

Center Laboratories, Inc. and Subsidiaries  
Consolidated Financial Statements and Independent Auditors' Review  
Report  
For the Three Months Ended March 31, 2024 and 2023

Address: 7F., No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)  
Tel: (02)2655-8680

## **Independent Auditors' Review Report**

The Board of Directors and Shareholders of Center Laboratories, Inc.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Center Laboratories, Inc. and its subsidiaries as of March 31, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity, and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

The financial statements of non-significant subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT\$5,467,712 thousand and NT\$5,318,105 thousand, constituting 20.2% and 19.2% of the consolidated total assets, and total liabilities of NT\$555,447 thousand and NT\$485,642 thousand, constituting 7.5% and 6.9% of the consolidated total liabilities as of March 31, 2024 and 2023, respectively; and total comprehensive income of NT\$(206,892) thousand and NT\$540,533 thousand, constituting (40.1)% and 55.7% of the consolidated total comprehensive income for the three months ended March 31, 2024 and 2023, respectively.

The valuation of investments accounted for using the equity method, which includes investments in associates, is based on the financial statements of those companies for the same period that were not reviewed by independent auditors. The investments accounted for using the equity method amounted to NT\$3,899,880 thousand and NT\$4,989,269 thousand constituting 14.4% and 18.0% of consolidated total assets as of March 31, 2024 and 2023, respectively. The share of profit (loss) from associates accounted for using the equity method amounted to NT\$(12,909) thousand and NT\$52,315 thousand for the three months ended March 31, 2024 and 2023, respectively.

### **Qualified Conclusion**

Based on our reviews and the reports of other independent auditors, except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of non-significant consolidated subsidiaries and certain investments accounted for using the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Center Laboratories, Inc. and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," that came into effect as endorsed by the Financial Supervisory Commission.

### **Other Matter - Reference to the reviews of other independent auditors**

For the aforesaid invested companies accounted for using the equity method disclosed in the consolidated financial statements, the financial statements of Biogend Therapeutics Co., Ltd., Lumosa Therapeutics Co., Ltd., and Medeon Biodesign, Inc., were not reviewed by our CPA. Those financial statements were reviewed by another auditor whose reports have been thereon furnished to us, and our opinions expressed herein, insofar as it relates to the amounts included in the financial statements, are based solely on the report of other auditor. These investments accounted for using the equity method amounted to NT\$1,392,785 thousand and NT\$1,951,842 thousand, constituting 5.1% and 7.0% of the total assets as of March 31, 2024 and 2023, respectively. The share of profit (loss) from associates accounted for using the equity method amounted to NT\$(102,829) thousand and NT\$(19,578) thousand, constituting 17.7% and (1.7)% of the income before income tax for the three months ended March 31, 2024 and 2023, respectively.

The engagement partners on the reviews resulting in this independent auditors' report are Wei-Liang Tai and Chung-Hao Cheng.

Ful-Fill & Co., CPAs  
Taipei, Taiwan  
Republic of China  
May 13, 2024

**Notice to Readers**

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

*For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict 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 consolidated financial statements shall prevail.*

**Center Laboratories, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**As of March 31, 2024, December 31, 2023, and March 31, 2023**

			In Thousands of New Taiwan Dollars					
Account Co.	Assets	Notes	March 31, 2024		December 31, 2023		March 31, 2023	
			Amount	%	Amount	%	Amount	%
11XX	Current assets							
1100	Cash and cash equivalents	6(1)	\$ 2,143,131	8	\$ 1,704,592	6	\$ 1,706,094	6
	Financial assets at fair							
1110	value through profit or loss	6(2), 8	1,036,276	4	973,866	4	1,122,399	4
1136	Financial assets at amortized cost	6(3)	758,080	3	745,517	3	220,000	1
1150	Notes receivable, net		34,226	—	53,991	—	25,856	—
1170	Accounts receivable, net	6(4), 7	184,710	1	190,616	1	209,274	1
1200	Other receivables	7	12,492	—	24,563	—	54,841	—
130X	Inventories	6(5)	270,401	1	269,228	1	190,519	1
1476	Other financial assets	8	1,167,942	4	1,127,858	4	274,445	1
1470	Other current assets		40,379	—	31,105	—	34,791	—
11XX	Total current assets		<u>5,647,637</u>	<u>21</u>	<u>5,121,336</u>	<u>19</u>	<u>3,838,219</u>	<u>14</u>
15XX	Non-current assets							
	Financial assets at fair							
1510	value through profit or loss	6(2), 8	12,754,799	47	13,099,516	49	13,521,180	49
1550	Investments accounted for using the equity method	6(6), 8	5,772,893	21	5,872,700	22	7,535,603	27
1600	Property, plant and equipment	6(7), 8	1,336,122	5	1,344,772	5	1,260,288	5
1755	Right-of-use assets	6(8)	23,980	—	26,280	—	30,290	—
1760	Investment property	6(9), 8	665,312	3	666,559	2	670,560	2
1780	Intangible assets	6(10)	814,669	3	825,839	3	812,192	3
1840	Deferred tax assets	6(21)	22,037	—	11,216	—	18,887	—
1920	Refundable deposits		10,676	—	10,511	—	8,533	—
1915	Prepayments		35,649	—	16,294	—	5,711	—
1975	Net defined benefit asset		7,763	—	7,133	—	10,456	—
15XX	Total non-current assets		<u>21,443,900</u>	<u>79</u>	<u>21,880,820</u>	<u>81</u>	<u>23,873,700</u>	<u>86</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

**Center Laboratories, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**As of March 31, 2024, December 31, 2023, and March 31, 2023**

Account Co.	Liabilities and Equity	Notes	In Thousands of New Taiwan Dollars					
			March 31, 2024		December 31, 2023		March 31, 2023	
			Amount	%	Amount	%	Amount	%
21XX	Current liabilities							
2100	Short-term loans	6(11), 8	\$ 330,000	1	\$ 330,000	1	\$ 300,000	1
2120	Financial liabilities at fair value through profit or loss	6(2)	—	—	—	—	161,115	1
2130	Contract liabilities	6(17)	124,175	1	113,666	—	108,887	—
2170	Accounts payable	7	123,059	—	144,642	1	100,034	—
2200	Other payables	6(12)	94,537	—	160,396	1	98,397	—
2220	Other payables to related parties	7	32	—	661	—	453,064	2
2230	Current tax liabilities		240,079	1	211,336	1	988,190	4
2280	Lease liabilities	6(8)	9,251	—	9,436	—	8,250	—
2320	Long-term liabilities, current portion	6(11)(13)	234,750	1	852,892	3	3,795,666	14
2399	Other current liabilities	7	23,482	—	22,046	—	20,990	—
21XX	Total current liabilities		<u>1,179,365</u>	<u>4</u>	<u>1,845,075</u>	<u>7</u>	<u>6,034,593</u>	<u>22</u>
25XX	Non-current liabilities							
2500	Financial liabilities at fair value through profit or loss	6(2)	76,792	—	72,220	—	—	—
2530	Bonds payable	6(13)	4,389,561	16	4,350,826	16	—	—
2540	Long-term loans	6(11), 8	1,326,531	5	61,090	—	71,948	—
2570	Deferred tax liabilities	6(21)	391,505	2	434,021	2	866,769	3
2580	Lease liabilities	6(8)	15,037	—	17,133	—	22,266	—
2670	Other non-current liabilities		5,587	—	5,588	—	5,400	—
25XX	Total non-current liabilities		<u>6,205,013</u>	<u>23</u>	<u>4,940,878</u>	<u>18</u>	<u>966,383</u>	<u>3</u>
2XXX	Total liabilities		<u>7,384,378</u>	<u>27</u>	<u>6,785,953</u>	<u>25</u>	<u>7,000,976</u>	<u>25</u>
31XX	Equity attributable to shareholders of the parent	6(15)						
3110	Share capital		6,914,211	26	6,914,211	26	5,947,560	21
3200	Capital surplus		7,249,304	27	7,241,502	27	5,529,491	20
3300	Retained earnings							
3310	Legal capital reserve		1,267,810	5	1,267,810	5	1,258,420	5
3320	Special capital reserve		5,560,363	20	5,560,363	20	5,973,247	22
3350	Unappropriated earnings		(1,546,759)	(6)	(1,004,735)	(4)	1,513,941	5
3400	Other equity							
3410	Exchange differences arising on translation of foreign operations		(16,970)	—	(50,396)	—	(47,658)	—
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income		74,820	—	74,820	—	37,824	—
3500	Treasury shares		<u>(246,721)</u>	<u>(1)</u>	<u>(246,721)</u>	<u>(1)</u>	<u>—</u>	<u>—</u>
31XX	Total equity attributable to shareholders of the parent		<u>19,256,058</u>	<u>71</u>	<u>19,756,854</u>	<u>73</u>	<u>20,212,825</u>	<u>73</u>
36XX	Non-controlling interests	6(15)	451,101	2	459,349	2	498,118	2
3XXX	Total equity		<u>19,707,159</u>	<u>73</u>	<u>20,216,203</u>	<u>75</u>	<u>20,710,943</u>	<u>75</u>
1XXX	Total liabilities and equity		<u>\$ 27,091,537</u>	<u>100</u>	<u>\$ 27,002,156</u>	<u>100</u>	<u>\$ 27,711,919</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

**Center Laboratories, Inc. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the three months ended March 31, 2024 and 2023**

**In Thousands of New Taiwan Dollars, Except Earnings Per Share**

Account Co.	Items	Notes	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
			Amount	%	Amount	%
4000	Net revenue	6(17), 7	\$ 363,410	100	\$ 335,010	100
5000	Cost of revenue		198,735	55	194,440	58
5900	Gross profit		164,675	45	140,570	42
6000	Operating expenses	6(18), 7				
6100	Selling and marketing expenses		55,933	15	50,965	15
6200	General and administrative expenses		46,011	13	59,379	18
6300	Research and development expenses		20,709	6	18,480	6
6450	Expected credit (gains)		(2)	—	(326)	—
	Total operating expenses		122,651	34	128,498	39
6900	Income from operations		42,024	11	12,072	3
7000	Non-operating income and expenses					
7050	Finance costs	6(19)	(54,311)	(15)	(27,825)	(8)
7100	Interest income		21,630	6	10,160	3
7130	Dividend income		—	—	187,992	56
7190	Other income	7	13,049	4	15,407	5
7225	Gains on disposal of investments		28,084	8	240,341	72
7230	Net foreign exchange gain (loss)		60,319	16	(8,992)	(3)
7060	Share of profit or loss of associates	6(6)	(143,385)	(39)	(16,527)	(5)
7590	Other gains and losses	6(19)	(90)	—	(86,479)	(26)
7635	Net (loss) gain of financial assets and liabilities at fair value through profit or loss		(547,846)	(151)	837,545	250
	Total non-operating income and expenses		(622,550)	(171)	1,151,622	344
7900	(Loss) income before income tax		(580,526)	(160)	1,163,694	347
7950	Income tax benefit (expense)	4, 6(21)	31,301	9	(185,517)	(55)
8200	Net (loss) income		(549,225)	(151)	978,177	292

(To be continued)

(Continued)

		<b>Three Months Ended March 31, 2024</b>		<b>Three Months Ended March 31, 2023</b>	
		Amount	%	Amount	%
8300	Other comprehensive income (loss)				
8360	Items that may be reclassified subsequently to profit or loss	6(20)			
8361	Exchange differences arising on translation of foreign operations	34,537	9	(6,742)	(2)
8370	Share of other comprehensive income (loss) of associates	6,096	2	(2,630)	(1)
8399	Income tax (expense) benefit related to items that may be reclassified subsequently	6(21) (7,207)	(2)	1,678	1
8360	Total components of other comprehensive income that may be reclassified to profit or loss	33,426	9	(7,694)	(2)
8500	Total comprehensive (loss) income	<u>\$ (515,799)</u>	<u>(142)</u>	<u>\$ 970,483</u>	<u>290</u>
8600	Net income (loss) attributable to:				
8610	Shareholders of the parent	<u>\$ (540,977)</u>	<u>(149)</u>	<u>\$ 991,634</u>	<u>296</u>
8620	Non-controlling interests	<u>\$ (8,248)</u>	<u>(2)</u>	<u>\$ (13,457)</u>	<u>(4)</u>
8700	Total comprehensive income attributable to:				
8710	Shareholders of the parent	<u>\$ (507,551)</u>	<u>(140)</u>	<u>\$ 983,940</u>	<u>294</u>
8720	Non-controlling interests	<u>\$ (8,248)</u>	<u>(2)</u>	<u>\$ (13,457)</u>	<u>(4)</u>
Earnings per share					
9750	Basic earnings per share	6(22) \$ (0.78)		\$ 1.52	
9850	Diluted earnings per share	6(22) \$ (0.78)		\$ 1.46	

(The accompanying notes are an integral part of the consolidated financial statements.)



