts payable-related parties | Parent company                  | \$ 6,449              | 7,245                    | 5,150                 |
| Other payables                   | Parent company                  | 1,744                 | 2,185                    | 1,770                 |
|                                  |                                 | <u>\$ 8,193</u>       | <u>9,430</u>             | <u>6,920</u>          |

**F. Lease**

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

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

In addition, the Company signed a new one-year lease contract with the parent company on December 1, 2021 for lease office and equipment with a total contract amount of \$4,567.

The interest expenses of \$35 and \$12 were recognized for the three months ended March 31, 2023 and 2022, respectively. As of March 31, 2023, December 31, 2022 and March 31, 2022, the balances of lease liabilities were \$7,928, \$9,042 and \$3,430, respectively.

**G. Others**

For the three months ended March 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 \$1,347 and \$1,460, respectively.

**(4) Key management personnel compensation**

|                              | <u>For the three months ended March 31,</u> |              |
|------------------------------|---|--------------|
|                              | <u>2023</u>                                 | <u>2022</u>  |
| Short-term employee benefits | \$ 6,124                                    | 6,416        |
| Post-employment benefits     | 118   | 126          |
|                              | <u>\$ 6,242</u>                             | <u>6,542</u> |

**8. Pledged assets: None.**

**9. Significant commitments and contingencies**

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

|  | <u>March 31, 2023</u> | <u>December 31, 2022</u> | <u>March 31, 2022</u> |
|--|-----------------------|--------------------------|-----------------------|
| Contract with other units for research and development | \$ 43,739             | 39,739                   | 84,883                |
| Acquisition of intangible assets                       | <u>10,140</u>         | <u>186</u>               | <u>1,575</u>          |

**10. Losses due to major disasters: None.**

**11. Subsequent events: None.**

**12. Others**

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- (1) The followings are the summary of employee benefits, depreciation, and amortization by function for the three months ended March 31, 2023 and 2022:

| By function<br>By item     | For the three months ended March 31, |                    |        |                |                    |        |
|----------------------------|--------------------------------------|--------------------|--------|----------------|--------------------|--------|
|                            | 2023                                 |                    |        | 2022           |                    |        |
|                            | Operating cost                       | Operating expenses | Total  | Operating cost | Operating expenses | Total  |
| Employee benefits          |                                      |                    |        |                |                    |        |
| Salary                     | -                                    | 25,142             | 25,142 | -              | 20,748             | 20,748 |
| Labor and health insurance | -                                    | 2,067              | 2,067  | -              | 1,715              | 1,715  |
| Pension                    | -                                    | 1,216              | 1,216  | -              | 958                | 958    |
| Director's remuneration    | -                                    | 896                | 896    | -              | 1,109              | 1,109  |
| Others                     | -                                    | 773                | 773    | -              | 830                | 830    |
| Depreciation               | -                                    | 1,812              | 1,812  | -              | 1,711              | 1,711  |
| Amortization               | -                                    | 1,388              | 1,388  | -              | 730                | 730    |

- (2) Others:

The Company donated \$2,318 and \$2,533 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, 2023 and 2022, respectively.

- (3) Seasonality of operations:

The operations are not affected by seasonal factors 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 Company

A. Loans to other parties: None.

B. Guarantees and endorsements for other parties: None.

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

(In Thousands of New Taiwan Dollars)

| 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     | 1,315                    | 54,112         | 0.81 %                      | 54,112     |      |
| "                             | Fubon Financial Holding Co., Ltd. Preferred stock B | -                         | Non-current financial assets at fair value through other comprehensive income | 2,500                    | 151,250        | 0.38 %                      | 151,250    |      |
| "                             | Union Bank of Taiwan Preferred stock A              | -                         | "   | 400                      | 20,880         | 0.20 %                      | 20,880     |      |
| "                             | Fubon Financial Holding Co., Ltd. Preferred stock C | -                         | "   | 58                       | 3,426          | 0.02 %                      | 3,426      |      |
| "                             | CellMax Ltd.  | -                         | "   | 1,593                    | 11,376         | - %                         | 11,376     |      |
| "                             | Chuangyi Biotech Co., Ltd.                          | -                         | "   | 1,320                    | 13,259         | 3.89 %                      | 13,259     | Note |



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Note: Chuangyi Biotech Co., Ltd. has terminated to trade on the Emerging Stock Market on October 15, 2022.

- D. Individual securities acquired or disposed of with an accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- 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.

(2) Information on investees: None.

(3) Information on investment in mainland China:

- A. The names of investees in Mainland China, the main businesses and products, and other information: None.
- B. Limitation on investment in Mainland China: None.
- C. Significant transactions: None.

(4) Information on major shareholders:

| <b>Shareholding</b>          | <b>Total shares owned</b> | <b>Percentage of ownership (%)</b> |
|------------------------------|---------------------------|------------------------------------|
| <b>Shareholder's name</b>    |                           |                                    |
| TTY Biopharm Company Limited | 21,687,177                | 56.48%                             |

#### **14. Segment information**

The Company has one reportable segment. The information of segment revenue, profit or loss and assets are in line with the parent company only financial statements. Please refer to the balance sheets and statements of comprehensive income.