**Center Laboratories, Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the three months ended March 31, 2024 and 2023**

**In Thousands of New Taiwan Dollars**

Items	Equity attributable to shareholders of the parent																
	Capital surplus							Retained earnings				Other equity					
	Share capital	Additional paid-in capital	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in net equity of associates and joint ventures accounted for using the equity method	Treasury shares	Others	Stock options	Legal capital reserve	Special capital reserve	Unappropriated earnings	Exchange differences arising on translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total	Treasury shares	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
Balance as of January 1, 2023	\$ 5,947,560	\$ 3,772,429	\$ 449,327	\$ 1,067,615	\$ 71,993	\$ 120	\$ 191,470	\$ 1,258,420	\$ 5,973,247	\$ 522,307	\$ (39,964)	\$ 37,824	\$ (2,140)	\$ —	\$ 19,252,348	\$ —	\$ 19,252,348
Other changes in capital surplus																	
From share of changes in equities of associates	—	—	—	(23,463)	—	—	—	—	—	—	—	—	—	—	(23,463)	—	(23,463)
Net income (loss) for the three months ended March 31, 2023	—	—	—	—	—	—	—	—	—	991,634	—	—	—	—	991,634	(13,457)	978,177
Other comprehensive income for the three months ended March 31, 2023	—	—	—	—	—	—	—	—	—	—	(7,694)	—	(7,694)	—	(7,694)	—	(7,694)
Increase in non-controlling interests in subsidiary acquisitions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	511,575	511,575
Balance as of March 31, 2023	<u>\$ 5,947,560</u>	<u>\$ 3,772,429</u>	<u>\$ 449,327</u>	<u>\$ 1,044,152</u>	<u>\$ 71,993</u>	<u>\$ 120</u>	<u>\$ 191,470</u>	<u>\$ 1,258,420</u>	<u>\$ 5,973,247</u>	<u>\$ 1,513,941</u>	<u>\$ (47,658)</u>	<u>\$ 37,824</u>	<u>\$ (9,834)</u>	<u>\$ —</u>	<u>\$ 20,212,825</u>	<u>\$ 498,118</u>	<u>\$ 20,710,943</u>
Balance as of January 1, 2024	\$ 6,914,211	\$ 4,866,544	\$ 449,327	\$ 1,046,926	\$ 76,827	\$ 1,540	\$ 800,338	\$ 1,267,810	\$ 5,560,363	\$ (1,004,735)	\$ (50,396)	\$ 74,820	\$ 24,424	\$ (246,721)	\$ 19,756,854	\$ 459,349	\$ 20,216,203
Other changes in capital surplus																	
From share of changes in equities of associates	—	—	—	7,802	—	—	—	—	—	(1,047)	—	—	—	—	6,755	—	6,755
Net (loss) for the three months ended March 31, 2024	—	—	—	—	—	—	—	—	—	(540,977)	—	—	—	—	(540,977)	(8,248)	(549,225)
Other comprehensive income for the three months ended March 31, 2024	—	—	—	—	—	—	—	—	—	—	33,426	—	33,426	—	33,426	—	33,426
Balance as of March 31, 2024	<u>\$ 6,914,211</u>	<u>\$ 4,866,544</u>	<u>\$ 449,327</u>	<u>\$ 1,054,728</u>	<u>\$ 76,827</u>	<u>\$ 1,540</u>	<u>\$ 800,338</u>	<u>\$ 1,267,810</u>	<u>\$ 5,560,363</u>	<u>\$ (1,546,759)</u>	<u>\$ (16,970)</u>	<u>\$ 74,820</u>	<u>\$ 57,850</u>	<u>\$ (246,721)</u>	<u>\$ 19,256,058</u>	<u>\$ 451,101</u>	<u>\$ 19,707,159</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

**Center Laboratories, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the three months ended March 31, 2024 and 2023**

	<b>In Thousands of New Taiwan Dollars</b>	
	<b>Three Months Ended March 31, 2024</b>	<b>Three Months Ended March 31, 2023</b>
Cash flows from operating activities:		
(Loss) income before income tax	\$ (580,526)	\$ 1,163,694
Adjustments for:		
The income or loss items which did not affect cash flows		
Depreciation expense	26,544	24,201
Amortization expense	12,171	12,090
Loss on valuation of accounts payable	—	86,448
Net loss (gain) of financial assets and liabilities at fair value through profit or loss	547,846	(837,545)
Loss on disposal of property, plant and equipment	—	31
Expected credit (gains)	(2)	(326)
Interest expense	54,311	27,825
Interest income	(21,630)	(10,160)
Dividend income	—	(187,992)
Share of profit or loss of associates	143,385	16,527
Gains on disposal of investments	(28,084)	(240,341)
Changes in operating assets and liabilities		
Decrease in notes receivable	19,777	17,257
Decrease (increase) in accounts receivable	5,896	(27,995)
Decrease in other receivables	8,116	1,200
(Increase) decrease in inventories	(1,173)	27,190
Decrease (increase) in other current assets	5,033	(7,885)
(Increase) in defined benefit asset	(631)	(732)
(Decrease) in accounts payable	(21,583)	(16,796)
(Decrease) in other payables	(49,559)	(21,108)
(Decrease) increase in other payables to related parties	(629)	14
Increase in contract liabilities	10,509	19,338
Increase in other current liabilities	1,436	5,547
Cash generated from operations	131,207	50,482
Interest received	23,207	10,158
Interest paid	(29,662)	(14,271)
Income tax paid	(500)	—
Net cash provided by operating activities	124,252	46,369

(To be continued)

(Continued)

	<b>Three Months Ended March 31, 2024</b>	<b>Three Months Ended March 31, 2023</b>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(647,835)	(223,774)
Proceeds from disposal of financial assets at fair value through profit or loss	389,110	338,418
Acquisition of investments accounted for using the equity method	—	(167,497)
Proceeds from disposal of investments accounted for using the equity method	31,821	—
Acquisition of intangible assets	(1,001)	(483)
Acquisition of property, plant and equipment	(30,867)	(16,875)
(Increase) decrease in financial assets at amortized cost	(12,563)	302,070
(Increase) in prepayment for equipment	(19,355)	(4,212)
(Increase) decrease in refundable deposits	(165)	336
(Increase) in other financial assets	(40,084)	(59,362)
Dividends received	—	187,992
Net cash flows from subsidiaries	—	120,622
Net cash (used in) provided by investing activities	<u>(330,939)</u>	<u>477,235</u>
Cash flows from financing activities:		
(Decrease) in short-term loans	—	(310,000)
Proceeds from long-term loans	647,299	698,000
Repayment of the principal portion of lease liabilities	(2,281)	(2,248)
Net cash provided by financing activities	<u>645,018</u>	<u>385,752</u>
Effect of exchange rate changes on cash and cash equivalents	<u>208</u>	<u>—</u>
Net increase in cash and cash equivalents	438,539	909,356
Cash and cash equivalents, beginning of period	1,704,592	796,738
Cash and cash equivalents, end of period	<u>\$ 2,143,131</u>	<u>\$ 1,706,094</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

Center Laboratories, Inc. and Subsidiaries  
Notes to Consolidated Financial Statements  
For the Three Months Ended March 31, 2024 and 2023

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

1. GENERAL INFORMATION

Center Laboratories, Inc. (hereinafter referred to as “the Company”) was established on November 4, 1959 in accordance with the Company Act. As of March 31, 2024, the Company possessed an authorized capital of \$10,000,000 thousand and a paid-in capital of \$6,914,211 thousand. The Company mainly engages in the manufacture and sale of various Western medicines. The Company’s head office and factory are located in Taipei City and Hsinchu County, respectively.

The Company’s shares have been traded on Taipei Exchange since October 2003.

2. AUTHORIZATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Company have been released after submission to the Board of Directors on May 13, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- (1) Initial adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standard Interpretations Committee (SIC) (hereinafter referred to as the “IFRSs”) endorsed and promulgated by the Financial Supervisory Commission (the “FSC”).

The adoption of the revised IFRSs approved and issued by the Financial Supervisory Commission, effective from January 1, 2024, is not expected to result in significant changes to the accounting policies of the consolidated company.

- (2) IFRSs issued by IASB but not yet accredited by the FSC (actual applicable date shall prevail):

New, Revised or Amended Standards and Interpretations	Effective Date of Issuance by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB.
IFRS 17 “Insurance Contracts” and Amendments Thereto	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027

Note 1: Unless stated otherwise, the aforementioned new, revised and amended standards and interpretations are effective for annual reporting periods beginning on or after the respective effective dates.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. When initially applying the amendment, it will affect the recognition of amounts in retained earnings as of the date of initial application. When the consolidated company uses a non-functional currency as its functional currency, it will adjust the translation differences of foreign operations under equity on the date of initial application.

In the future, the consolidated company adopts the above IASB standards or interpretations which have not yet been accredited by the FSC and those may have a potential impact on the consolidated company's financial statements are as follows:

A. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes in this standard include:

The income statement should classify revenue and expense items by operating, investing, financing, income tax, and discontinued operations categories.

The income statement should present operating profit or loss, profit or loss before financing and income tax, and subtotals and totals of profit or loss.

Providing guidance to enhance aggregation and disaggregation requirements: Consolidated entities must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events and classify and aggregate them based on common characteristics, ensuring that each significant line item in the primary financial statements has at least one similar characteristic. Items with different characteristics should be disaggregated in the primary financial statements and notes. Consolidated entities should only label such items as "other" when more informative names cannot be found.

Adding disclosures on performance measures defined by management: Consolidated entities should disclose relevant information on performance measures defined by management in a single note to the financial statements when engaging in external communication beyond financial statements and when communicating management's perspective on a particular aspect of the consolidated entity's overall financial performance to users of the financial statements. This disclosure should include a description of the measure, how it is calculated, adjustments to subtotals or totals defined in IFRS accounting standards, and the tax and non-controlling interest effects of related adjustments.

As of the date the consolidated financial statements are authorized for issue, the Consolidated Company is continuously assessing the impact of other standards and amendments of interpretation on its financial position and financial performance, and will disclose the relevant impact upon completion of the assessment.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Apart from the following explanation, the significant accounting policies adopted in this consolidated financial report are consistent with those of the 2023 consolidated financial report. For further information, please refer to Note 4 of the 2023 consolidated financial report.

##### (1) Statement of compliance

This consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the “Regulations”) and IAS 34 “Interim Financial Reporting” as recognized and issued by the Financial Supervisory Commission. This consolidated financial report does not include all the necessary information required to be disclosed in the entire annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Bulletins as recognized and issued by the Financial Supervisory Commission.

##### (2) Basis of preparation

Except for financial instruments measured by fair value, the consolidated financial statements are prepared on a historical cost basis. Historical cost is usually based on the fair value of the consideration paid to acquire the asset.

##### (3) Basis of preparation for consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control refers to the company’s power to direct the financial and operating policies of an individual to obtain benefits from its related operating activities.

The consolidated income statement has Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. The total comprehensive income of subsidiaries is attributed to the Company’s shareholders and non-controlling interests, even if this results in non-controlling interests having a deficit balance.

When necessary, adjustments are made to subsidiaries’ financial statements to bring their accounting policies into line with those used by the Company.

All significant transactions, balances, income, and expenses between the Company's consolidated entities are eliminated in full on consolidation.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Company's shareholders.

When the consolidated company loses control of the subsidiary, the disposition gains and losses are the difference between the following two; (1) The fair value of the consideration received and the remaining investment in the former subsidiary is counted at the fair value on the day when the control was lost, and (2) The assets (including goodwill), liabilities, and non-controlling interests of the former subsidiary are counted based on the book value on the date of loss of control. The consolidated company recognizes all amounts related to the subsidiary in other comprehensive profits and losses, and its accounting treatment is based on the same basis that the consolidated company must follow when directly processing related assets or liabilities.

The former subsidiary's remaining investment is based on the fair value at the date of loss of control as the amount initially recognized for investment in the affiliated Company.

A. The subsidiaries included in the preparation of the consolidated financial statements are listed as follows:

Name of Investor	Name of Subsidiary	Relationship with the Company	Nature of Business	Percentage of Ownership/ Capital Contribution		
				2024.03.31	2023.12.31	2023.03.31
The Company	Center Biotherapeutics Inc.	A subsidiary of the Company	Investment	100.00%	100.00%	100.00%
The Company	Centerlab Investment Holding Limited	A subsidiary of the Company	Investment	100.00%	100.00%	100.00%
The Company	Bioengine Technology Development Inc.	A subsidiary of the Company	Investment	100.00%	100.00%	—
Centerlab Investment Holding Limited	Bioflag International Corporation	A subsidiary of the Company	Investment	47.33%	47.33%	47.33%
Bioflag International Corporation	Bioflag Co., Ltd.	Sub-subsidiary of the Company	Investment	100.00%	100.00%	100.00%
Bioflag Co., Ltd.	Genlac Biotech Inc.	Sub-subsidiary of the Company	Investment	100.00%	100.00%	100.00%
Genlac Biotech Inc.	Glac Biotech Co., Ltd.	Sub-subsidiary of the Company	Functional Probiotic Manufacturing and Sales	100.00%	100.00%	100.00%
Glac Biotech Co., Ltd.	OmniPro Biotech Co., Ltd.	Sub-subsidiary of the Company	General food manufacturing industry	100.00%	100.00%	100.00%
Glac Biotech Co., Ltd.	Ezadd Co., Ltd.	Sub-subsidiary of the Company	Functional Probiotic Sales	99.50%	99.50%	99.50%
The Company	Center Laboratories Limited	A subsidiary of the Company	Investment	100.00%	100.00%	100.00%
The Company	Center Venture Holding I Limited	Sub-subsidiary of the Company	Investment	100.00%	100.00%	100.00%
The Company	Center Venture Holding II Limited	Sub-subsidiary of the Company	Investment	100.00%	100.00%	100.00%

Name of Investor	Name of Subsidiary	Relationship with the Company	Nature of Business	Percentage of Ownership/ Capital Contribution		
				2024.03.31	2023.12.31	2023.03.31
The Company	Center Venture Holding III Limited	Sub-subsidiary of the Company	Investment	100.00%	100.00%	100.00%
Bioengine Technology Development Inc.	BioEngine Development I Limited	Sub-subsidiary of the Company	Investment	100.00%	100.00%	—
BioEngine Development I Limited	Beijing Shundu Pharmaceutical Research Institute Co., Ltd.	Sub-subsidiary of the Company	Researching and Developing New Pharmaceuticals and Skincare Products	100.00%	100.00%	—

B. The important changes in the consolidated entities are explained as follows:

- (1) The Company, through its subsidiary Centerlab Investment Holding Limited, increased its stock in Bioflag International Corporation to 47.33% in January 2023 and obtained the majority of seats on the board of directors, thereby gaining control. From the date of obtaining control, Bioflag International Corporation is included in the consolidated financial statements.
- (2) The Company initially held a 32.57% stake in Bioengine Technology Development Inc. In October 2023, a stock conversion was held by issuing new shares and acquiring the remaining 67.43% equity. As a result, Bioengine Technology Development Inc. became a 100%-owned subsidiary of the Company. The stock conversion reference date was set as October 2, 2023. The entity of the consolidated financial statements includes Bioengine Technology Development Inc. and its subsidiaries from the date control is acquired through stock conversion.

C. Subsidiaries with non-controlling interests that are material to the Company:

As of March 31, 2024, December 31, 2023, and March 31, 2023, the total non-controlling interests for the Group were respectively \$451,101 thousand, \$459,349 thousand, and \$498,118 thousand. The following information pertains to significant non-controlling interests and their subsidiary companies within the Group:

Name of Subsidiary	Principal Place of Business	Non-controlling interests					
		March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	Percentage of Ownership	Amount	Percentage of Ownership	Amount	Percentage of Ownership
Bioflag International Corporation (excluding non-controlling interests of subsidiaries)	Cayman Islands	451,101	52.67%	459,349	52.67%	498,118	52.67%

The summary financial information of the subsidiaries below is prepared based on amounts before transactions between companies are eliminated:



Balance Sheet

Items	2024.03.31	2023.03.31
	Bioflag International Corporation	Bioflag International Corporation
Current assets	\$ 268,139	\$ 267,633
Non-current assets	1,359,526	1,392,089
Current liabilities	11,798	2,101
Non-current liabilities	200,000	200,000
Equity	\$ 1,415,867	\$ 1,457,621

Statement of Profit or Loss

Items	Bioflag International Corporation	Bioflag International Corporation
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating revenue	\$ —	\$ —
Net income before tax	(3,779)	(13,672)
Income tax (expense) benefit	—	—
Net income of continuing operations	\$ (3,779)	\$ (13,672)
Other comprehensive income (net after tax)	—	—
Total comprehensive income	\$ (3,779)	\$ (13,672)
Comprehensive income (loss) attributable to non-controlling interests	\$ (1,990)	\$ (7,201)
Dividends paid to non-controlling interests	\$ —	\$ —

Statement of Cash Flows

Items	Bioflag International Corporation	Bioflag International Corporation
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net cash provide by (used in) operating activities	\$ 562	\$ (1,048)
Net cash provide by investing activities	—	—
Net cash provide by financing activities	—	—

Items	Bioflag International Corporation	Bioflag International Corporation
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net increase (decrease) in cash and cash equivalents	\$ 562	\$ (1,048)
Cash and cash equivalents, beginning of period	11,577	12,681
Cash and cash equivalents, end of period	\$ 12,139	\$ 11,633

(4) Income tax

The Group measures and discloses income tax expense for interim periods in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expense is measured by applying the best estimate of the applicable tax rate for the expected annual total earnings of the management multiplied by the pre-tax net profit for the interim reporting period, and is fully recognized as the current income tax expense.

Income tax expense that is directly recognized in equity items or other comprehensive income items is measured based on the temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases, using the applicable tax rates expected to be realized or settled upon.

(5) Defined benefit post-employment benefits

Pension cost for the interim period is calculated on a year-to-date basis using the actuarially determined pension cost rate as of the prior year-end date, adjusted for significant market fluctuations during the period and significant plan amendments, settlements or other significant one-time events.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY:

The preparation of these consolidated financial statements in conformity with the Regulations and IAS 34, “Interim Financial Reporting,” as endorsed by the FSC, requires management to make judgments, estimates and assumptions that affect the adoption of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

When preparing the consolidated financial statements, the significant judgments made by management in the adoption of accounting policies for consolidation and the principal sources of estimation uncertainty are consistent with Note 5 of the 2023 consolidated financial statements.

## 6. CONTENTS OF MAJOR SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

Items	2024.03.31	2023.12.31	2023.03.31
Cash on hand and petty cash	\$ 502	\$ 498	\$ 508
Checking accounts and demand deposits	429,829	743,027	990,236
Cash equivalents:			
Time deposits	1,712,800	961,067	715,350
Total	<u>\$ 2,143,131</u>	<u>\$ 1,704,592</u>	<u>\$ 1,706,094</u>

A. Equivalent cash includes time deposits that are highly liquid, convertible into fixed cash at any time and have little risk of price changes within 3 months from the date of acquisition, and are used to meet short-term cash commitments.

B. Cash and cash equivalents described above have not been pledged as collateral.

### (2) Financial assets and liabilities at fair value through profit or loss

Items	2024.03.31	2023.12.31	2023.03.31
Financial assets - current			
Designated to be measured at fair value through profit or loss			
Foreign listed stocks	<u>\$ 1,036,276</u>	<u>\$ 973,866</u>	<u>\$ 1,122,399</u>
Financial assets - non-current			
Designated to be measured at fair value through profit or loss			
Domestic listed stocks	\$ 3,072,557	\$ 3,242,555	\$ 2,397,710
Domestic unlisted (non-OTC)			
ordinary shares and emerging-stock-market shares	199,192	210,017	241,147
Foreign listed stocks	1,652,373	2,327,106	3,966,832
Equity shares of unlisted foreign companies	673,649	2,006,272	2,385,539

Items	2024.03.31	2023.12.31	2023.03.31
Foreign unlisted preferred/common shares	2,744,273	1,381,440	1,108,209
Foreign funds	4,410,726	3,928,862	3,421,743
Derivative financial instruments - Right of redemption	2,029	3,264	—
Total	<u>\$ 12,754,799</u>	<u>\$ 13,099,516</u>	<u>\$ 13,521,180</u>
Financial liabilities - current			
Designated to be measured at fair value through profit or loss			
Derivative financial instruments - redemption options	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 161,115</u>
Financial liabilities - non-current			
Designated to be measured at fair value through profit or loss			
Derivative financial instruments - redemption options	<u>\$ 76,792</u>	<u>\$ 72,220</u>	<u>\$ —</u>

- A. Convertible bonds issued by the Company include debt instruments such as master agreements and derivative instruments such as put options. Derivative instruments such as put options are measured at fair value through profit or loss.
- B. Please refer to Note 8 for the details that the Company provides financial assets as collateral for bank loans.

(3) Financial assets at amortized cost

Items	2024.03.31	2023.12.31	2023.03.31
Current items:			
Time deposits with original maturity period of more than three months	<u>\$ 758,080</u>	<u>\$ 745,517</u>	<u>\$ 220,000</u>

- A. The ranges of market interest rates on time deposits at the balance sheet date are listed as follows:

Items	2024.03.31	2023.12.31	2023.03.31
Time deposits	5.26%~5.49%	5.26%~5.61%	0.49%~1.04%

(4) Accounts receivable, net

Items	2024.03.31	2023.12.31	2023.03.31
At amortized cost			
Accounts receivable to general customers	\$ 186,217	\$ 187,098	\$ 160,347
Accounts receivable to related parties	—	5,471	50,898
Less: loss allowance	(1,507)	(1,953)	(1,971)
Net	<u>\$ 184,710</u>	<u>\$ 190,616</u>	<u>\$ 209,274</u>

None of the accounts receivable above has been pledged as collateral.

The consolidated company estimates expected credit losses for all accounts receivable using a simplified approach, i.e. measurement of lifetime expected credit losses. For the purpose of measurement, expected credit loss rate is determined based on the number of days on which an account receivable is recorded, and is included in forward-looking information. The analysis of expected credit losses on accounts receivable as of March 31, 2024, December 31, 2023, and March 31, 2023, for the Company is as follows:

March 31, 2024

Age	Carrying Amount of Accounts Receivable	Loss Allowance for Lifetime Expected Credit Losses
Within 90 days	\$ 160,152	\$ 614
90 days to 180 days past due	24,059	203
180 days to 365 days past due	1,957	641
Over 365 days	49	49
Total	<u>\$ 186,217</u>	<u>\$ 1,507</u>

December 31, 2023

Age	Carrying Amount of Accounts Receivable	Loss Allowance for Lifetime Expected Credit Losses
Within 90 days	\$ 169,426	\$ 461
90 days to 180 days past due	21,056	429
180 days to 365 days past due	1,616	592
Over 365 days	471	471
Total	<u>\$ 192,569</u>	<u>\$ 1,953</u>

March 31, 2023

Age	Carrying Amount of Accounts Receivable	Loss Allowance for Lifetime Expected Credit Losses
Within 90 days	\$ 187,632	\$ 486
90 days to 180 days past due	22,272	687
180 days to 365 days past due	886	343
Over 365 days	455	455
Total	<u>\$ 211,245</u>	<u>\$ 1,971</u>

Information on changes in allowance for bad debt arising from accounts receivable is listed as follows:

Items	2024.03.31	2023.03.31
Beginning balance	\$ 1,953	\$ 1,482
Corporate merger acquisition	—	527
Increased (reversed) recognition of impairment loss	10	(38)
Written off as uncollectible	(456)	—
Ending balance	<u>\$ 1,507</u>	<u>\$ 1,971</u>

(5) Inventories

Items	2024.03.31	2023.12.31	2023.03.31
Merchandise inventories	\$ 2,246	\$ 34	\$ 1,671
Finished goods	151,159	139,087	92,984
Work-in-progress and semi-finished goods	34,107	43,429	30,365
Raw materials	81,630	83,265	54,465
Supplies	24,415	22,502	16,860
Inventories in transit	5,631	4,007	10,530
Total	<u>\$ 299,188</u>	<u>\$ 292,324</u>	<u>\$ 206,875</u>
Less: Allowance for diminution in value of inventories	(28,787)	(23,096)	(16,356)
Net	<u>\$ 270,401</u>	<u>\$ 269,228</u>	<u>\$ 190,519</u>

Costs of goods sold for the three months ended March 31, 2024 and 2023 include diminution in value of inventory (gain from price recovery) amounting to \$5,691 thousand and (2,952) thousand, respectively.

(6) Investments accounted for using the equity method

Items	2024.03.31	2023.12.31	2023.03.31
Investments in associates	<u>\$ 5,772,893</u>	<u>\$ 5,872,700</u>	<u>\$ 7,535,603</u>

A. Investments in associates are detailed as follows:

Items	2024.03.31	2023.12.31	2023.03.31
Material Associates			
Medeon Biodesign, Inc.	\$ 634,688	\$ 690,923	\$ 1,007,557
TOT BIOPHARM International Company Limited	2,939,566	2,909,254	2,858,253
Mycenax Biotech Inc.	480,228	506,946	594,493
Lumosa Therapeutics Co., Ltd.	435,525	475,213	580,671
	<u>4,490,007</u>	<u>4,582,336</u>	<u>5,040,974</u>
Individually immaterial associates	1,282,886	1,290,364	2,494,629
Total	<u>\$ 5,772,893</u>	<u>\$ 5,872,700</u>	<u>\$ 7,535,603</u>

- B. The basic information of associates that are material to the Group is listed as follows:

Items	Shareholding percentage		
	2024.03.31	2023.12.31	2023.03.31
Medeon Biodesign, Inc.	29.75%	29.78%	29.78%
TOT BIOPHARM International Company Limited	28.59%	28.59%	27.60%
Mycenax Biotech Inc.	20.40%	20.39%	20.44%
Lumosa Therapeutics Co., Ltd.	33.43%	33.57%	33.15%

For information on the nature of business, principal place of business, and country of registration of the associates above, please refer to Table 4 “Information on Investees” and Table 5 “Information on Investment in Mainland China.”

- C. The consolidate company increased its stock in Bioflag International Corporation to 47.33% in January, 2023 and acquired a majority of the board seats, gaining control. From the date of obtaining control, Bioflag International Corporation is included in the preparation entity of the consolidated financial statements. For further details regarding the corporate merger, please refer to Notes 6(16) of the consolidated financial statements.
- D. The consolidated company conducted a share conversion with Bioengine Technology Development Inc. in October, 2023 through the issuance of new shares. Following the share conversion, Bioengine Technology Development Inc. became a wholly-owned subsidiary of the Company. From the date of obtaining control, Bioengine Technology Development Inc. is included in the preparation entity of the consolidated financial statements. For further details regarding the corporate merger, please refer to Notes 6(18) of 2023 consolidated financial statements.
- E. Information on the Level 1 fair value measurements of associates with quoted prices in active markets is provided as follows:

	2024.03.31	2023.12.31	2023.03.31
Medeon Biodesign, Inc.	\$ 1,186,898	\$ 1,278,724	\$ 1,579,182
TOT BIOPHARM International Company Limited	1,490,770	1,710,244	1,721,067
Mycenax Biotech Inc.	615,810	570,283	626,193
Lumosa Therapeutics Co., Ltd.	6,755,064	2,607,749	1,517,144
Individually immaterial associates	1,424,282	1,437,435	1,260,809
Total	<u>\$ 11,472,824</u>	<u>\$ 7,604,435</u>	<u>\$ 6,704,395</u>

- F. For the amount of investments in associates pledged by the Company as collateral for borrowings, please refer to Note 8.
- G. The summary financial information of the material associates below is provided according to the consolidated financial statements of each associate prepared based on IFRSs, and has reflected adjustments made thereto using the equity method.

Balance Sheet

2024.03.31				
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Current assets	\$ 2,018,591	\$ 2,833,348	\$ 766,160	\$ 860,256
Non-current assets	539,165	3,925,906	2,665,196	659,689
Current liabilities	213,088	1,416,819	522,272	193,372
Non-current liabilities	166,607	1,647,336	590,931	7,436
Equity	2,178,061	3,695,099	2,318,153	1,319,137
Non-controlling interests	(44,512)	—	—	(25,915)
	<u>\$ 2,133,549</u>	<u>\$ 3,695,099</u>	<u>\$ 2,318,153</u>	<u>\$ 1,293,222</u>
The Company's share of profit	\$ 634,688	\$ 1,056,513	\$ 471,979	\$ 432,332
Goodwill	—	1,883,053	8,249	11,477
Downstream/sidestream transactions with associates	—	—	—	(8,284)
Carrying amount of associates invested	<u>\$ 634,688</u>	<u>\$ 2,939,566</u>	<u>\$ 480,228</u>	<u>\$ 435,525</u>
2023.12.31				
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Current assets	\$ 2,227,798	\$ 2,999,368	\$ 1,098,010	\$ 1,044,034
Non-current assets	519,348	3,789,164	2,672,391	612,245
Current liabilities	221,755	1,655,017	753,423	219,577
Non-current liabilities	153,896	1,544,432	569,786	8,117
Equity	2,371,495	3,589,083	2,447,192	1,428,585
Non-controlling interests	(51,507)	—	—	(27,887)
	<u>\$ 2,319,988</u>	<u>\$ 3,589,083</u>	<u>\$ 2,447,192</u>	<u>\$ 1,400,698</u>
The Company's share of profit	\$ 690,923	\$ 1,026,201	\$ 498,697	\$ 470,207
Goodwill	—	1,883,053	8,249	13,626
Downstream/sidestream transactions with associates	—	—	—	(8,620)
Carrying amount of associates invested	<u>\$ 690,923</u>	<u>\$ 2,909,254</u>	<u>\$ 506,946</u>	<u>\$ 475,213</u>



March 31, 2023

	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Current assets	\$ 1,454,945	\$ 2,759,711	\$ 1,715,774	\$ 1,298,551
Non-current assets	2,428,842	3,486,040	2,535,420	709,325
Current liabilities	261,865	1,162,211	694,441	192,396
Non-current liabilities	191,003	1,306,658	686,480	—
Equity	3,430,919	3,776,882	2,870,273	1,815,480
Non-controlling interests	(47,733)	—	—	(38,802)
	<u>\$ 3,383,136</u>	<u>\$ 3,776,882</u>	<u>\$ 2,870,273</u>	<u>\$ 1,776,678</u>
The Company's share of profit	\$ 1,007,557	\$ 1,042,526	\$ 586,244	\$ 588,918
Goodwill	—	1,815,727	8,249	1,422
Downstream/sidestream transactions with associates	—	—	—	(9,669)
Carrying amount of associates invested	<u>\$ 1,007,557</u>	<u>\$ 2,858,253</u>	<u>\$ 594,493</u>	<u>\$ 580,671</u>

Statement of Profit or Loss

Three Months Ended March 31, 2024

	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Revenue	\$ 47,141	\$ 971,712	\$ 80,190	\$ 4,463
Net income of continuing operations	\$ (214,513)	\$ 32,351	\$ (135,611)	\$ (117,591)
Other comprehensive income (net after tax)	13,518	3,650	160	25
Total comprehensive income (loss)	<u>\$ (200,995)</u>	<u>\$ 36,002</u>	<u>\$ (135,451)</u>	<u>\$ (117,566)</u>
Dividends received from associates	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

Three Months Ended March 31, 2023

	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Revenue	\$ 43,337	\$ 585,862	\$ 138,388	\$ 7,976
Net income of continuing operations	\$ (190,519)	\$ (72,336)	\$ (240,965)	\$ 143,957
Other comprehensive income (net after tax)	(2,829)	(5,468)	(39)	7
Total comprehensive income (loss)	<u>\$ (193,348)</u>	<u>\$ (77,804)</u>	<u>\$ (241,004)</u>	<u>\$ 143,964</u>
Dividends received from associates	<u>\$ 13,053</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

- H. The carrying amounts and share of operating results of the Group's individually immaterial associates are summarized as follows:

As of January 31, 2024, December 31, 2023, and March 31, 2023, the aggregate carrying amounts of other affiliated companies within the Group were \$1,282,886 thousand, \$1,290,364 thousand, and \$2,494,629 thousand, respectively.

The Company's share of profit	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net income of continuing operations	\$ (22,726)	\$ 58,845
Other comprehensive income (net after tax)	\$ 1,127	\$ (385)

(7) Property, plant and equipment

- A. The carrying amounts of the Group's property, plant, and equipment are listed as follows:

Items	2024.03.31	2023.12.31	2023.03.31
Land, buildings, and structures	\$ 777,790	\$ 778,324	\$ 781,830
Machinery and equipment	367,917	340,481	361,802
Transportation equipment	1,206	1,308	1,612
Office facility	44,097	46,083	46,423
Leasehold improvements	106,861	107,806	35,314
Miscellaneous equipment	24,814	24,506	19,796
Unfinished construction and equipment under acceptance	13,437	46,264	13,511
Total	\$ 1,336,122	\$ 1,344,772	\$ 1,260,288

- B. Changes in cost, depreciation, and impairment loss on the Group's property, plant, and equipment are detailed as follows:

	Balance as of January 1, 2024	Addition - individually acquired	Disposal	Reclassification	Effect amount of exchange differences	Balance as of March 31, 2024
<b>Cost:</b>						
Land, buildings, and structures	\$ 997,954	\$ 798	\$ —	\$ 4,118	\$ —	\$ 1,002,870
Machinery and equipment	675,454	7,351	—	30,477	12	713,294
Transportation equipment	6,206	—	—	—	—	6,206
Office facility	137,524	884	(28)	—	—	138,380
Leasehold improvements	129,659	1,592	—	762	—	132,013
Miscellaneous equipment	53,348	119	—	1,072	—	54,539
Unfinished construction and equipment under acceptance	46,264	3,602	—	(36,429)	—	13,437
Total	<u>\$ 2,046,409</u>	<u>\$ 14,346</u>	<u>\$ (28)</u>	<u>\$ —</u>	<u>\$ 12</u>	<u>\$ 2,060,739</u>
	Balance as of January 1, 2024	Depreciation expense	Disposal	Reclassification	Effect amount of exchange differences	Balance as of March 31, 2024
<b>Accumulated depreciation and impairment:</b>						
House and building	\$ 219,630	\$ 5,450	\$ —	\$ —	\$ —	\$ 225,080
Machinery and equipment	334,973	10,393	—	—	11	345,377
Transportation equipment	4,898	102	—	—	—	5,000
Office facility	91,441	2,870	(28)	—	—	94,283
Leasehold improvements	21,853	3,299	—	—	—	25,152
Miscellaneous equipment	28,842	883	—	—	—	29,725
Total	<u>\$ 701,637</u>	<u>\$ 22,997</u>	<u>\$ (28)</u>	<u>\$ —</u>	<u>\$ 11</u>	<u>\$ 724,617</u>
	Balance as of January 1, 2023	Corporate merger acquisition	Addition - individually acquired	Disposal	Reclassification	Balance as of March 31, 2023
<b>Cost:</b>						
Land, buildings, and structures	\$ 591,881	\$ 391,843	\$ 1,001	\$ —	\$ —	\$ 984,725
Machinery and equipment	156,713	504,817	211	—	3,611	665,352
Transportation equipment	5,963	645	—	—	—	6,608
Office facility	67,884	57,991	1,590	(27)	2,098	129,536
Leasehold improvements	—	32,282	4,226	—	15,840	52,348
Miscellaneous equipment	41,498	5,860	—	(1,048)	—	46,310
Unfinished construction and equipment under acceptance	—	31,635	3,425	—	(21,549)	13,511
Total	<u>\$ 863,939</u>	<u>\$ 1,025,073</u>	<u>\$ 10,453</u>	<u>\$ (1,075)</u>	<u>\$ —</u>	<u>\$ 1,898,390</u>

	Balance as of January 1, 2023	Corporate merger acquisition	Depreciation expense	Disposal	Reclassification	Balance as of March 31, 2023
<b>Accumulated depreciation and impairment:</b>						
House and building	\$ 141,864	\$ 55,403	\$ 5,628	\$ —	\$ —	\$ 202,895
Machinery and equipment	112,093	181,221	10,236	—	—	303,550
Transportation equipment	4,391	503	102	—	—	4,996
Office facility	49,170	31,184	2,784	(25)	—	83,113
Leasehold improvements	—	15,916	1,118	—	—	17,034
Miscellaneous equipment	23,972	2,847	714	(1,019)	—	26,514
Total	<u>\$ 331,490</u>	<u>\$ 287,074</u>	<u>\$ 20,582</u>	<u>\$ (1,044)</u>	<u>\$ —</u>	<u>\$ 638,102</u>

C. The amount of capitalized interest for the three months ended March 31, 2024 and 2023 in the consolidated company was both 0 thousand dollars.

D. Please refer to Note 8 for the amount of property, plant, and equipment set by the consolidated company as collateral for a loan.

(8) Lease agreements

A. Right-of-use assets

	2024.03.31	2023.12.31	2023.03.31
Carrying amount of right-of-use assets			
House and building	\$ 21,947	\$ 24,003	\$ 30,171
Office facility	—	—	54
Transportation equipment	2,033	2,277	65
Total	<u>\$ 23,980</u>	<u>\$ 26,280</u>	<u>\$ 30,290</u>

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Addition of right-of-use assets	<u>\$ —</u>	<u>\$ 5,628</u>
Depreciation expense of right- of-use assets		
House and building	\$ 2,056	\$ 2,056
Office facility	—	32
Transportation equipment	244	195
Total	<u>\$ 2,300</u>	<u>\$ 2,283</u>

B. Lease liabilities

	2024.03.31	2023.12.31	2023.03.31
Current	\$ 9,251	\$ 9,436	\$ 8,250
Non-current	\$ 15,037	\$ 17,133	\$ 22,266

The ranges of discount rates for lease liabilities are listed as follows:

	2024.03.31	2023.12.31	2023.03.31
House and building	1.350%	1.350%	1.350%
Office facility	—	2.077%	2.077%
Transportation equipment	2.072%	2.072%	2.077%

C. Other lease information

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Short-term lease and low-value asset expenses	\$ 722	\$ 343
Total leasehold cash (outflow)	\$ (2,281)	\$ (2,248)

The consolidated company chooses to exempt the leases applicable to leases such as housing eligible for short-term leases and certain office equipment, such as low-value assets and does not recognize the relevant right of use assets and lease liabilities for such tenancies.

D. Operating leasing commitment - the consolidated company as a lessor

The consolidated company leases offices and factories by means of operating lease. The future minimum lease payments under non-cancellable operating leases as of March 31, 2024, and 2023 were listed as follows:

Items	2024.03.31	2023.03.31
Less than 1 year	\$ 31,621	\$ 23,250
More than 1 year but less than 5 years	62,637	43,756
Total	\$ 94,258	\$ 67,006

(9) Investment property

- A. The carrying amounts of the consolidated company's investment property are listed as follows:

Items	2024.03.31	2023.12.31	2023.03.31
Land	\$ 557,177	\$ 557,177	\$ 557,177
House and building	108,135	109,382	113,383
Total	<u>\$ 665,312</u>	<u>\$ 666,559</u>	<u>\$ 670,560</u>

- B. Changes in costs, depreciation, and impairment loss on the consolidated company's investment property are detailed as follows:

Acquisition cost	Land	House and building	Total
Balance as of January 1, 2024	\$ 557,177	\$ 151,867	\$ 709,044
Increase in current period	—	—	—
Balance as of March 31, 2024	<u>\$ 557,177</u>	<u>\$ 151,867</u>	<u>\$ 709,044</u>
Accumulated depreciation and impairment			
Balance as of January 1, 2024	\$ —	\$ 42,485	\$ 42,485
Depreciation in current period	—	1,247	1,247
Balance as of March 31, 2024	<u>\$ —</u>	<u>\$ 43,732</u>	<u>\$ 43,732</u>

Acquisition cost	Land	House and building	Total
Balance as of January 1, 2023	\$ 557,177	\$ 151,867	\$ 709,044
Increase in current period	—	—	—
Balance as of March 31, 2023	<u>\$ 557,177</u>	<u>\$ 151,867</u>	<u>\$ 709,044</u>
Accumulated depreciation and impairment			
Balance as of January 1, 2023	\$ —	\$ 37,148	\$ 37,148
Depreciation in current period	—	1,336	1,336
Balance as of March 31, 2023	<u>\$ —</u>	<u>\$ 38,484</u>	<u>\$ 38,484</u>

- C. The fair value of the consolidated company's investment property as of March 31, 2024, and 2023 is NT\$822,219 thousand and NT\$874,020 thousand, respectively. The merged company's investment real estate is to appoint an independent external appraisal expert to evaluate the fair value. The fair value is estimated based on market evidence of similar real estate transaction prices.
- D. The rental income generated from investment properties for the periods from January 1 to March 31 of the years 2024 and 2023 were NT\$8,187 thousand and NT\$7,899 thousand, respectively. There were no direct operating expenses incurred for the periods from January 1 to March 31 of the years 2024 and 2023.
- E. For investment property pledged by the Group, please refer to Note 8.

(10) Intangible assets

- A. The carrying amounts of the Group's intangible assets are listed as follows:

Items	2024.03.31	2023.12.31	2023.03.31
Computer software	\$ 3,931	\$ 3,319	\$ 2,213
Goodwill	398,359	398,359	350,471
Technical know-how	182,404	187,616	203,251
Trademark right	229,975	236,545	256,257
Total	<u>\$ 814,669</u>	<u>\$ 825,839</u>	<u>\$ 812,192</u>

- B. The consolidated company's changes in costs, amortizations and impairment losses of the intangible assets are detailed as follows:

	Balance as of January 1, 2024	Addition - individually acquired	Disposal	Balance as of March 31, 2024
<b>Acquisition cost:</b>				
Computer software	\$ 18,309	\$ 1,001	\$ —	\$ 19,310
Goodwill	398,359	—	—	398,359
Technical know-how	208,462	—	—	208,462
Trademark right	262,828	—	—	262,828
Total	<u>\$ 887,958</u>	<u>\$ 1,001</u>	<u>\$ —</u>	<u>\$ 888,959</u>
	Balance as of January 1, 2024	Amortization expense	Disposal	Balance as of March 31, 2024
<b>Accumulated amortization and impairment:</b>				
Computer software	\$ 14,990	\$ 389	\$ —	\$ 15,379
Technical know-how	20,846	5,212	—	26,058
Trademark right	26,283	6,570	—	32,853
Total	<u>\$ 62,119</u>	<u>\$ 12,171</u>	<u>\$ —</u>	<u>\$ 74,290</u>

	Balance as of January 1, 2023	Corporate merger acquisition	Addition - individually acquired	Disposal	Balance as of March 31, 2023
<b>Acquisition cost:</b>					
Computer software	\$ 14,848	\$ 906	\$ 483	\$ —	\$ 16,237
Goodwill	1,345	349,126	—	—	350,471
Technical know-how	—	208,462	—	—	208,462
Trademark right	—	262,828	—	—	262,828
Total	<u>\$ 16,193</u>	<u>\$ 821,322</u>	<u>\$ 483</u>	<u>\$ —</u>	<u>\$ 837,998</u>

	Balance as of January 1, 2023	Corporate merger acquisition	Amortization expense	Disposal	Balance as of March 31, 2023
<b>Accumulated amortization and impairment:</b>					
Computer software	\$ 12,907	\$ 809	\$ 308	\$ —	\$ 14,024
Technical know-how	—	—	5,211	—	5,211
Trademark right	—	—	6,571	—	6,571
Total	<u>\$ 12,907</u>	<u>\$ 809</u>	<u>\$ 12,090</u>	<u>\$ —</u>	<u>\$ 25,806</u>

- C. No impairment losses on goodwill were recognized for the three months ended March 31, 2024 and 2023 in the consolidated company.
- D. Amortization expense that should be recognized in the Group's intangible assets has been included in operating costs and operating expenses provided in the consolidated statements of profit and loss.

(11) Loans

A. Short-term loans

	2024.03.31	2023.12.31	2023.03.31
Bank loan			
Unsecured loan	\$ —	\$ —	\$ 200,000
Secured loan	330,000	330,000	50,000
Total	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ 300,000</u>
Range of interest rates	2.40%	2.05%~2.40%	1.80%~1.85%



B. Long-term loans

	2024.03.31	2023.12.31	2023.03.31
Bank loan			
Secured loan	\$ 1,561,281	\$ 913,982	\$ 1,987,000
Less: Long-term loans - due within one year	(234,750)	(852,892)	(1,915,052)
Total	<u>\$ 1,326,531</u>	<u>\$ 61,090</u>	<u>\$ 71,948</u>

C. Please refer to Note 8 for the assets provided by the consolidated company as collateral for bank loans.

D. For details of the consolidated company's interest rate, foreign currency, and liquidity risk, please refer to Note 6(25).

(12) Other payables

Items	2024.03.31	2023.12.31	2023.03.31
Expenses payable:			
Salaries, bonuses and employee social insurance	\$ 45,013	\$ 66,580	\$ 20,492
Commission expense	5,126	5,519	3,538
Employee bonus and remuneration to the board of directors payable	—	—	34,939
Other estimated expenses payable	36,643	49,192	28,050
Subtotal	<u>86,782</u>	<u>121,291</u>	<u>87,019</u>
Business tax payable	2,073	16,902	2,592
Equipment expenses payable	5,682	22,203	8,786
Total	<u>\$ 94,537</u>	<u>\$ 160,396</u>	<u>\$ 98,397</u>

(13) Bonds payable

	March 31, 2024	December 31, 2023	March 31, 2023
Domestic unsecured convertible bonds	\$ 2,320,700	\$ 2,320,700	\$ 1,500,000
Domestic secured convertible bonds	2,624,900	2,624,900	500,000
Less: Discount on bonds payable	(556,039)	(594,774)	(119,386)
Less: Bonds due within one year	-	-	(1,880,614)
Total	<u>\$ 4,389,561</u>	<u>\$ 4,350,826</u>	<u>\$ -</u>

Changes from January 1 to March 31, 2024 and 2023:

Items	March 31, 2024	March 31, 2023
Liability component on January 1	\$ 4,350,826	\$ 1,868,778
Interest calculated at effective interest rates	38,735	11,836
Liability component on March 31	<u>\$ 4,389,561</u>	<u>\$ (1,880,614)</u>

A. Fourth domestic secured convertible bonds

On September 7, 2020, the Company issued 5,000 units of New Taiwan Dollar-denominated zero-coupon secured convertible bonds totaling NT\$500,000 thousand.

Holders of each unit of the convertible bonds are entitled to convert them into ordinary shares of the Company at NT\$91 per share. The conversion period for the convertible bonds is three months from the date when the convertible bonds were issued to the maturity date. Holders of the convertible bonds may request the Company to redeem the convertible bonds they held in cash at the par value of the convertible bonds plus an interest compensation equivalent to 100.75% (or an effective yield of 0.25%) of the par value of the convertible bonds at the end of three years from the issuance of the convertible bonds.

The convertible bonds consist of liability and equity components, where the equity component is listed in capital surplus - stock options under equity. The effective interest rate of the liability component at initial recognition was 1.0452%.

During the issuance of the convertible bonds, the conversion option of the bonds was separated from liabilities. Information on the recognition of the convertible bonds in equity and liabilities is provided as follows:

The present value of the compound interest on convertible corporate bonds	\$ 474,668
Embedded derivative instrument - the right of redemption and put-back	1,530
Equity component at issuance	<u>22,491</u>
Issue price of convertible bonds (net of issuance costs of NT\$1,311 thousand)	<u>\$ 498,689</u>

B. Fifth domestic unsecured convertible bonds

On September 8, 2020, the Company issued 15,000 units of New Taiwan Dollar-denominated zero-coupon unsecured convertible bonds totaling NT\$1,500,000 thousand.

In compliance with Article 7 of the Conversion Bond Act, effective from the issuance date of the sixth domestically secured convertible bond issuance (i.e., April 6, 2023), the Company set up an equivalent class of bonds or collateral rights in the same order as the secured convertible bond.

Holders of each unit of the convertible bonds are entitled to convert them into ordinary shares of the Company at NT\$90 per share. The conversion period for the convertible bonds is three months from the date when the convertible bonds were issued to the maturity date. Holders of the convertible bonds may request the Company to redeem the convertible bonds they held in cash at the par value of the convertible bonds plus an interest compensation equivalent to 102.27% (or an effective yield of 0.75%) of the par value of the convertible bonds at the end of three years from the issuance of the convertible bonds.

The convertible bonds consist of liability and equity components, where the equity component is listed in capital surplus - stock options under equity. The effective interest rate of the liability component at initial recognition was 3.0877%.

During the issuance of the convertible bonds, the conversion option of the bonds was separated from liabilities. Information on the recognition of the convertible bonds in equity and liabilities is provided as follows:

The present value of the compound interest on convertible corporate bonds	\$	1,288,418
Embedded derivative instrument - the right of redemption and put-back		38,760
Equity component at issuance		168,979
Issue price of convertible bonds (net of issuance costs of NT\$3,843 thousand)	\$	<u>1,496,157</u>

C. Sixth domestic secured convertible bonds

On April 26, 2023, the Company issued 7,000 units of secured convertible bonds denominated in New Taiwan dollars with a coupon rate of 0% and a total principal amount of NT\$700,000 thousand in Taiwan. The company's bonds were publicly underwritten through competitive bidding at 110.08% of face value, resulting in a total issued amount of NT\$770,583 thousand.

Holders of each unit of the convertible bonds are entitled to convert them into ordinary shares of the Company at NT\$48 per share. The conversion period for the convertible bonds is three months from the date when the convertible bonds were issued to the maturity date.

The convertible bonds consist of liability and equity components, where the equity component is listed in capital surplus - stock options under equity. The effective interest rate of the liability component at initial recognition was 2.647%.

During the issuance of the convertible bonds, the conversion option of the bonds was separated from liabilities. Information on the recognition of the convertible bonds in equity and liabilities is provided as follows:

The present value of the compound interest on		
convertible corporate bonds	\$	614,362
Embedded derivative instrument - the right of put-back		(5,488)
Equity component at issuance		160,623
Issue price of convertible bonds (net of issuance costs of NT\$1,086 thousand)	\$	<u>769,497</u>

D. Seventh domestic unsecured convertible bonds

On April 27, 2023, the Company issued 25,000 units of unsecured convertible bonds denominated in New Taiwan dollars with a coupon rate of 0% and a total principal amount of NT\$2,500,000 thousand in Taiwan.

Holders of each unit of the convertible bonds are entitled to convert them into ordinary shares of the Company at NT\$49 per share. The conversion period for the convertible bonds is three months from the date when the convertible bonds were issued to the maturity date. Holders of the convertible bonds may request the Company to redeem the convertible bonds they held in cash at the par value of the convertible bonds plus an interest compensation equivalent to 103.03% (or an effective yield of 1%) of the par value of the convertible bonds at the end of three years from the issuance of the convertible bonds.

The convertible bonds consist of liability and equity components, where the equity component is listed in capital surplus - stock options under equity. The effective interest rate of the liability component at initial recognition was 5.03917%.

During the issuance of the convertible bonds, the conversion option of the bonds was separated from liabilities. Information on the recognition of the convertible bonds in equity and liabilities is provided as follows:

The present value of the compound interest on		
convertible corporate bonds	\$	1,955,165
Embedded derivative instrument - the right of redemption and put-back		41,075
Equity component at issuance		499,918
Issue price of convertible bonds (net of issuance costs of NT\$3,842 thousand)	\$	<u>2,496,158</u>

(14) Employee benefits

A. Defined contribution plan

Since subsidiaries of the Company, including Center Biotherapeutics Inc., Centerlab Investment Holding Limited, Center Laboratories Limited, Center Venture Holding I Limited, Center Venture Holding II Limited, Center Venture Holding III Limited, Bioflag International Corporation, Bioflag Co., Ltd., and Genlac Biotech Inc. do not hire full-time employees, their investing activities are carried out by the Company and management consulting firms. Hence, there is no relevant pension system in these subsidiaries.

The pension system of the Labour Pensions Ordinance applies to the Company and Glac Biotech Co., Ltd. is a definitive allocation scheme, which has been allocated to the individual pension account of the Labour Insurance Bureau based on 6 percent of the employee's monthly salary since July 1, 2005.

The retirement pensions of the remaining subsidiaries are determined by the definite allocation system, and various social security funds such as pensions and medical care are paid to the local government every month according to laws and regulations.

The total recognized expenses for defined contribution plan in the income statement for the periods from January 1 to March 31 of the years 2024 and 2023 were NT\$4,460 thousand and NT\$3,753 thousand, respectively.

B. Defined benefit plan

Where the Company and Glac Biotech Co., Ltd. adopt the government-managed defined benefit plan as their pension system applicable under the Labor Standards Act, each employee whose has served the company for up to 15 years, shall be given two bases for each full year of service rendered, while each employee who has served the company over 15 years shall be given one base for each full year of service rendered. An employee shall not receive more than 45 bases in total. The payment of employee pension shall be calculated based on an employee's years of service and his/her average wage (number of bases) over six months before his/her retirement is approved. The Company contributes 2% of the total salary to the pension fund, which is deposited into a special account opened with Bank of Taiwan under the name of the Supervisory Committee of Employee Retirement Reserve Fund.

Before the end of each year, if the balance in the account is inadequate to pay pensions to workers retiring in the same year, the difference has to be made up in a one-off contribution before the end of March the following year. This special account is managed by the Labor Fund Utilization Bureau of the Ministry of Labor, and the Company has no right to influence the investment management strategy.

According to the aforementioned regulations, the retirement benefit cost (profit) recognized as expenses in the income statement for the Company for the periods from January 1 to March 31 of the years 2024 and 2023 were (NT\$4) thousand and NT\$0 thousand, respectively.

#### (15) Equity

##### A. Share capital

As of March 31, 2024, and 2023, the issued capital was NT\$10,000,000 thousand and the par value of each share is NT\$10, all of which are 1,000,000 thousand shares. As of March 31, 2024 and 2023, the Company had a paid-in capital of NT\$6,914,211 thousand and NT\$5,947,560 thousand, corresponding to 691,421 thousand ordinary shares and 594,756 thousand ordinary shares, respectively.

Based on the resolution passed by the shareholders' meeting in June 2015, the Company conducted a private placement of ordinary shares by issuing 15,000 thousand ordinary shares at a premium of \$62.1 per share in November 2015, and raised \$931,500 thousand in capital, where the record date for capital increase was November 26, 2015. In June 2016, the Company issued 5,000 thousand ordinary shares at a premium of \$62.1 per share and raised \$310,500 thousand in capital, where the record date for capital increase was June 22, 2016. The rights and obligations for the ordinary shares issued through private placements above are similar to those for other issued shares, except for restrictions on the circulation and transfer of these shares and the requirement that application for listing on the over-the-counter market can only be submitted after three years from the delivery date of these shares and conducting a public offering in accordance with the Securities and Exchange Act.

B. Capital surplus

Items	2024.03.31	2023.12.31	2023.03.31
Issued at premium	\$ 4,866,544	\$ 4,866,544	\$ 3,772,429
Changes in net equity of associates and joint ventures accounted for using the equity method	1,054,728	1,046,926	1,044,152
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	449,327	449,327	449,327
Stock options	800,338	800,338	191,470
Transaction of shares in stock	76,827	76,827	71,993
Others	1,540	1,540	120
Total	<u>\$ 7,249,304</u>	<u>\$ 7,241,502</u>	<u>\$ 5,529,491</u>

- (a) Increase in ordinary share premium is due to capital increase and convertible bond premium.
- (b) Changes in the net equity of associates and joint ventures accounted for using the equity method are due to difference in net equity arising from changes in the shareholders' equity of investees and changes in the percentage of ownership.
- (c) The difference between the acquisition or disposal of the equity price of a subsidiary company and the book value is the acquisition or sale of the equity of the subsidiary. Since it has not lost control, it is regarded as an equity transaction and transferred to the capital surplus.
- (d) According to the laws and regulations, capital surplus may not be used for purposes other than offsetting deficits. However, capital surplus arising from income derived from the issuance of new shares at a premium (including ordinary shares issued in excess of par value, share premium arising from the issuance of shares due to mergers, and trading of treasury shares) and endowments received, may be capitalized, where the total sum of capital surplus capitalized each year shall not exceed 10% of the paid-in capital. Capital surplus arising from long-term equity investments may not be used for any purpose.

In addition, under the Company Law amended in January 2012, if a company has no losses, the capital surplus from the issue of stock in excess of par value and the capital surplus from gifts may be distributed in cash in proportion to the shareholders' original shareholdings.

C. Retained earnings

Based on the Articles of Association, the annual earnings of the Company shall be first appropriated to pay taxes and offset accumulated losses before allocating 10% of the remaining earning to the legal capital reserve (not applicable where accumulated legal capital reserve has reached the amount required by law and regulations) and a special capital reserve in accordance to the Company's operating needs and pursuant to the applicable law and regulations. Any retained earnings available for distribution together with accumulated undistributed retained earnings may be proposed by the Board of Directors to appropriate and be resolved at the Annual General Meeting.

According to the Company's Articles of Incorporation, a dividend policy aims to establish a comprehensive financial structure and ensure investors' interests; hence, the Company adopts a dividend equalization policy, where earnings to be appropriated shall be no less than 50% of the unappropriated earnings for the current year, and at least 10% of dividends to be distributed in the current year shall be distributed as cash dividends. If there are not enough dividends to be distributed in the form of cash, the dividends may be fully distributed in the form of shares.

(a) Legal capital reserve

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's capital surplus. Legal reserve may be used for offsetting deficits. According to the amended provisions of the Company Act which was announced on January 4, 2012, if the Company has no deficit and the legal reserve has exceeded 25% of the Company's total paid-in capital, the excess may be capitalized or distributed in the form of cash.

(b) Special capital reserve

The Company appropriates or reserves special reserve according to the Company's needs, which is subject to the resolution of the shareholders meeting, and in accordance with the Letter No. 1010012865, Letter No. 1010047490 and Letter No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs."

D. Appropriation of earnings

On March 12, 2024, the Company's Board of Directors proposed a resolution to offset the losses for 2023 and distribute dividends from the capital surplus.



However, the resolution to offset the losses is still pending approval at the upcoming shareholders' general meeting scheduled for June 25, 2024.

	2023	
	Amount	Earnings per share (\$)
Cash dividends	1,037,159	1.50

The distribution of earnings for 2022, which were proposed and approved in the shareholders' meetings on June 20, 2023 was as follows:

	2022	
	Amount	Earnings per share (\$)
Stock dividends	327,116	0.55
Cash dividends	594,756	1
Stock dividends from capital surplus	267,640	0.45

For the appropriation of earnings proposed by the Board of Directors and approved by the shareholders' meeting at the Company, please visit the Market Observation Post System.

E. Other equity

Changes in other equity items for the three months ended March 31, 2024 and 2023 are as follows:

	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Exchange differences arising on translation of foreign operations	Total
Balance as of January 1, 2024	\$ 74,820	\$ (50,396)	\$ 24,424
Exchange differences arising on translation of foreign operations	—	27,630	27,630
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	—	5,796	5,796
Balance as of March 31, 2024	\$ 74,820	\$ (16,970)	\$ 57,850

	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Exchange differences arising on translation of foreign operations	Total
Balance as of January 1, 2023	\$ 37,824	\$ (39,964)	\$ (2,140)
Exchange differences arising on translation of foreign operations	—	(5,394)	(5,394)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	—	(2,300)	(2,300)
Balance as of March 31, 2023	\$ 37,824	\$ (47,658)	\$ (9,834)

F. Treasury shares

- (a) Reasons for treasury stock and its quantity for the three months ended March 31, 2024:

Three Months Ended March 31, 2024				
Unit: thousand shares				
Reason for reacquisition	Number of Shares, Beginning of Period	Increase in current period	Decrease in current period	Number of Shares, End of Period
Shares of the Company held by subsidiaries	5,358	—	—	5,358

As of March 31, 2024, the subsidiary company held treasury stocks with a market value of NT\$231,720 thousand.

- (b) According to the Securities and Exchange Act, the number of shares outstanding repurchased by the Company shall not exceed 10% of the number of issued shares, and the total amount repurchased shall not exceed the sum of the Company's retained earnings, share premium, and realized capital surplus.
- (c) According to the Securities and Exchange Act, treasury shares held by the Company shall not be pledged, and may not hold any shareholder rights before their transfer. The subsidiaries holding the aforementioned treasury shares are bestowed shareholders' rights, except the rights to participate in any capital increase by cash and to vote.

G. Non-controlling interests

Items	2024.03.31	2023.03.31
Beginning balance	\$ 459,349	\$ —
Share attributable to non-controlling interests:		
Net profit of the year	(8,248)	(13,457)
Increase in non-controlling interests in subsidiary acquisitions	—	511,575
Ending balance	<u>\$ 451,101</u>	<u>\$ 498,118</u>

(16) Conglomerate mergers

A. Acquisition of subsidiaries

Company name	Principal Business Activities	Date of Acquisition	Ownership Interests, Voting Rights, and Acquisition Ratio (%)	Transfer Price
Bioflag International Corporation and its subsidiaries	Functional Probiotic Sales	2013/01/03	47.33%	\$ 808,825

B. Transfer Consideration

	Bioflag International Corporation
The fair value of the interest held prior to the acquisition on the acquisition date	\$ 659,114
Payment for shares in associates	149,711
Net cash flows	<u>\$ 808,825</u>

C. Assets acquired and liabilities assumed upon acquisition date

	Bioflag International Corporation and its subsidiaries
Current assets	
Cash and bank deposits	\$ 120,622
Receivables	49,714
Inventories	128,401
Prepayments and others	21,098
Non-current assets	
Property, plant and equipment	737,999
Right-of-use assets	37,229
Intangible assets	471,387
Deferred tax assets	18,739
Other non-current assets	3,608
Current liabilities	
Short-term loans	(300,000)
Accounts payable and other payables	(69,710)
Other current liabilities	(16,419)
Non-current liabilities	
Bonds payable	(200,000)
Other non-current liabilities	(31,394)
Total	<u>\$ 971,274</u>

D. Non-controlling interests

The non-controlling interests (representing 52.67% of the current equity ownership) in Bioflag International Corporation and its subsidiaries are measured at the fair value of non-controlling interests on the acquisition date, which amounts to NT\$511,575 thousand. This fair value is estimated using the identifiable net assets fair value approach.

E. Goodwill acquired from acquisition (Gains on bargain purchase)

	Three Months Ended March 31, 2023	
	Bioflag International Corporation	
Transfer Consideration	\$	808,825
Non-controlling interests		511,575
Less: fair value of identifiable net assets acquired		971,274
Goodwill acquired from acquisition	\$	349,126

The goodwill generated from the acquisition of Bioflag International Corporation primarily arises from expected synergies, revenue growth, and future market development. However, these benefits do not meet the recognition criteria for identifiable intangible assets; therefore, they are not recognized separately.

F. Gains on Acquisition of Subsidiaries

	Three Months Ended March 31, 2023	
	Bioflag International Corporation	
The Fair value of equity method investments remeasured on the acquisition date	\$	659,114
Less: Loss of the book value of the investment on the day of significant impact		459,952
Gains recognized	\$	199,162

G. Net cash flows from subsidiaries

	Three Months Ended March 31, 2023	
	Bioflag International Corporation	
Consideration paid in cash	\$	—
Less: balance of cash and cash equivalents acquired		120,622
Net cash flows	\$	(120,622)

## H. Effect of business combinations on operating results

The operating results of the acquired companies from the acquisition date are as follows:

	Bioflag International Corporation	
	Date of Acquisition - March 31, 2023	
Operating revenue	\$	105,294
Net Profit		(13,672)

If the merger of the business occurs on the beginning date of the fiscal year of the acquisition date, the operating results from the acquired company are as follows. These projected figures are for illustrative purposes only and do not reflect the actual income and operating results that the merged company may generate when the merger is completed on the beginning date of the fiscal year of the acquisition. They should not be used to forecast future operating results.

	Bioflag International Corporation	
Operating revenue	\$	105,294
Net Profit		(13,672)

In preparing the hypothetical financial statements for the consolidated company since the beginning of the acquisition date's accounting year, management has taken the following factors into consideration:

- (a) Amortization is calculated based on the fair value of intangible assets determined at the time of the original accounting treatment of the business combination, rather than using the carrying amounts recognized in the acquired entity's financial statements before the acquisition.
- (b) The borrowing cost is estimated based on the post-merger financial condition of the consolidated company, credit rating, and debt-to-equity ratio.

## (17) Net revenue

### A. Details of revenue

	Three Months Ended March 31, 2024		
	Pharmaceutical Division	Glac Segment	Total
<u>Major Regional Markets</u>			
Taiwan	247,234	42,139	289,373
China	—	64,594	64,594
Others	—	9,443	9,443
	<u>247,234</u>	<u>116,176</u>	<u>363,410</u>

Three Months Ended March 31, 2024			
	Pharmaceutical Division	Glac Segment	Total
<u>Major Products/Services</u>			
Western medicine	247,234	—	247,234
Probiotics	—	116,176	116,176
Others	—	—	—
Total	247,234	116,176	363,410

  

Three Months Ended March 31, 2023			
	Pharmaceutical Division	Glac Segment	Total
<u>Major Regional Markets</u>			
Taiwan	229,717	25,557	255,274
China	—	50,417	50,417
Others	—	29,319	29,319
Total	229,717	105,293	335,010

  

<u>Major Products/Services</u>			
Western medicine	229,690	—	229,690
Probiotics	27	104,878	104,905
Others	—	415	415
Total	229,717	105,293	335,010

B. Contract assets and liabilities

Below are the contractual assets and contractual liabilities related to the Customer Contract Revenues confirmed by the Company:

	2024.03.31	2023.12.31	2023.03.31
Accounts receivable (including related parties)	186,217	192,569	211,245
Less: Loss allowance	(1,507)	(1,953)	(1,971)
	184,710	190,616	209,274
Contract liabilities	124,175	113,666	108,887

Contract liabilities are mainly due to advance receipts from commodity sales contracts, which will be transferred to revenue when the products are delivered to customers.

(18) Employee benefits, depreciation, and amortization expenses are summarized by function as follows:

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salaries	33,045	51,070	84,115	31,449	64,858	96,307
Labor and health insurance	3,872	4,172	8,044	3,329	4,162	7,491
Pension	1,905	2,551	4,456	1,602	2,151	3,753
Others	3,509	1,602	5,111	2,155	2,268	4,423
Subtotals	42,331	59,395	101,726	38,535	73,439	111,974
Depreciation	20,030	6,514	26,544	17,741	6,460	24,201
Amortization	13	12,158	12,171	12	12,078	12,090

The Company allocates 0.1% to 10% and no more than 2% of its net profit before tax before deducting employee compensation and remuneration of directors and supervisors for the current year, as compensation and remuneration of directors and supervisors, respectively in accordance with its Articles of Incorporation.

As a result of the pre-tax loss for the three months ended March 31, 2024, the Company was unable to provide employee compensation.

The Company's employee compensation and director and supervisor remuneration for the three months ended March 31, 2023 are as follows:

	Three Months Ended March 31, 2023	
	Percentage	Amount
Employee compensation	1.00%	12,012
Remuneration of directors and supervisors	1.00%	12,012

Changes in accounting estimates subsequent to the adoption of the annual financial statements are recognized as adjustments in the following year.

For information on the distribution of employee compensation and remuneration of directors and supervisors approved by the Company's Board of Directors, please visit the Market Observation Post System.

(19) Non-operating income and expenses

A. Finance costs

Items	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Interest on bank loans	\$ 8,688	\$ 14,164
Interest on corporate bonds	38,735	11,836
Interest on lease liabilities	88	100
Others	8	7
Subtotals	47,519	26,107
Bank loan processing fees	6,792	1,718
Total	\$ 54,311	\$ 27,825

B. Other gains and losses

Items	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Loss on valuation of accounts payable	\$ —	\$ 86,448
Loss on disposal of property, plant, and equipment	—	31
Others	90	—
Total	\$ 90	\$ 86,479

(20) Components of other comprehensive income

Three Months Ended March 31, 2024	Amount	Reclassification Adjustment	Other Comprehensive Income	Income Tax Benefit (Expense)	Amount After Tax
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	\$ 34,537	\$ —	\$ 34,537	\$ (6,907)	\$ 27,630
Share of other comprehensive income or loss of related parties and joint ventures accounted for using the equity method	6,096	—	6,096	(300)	5,796
Other comprehensive income	\$ 40,633	\$ —	\$ 40,633	\$ (7,207)	\$ 33,426



Three Months Ended March 31, 2023	Amount	Reclassification Adjustment	Other Comprehensive Income	Income Tax Benefit (Expense)	Amount After Tax
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	\$ (8,607)	\$ 1,865	\$ (6,742)	\$ 1,348	\$ (5,394)
Share of other comprehensive income or loss of related parties and joint ventures accounted for using the equity method	(2,630)	—	(2,630)	330	(2,300)
Other comprehensive income	<u>\$ (11,237)</u>	<u>\$ 1,865</u>	<u>\$ (9,372)</u>	<u>\$ 1,678</u>	<u>\$ (7,694)</u>

(21) Income tax

A. Deferred tax assets (liabilities)

Items	2024.03.31	2023.12.31	2023.03.31
Deferred tax assets			
Allowance for diminution in value of inventories	\$ 2,354	\$ 2,354	\$ 1,665
Unrealized gain on financial assets	10,985	—	—
Investments accounted for using the equity method	9,673	9,655	—
Loss offset	—	—	14,097
Exchange differences arising on translation of foreign operations	(1,653)	(1,470)	—
Others	678	677	3,125
Subtotals	<u>\$ 22,037</u>	<u>\$ 11,216</u>	<u>\$ 18,887</u>
Deferred tax liabilities			
Allowance for diminution in value of inventories	\$ 2,514	\$ 2,267	\$ 1,569
Bonds payable	(95,538)	(104,370)	8,499
Unrealized gain on financial assets	(328,133)	(246,064)	(346,428)
Land value increment tax	(11,718)	(11,718)	(11,718)
Investments accounted for using the equity method	44,639	(89,856)	(543,684)

Items	2024.03.31	2023.12.31	2023.03.31
Others	(4,053)	7,911	17,903
Exchange differences arising on translation of foreign operations	784	7,809	7,090
Subtotals	<u>\$ (391,505)</u>	<u>\$ (434,021)</u>	<u>\$ (866,769)</u>

B. Details of the Company's income tax expense recognized in gain or loss are provided as follows:

Items	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Income tax expense for the period	\$ 29,242	\$ 20,986
Deferred income tax expense	(60,543)	150,563
Income basic tax	—	13,968
Income tax expense (benefit)	<u>\$ (31,301)</u>	<u>\$ 185,517</u>

C. Income tax recognized in other comprehensive income

Items	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Exchange differences arising on translation of foreign operations	\$ 6,907	\$ (1,348)
Share of other comprehensive income or loss of related parties and joint ventures accounted for using the equity method	300	(330)
Income tax expense (gain) relating to items that may be reclassified to profit or loss	<u>\$ 7,207</u>	<u>\$ (1,678)</u>

D. The Company's business income tax has been checked and approved by the taxation authority until 2021.

(22) Earnings per share

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Net Profit	Weighted average shares	Earnings per share (\$)	Net Profit	Weighted average shares	Earnings per share (\$)
Basic earnings per share	(540,977)	691,421	<u>(0.78)</u>	991,634	653,737	<u>1.52</u>
Dilutive potential ordinary shares						
Employee compensation	—	—		—	286	
Convertible bonds	(Note)	—		9,469	32,715	
Diluted earnings per share	(540,977)	691,421	<u>(0.78)</u>	1,001,103	686,738	<u>1.46</u>

(Note) In calculating the surplus per diluted share, the inclusion of potential common shares in the calculation of net gain (loss) per share will have a dedilution effect and are not included in the calculation.

The effect of issuance of bonus shares has also been adjusted retrospectively during the computation of earnings per share. Due to retrospective adjustments, the basic and diluted earnings per share for the three months ended March 31, 2023, decreased from NT\$1.67 to NT\$1.52 and from NT\$1.60 to NT\$1.46, respectively.

If the Company can choose to distribute employee compensation in the form of stocks or cash, it should be assumed during the computation of diluted earnings per share that employee compensation will be distributed in the form of stocks, and the weighted average number of shares outstanding is included when the potential ordinary shares have a dilutive effect, so as to compute diluted earnings per share. Such dilutive effect of potential ordinary shares will also continue to be considered during the computation of diluted earnings per share before the number of shares to be distributed as employee bonus is approved by the shareholders' meeting in the following year.

(23) Cash flow information

A. Changes in Debt from Fundraising Activities

Three Months Ended March 31, 2024				
	Short-term loans	Long-term loans	Bonds payable	Lease payables
January 1	330,000	913,982	4,350,826	26,569
Cash flows from financing activities	—	647,299	—	(2,281)
New Lease	—	—	—	—
Other Non-Cash Adjustments	—	—	38,735	—
March 31	330,000	1,561,281	4,389,561	24,288

Three Months Ended March 31, 2023				
	Short-term loans	Long-term loans	Bonds payable	Lease payables
January 1	310,000	1,289,000	1,868,778	349
Cash flows from financing activities	(310,000)	698,000	—	(2,248)
Merged transfer	300,000	—	—	—
New Lease	—	—	—	5,628
Other Non-Cash Adjustments	—	—	11,836	26,787
March 31	300,000	1,987,000	1,880,614	30,516

(24) Capital management

Based on the characteristics of the industries in which the Company is currently operating and the future development of the Company, as well as taking into account factors such as changes in the external environment, the Company plans its needs for working capital, research and development expenses, and dividend payments in future periods, with a view to safeguarding the Company's ability to continue as a going concern, giving back to its shareholders while attending to the interests of other stakeholders, and maintaining an optimal capital structure to enhance shareholder value over the long run.

In order to maintain or adjust its capital structure, the Company may adjust the amount of dividends paid to shareholders by issuing new shares, distributing cash to shareholders or repurchasing its shares.

The Company monitors its capital by regularly reviewing its debt ratio. The Company's capital is represented by "total equity" as indicated in its consolidated balance sheets, which is also equal to total assets minus total liabilities.

The Company's debt ratios are listed as follows:

Items	2024.03.31	2023.12.31	2023.03.31
Total liabilities	\$ 7,384,378	\$ 6,785,953	\$ 7,000,976
Total amount	\$ 27,091,537	\$ 27,002,156	\$ 27,711,919
Debt ratio	27%	25%	25%

(25) Financial instruments

A. Information on fair value of financial instruments

Except as detailed in the table below, the carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, time deposits, notes receivable, accounts receivable, other receivables, long-term and short-term loans, refundable deposits, bills payable, accounts payable and other payables) approximate their fair values. For information on the fair value of financial instruments that are measured at fair value, please refer to Note 6.(25)C).

March 31, 2024				
	Carrying amount	Fair Value		
		Level 1	Level 2	Level 3
Financial liabilities				
Convertible bonds	4,389,561	—	—	4,337,793
December 31, 2023				
	Carrying amount	Fair Value		
		Level 1	Level 2	Level 3
Financial liabilities				
Convertible bonds	4,350,826	—	—	4,320,597

		March 31, 2023		
		Fair Value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities				
Convertible bonds	1,880,614	—	—	1,845,440

B. Fair value hierarchy

The table below provides an analysis of financial instruments measured subsequent to initial recognition at fair value, which are grouped into Levels 1 to 3 based on the degree to which the fair value is observable. Each level of the fair value hierarchy is defined as follows:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: Other than quoted prices included within Level 1, inputs are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (c) Level 3: Derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

C. Financial instruments measured at fair value are classified according to the nature, characteristics and risks of assets and liabilities and the level of the fair value hierarchy as follows:

		2024.03.31			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current:					
Overseas listed stocks	\$	1,036,276	\$ —	\$ —	\$ 1,036,276
Financial assets at fair value through profit or loss - non-current:					
Foreign funds	\$	—	\$ —	\$ 4,410,726	\$ 4,410,726
Domestic unlisted stocks and emerging stocks		—	191,038	8,154	199,192
Unlisted stocks and interests of foreign companies		—	—	3,417,922	3,417,922
Domestic listed stocks		3,072,557	—	—	3,072,557
Overseas listed stocks		1,652,373	—	—	1,652,373
Right of redemption		—	—	2,029	2,029
Total	\$	4,724,930	\$ 191,038	\$ 7,838,831	\$ 12,754,799
Financial liabilities at fair value through profit or loss – non-current:					
Put options	\$	—	\$ —	\$ 76,792	\$ 76,792

2023.12.31				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current:				
Overseas listed stocks	\$ 973,866	\$ —	\$ —	\$ 973,866
Financial assets at fair value through profit or loss - non-current:				
Foreign funds	\$ —	\$ —	\$ 3,928,862	\$ 3,928,862
Domestic unlisted stocks and emerging stocks	—	201,992	8,025	210,017
Unlisted stocks and interests of foreign companies	—	—	3,387,712	3,387,712
Domestic listed stocks	3,242,555	—	—	3,242,555
Overseas listed stocks	2,327,106	—	—	2,327,106
Right of redemption			3,264	3,264
Total	\$ 5,569,661	\$ 201,992	\$ 7,327,863	\$ 13,099,516
Financial liabilities at fair value through profit or loss – non-current:				
Put options	\$ —	\$ —	\$ 72,220	\$ 72,220

2023.03.31				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current:				
Overseas listed stocks	\$ 1,122,399	\$ —	\$ —	\$ 1,122,399
Financial assets at fair value through profit or loss - non-current:				
Foreign funds	\$ —	\$ —	\$ 3,421,743	\$ 3,421,743
Domestic unlisted stocks and emerging stocks	—	215,359	25,788	241,147
Unlisted stocks and interests of foreign companies	—	—	3,493,748	3,493,748
Domestic listed stocks	2,397,710	—	—	2,397,710
Overseas listed stocks	3,966,832	—	—	3,966,832
Total	\$ 6,364,542	\$ 215,359	\$ 6,941,279	\$ 13,521,180
Financial liabilities at fair value through profit or loss – current:				
Put options	\$ —	\$ —	\$ 161,115	\$ 161,115

D. The methods and assumptions used by the Group to measure fair value are explained as follows:

(a) Where the Company adopts the market quotation as the fair value input (i.e., the first grade), it is listed as follows according to the characteristics of the instrument:

	Listed Stocks	Open-end Funds
Quoted price	Closing price	Net asset

(b) Except for the financial instruments with active markets above, the fair value of the remaining financial instruments is measured using valuation techniques or by reference to quoted prices from counterparties. Fair values obtained using valuation techniques can be determined by reference to the current fair value

of other instruments with substantially the same conditions and characteristics and discounted cash flow analysis or using other valuation techniques, including using models based on market information available at the consolidated balance sheet date (e.g., reference yield curve on Taipei Exchange and commercial paper rates on Reuters).

(c) Derivative instruments are valued using valuation models that are commonly used by market participants, such as discounted cash flow analysis and option pricing models. Forward exchange contracts are usually valued based on current forward exchange rates. Structured interest rate derivatives are valued using appropriate option pricing models (e.g., Black-Scholes model) or other valuation methods (e.g., Monte Carlo simulation).

(d) Quantitative information on significant unobservable inputs used in valuation models for Level 3 fair value measurements and sensitivity analysis of changes in significant unobservable inputs are provided as follows:

	Fair value as of March 31, 2024	Valuation technique	Significant Unobservable Inputs	Relationship between Inputs and Fair Value
Non-derivative instruments:				
Non-listed stocks	2,945,789	Comparable company approach	Price-to-earnings ratio, price-to- book ratio, enterprise value- to-operating income ratio, enterprise value- to-earnings before interest, taxes, depreciation, and amortization ratio, discount for lack of marketability, and control premium	The higher the ratios and control premium, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value;
	—	Discounted cash flow approach	Long-term revenue growth rate, weighted average cost of capital, discount for lack of marketability, and discount for minority interest	The higher the weighted average cost of capital and discount for lack of marketability, the lower the fair value; The higher the long-term revenue growth rate and long-term net operating profit before tax, the higher the fair value.
Shares of venture capital company	480,287	Net asset value approach	Not applicable.	Not applicable.
Privately offered fund investments	4,410,726	Net asset value approach	Not applicable.	Not applicable.
Hybrid instrument: Put option	76,792	Monte Carlo simulation	Volatility and discount rate	The higher the volatility, the higher the fair value; the higher the discount rate, the lower the fair value

	Fair value as of March 31, 2024	Valuation technique	Significant Unobservable Inputs	Relationship between Inputs and Fair Value
Hybrid instrument: Right of redemption	2,029	Monte Carlo simulation	Volatility and discount rate	The higher the volatility, the higher the fair value; the higher the discount rate, the lower the fair value
	Fair value as of March 31, 2023	Valuation technique	Significant Unobservable Inputs	Relationship between Inputs and Fair Value
Non-derivative instruments:				
Non-listed stocks	3,099,888	Comparable company approach	Price-to-earnings ratio, price-to- book ratio, enterprise value- to-operating income ratio, enterprise value- to-earnings before interest, taxes, depreciation, and amortization ratio, discount for lack of marketability, and control premium	The higher the ratios and control premium, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value;
	—	Discounted cash flow approach	Long-term revenue growth rate, weighted average cost of capital, discount for lack of marketability, and discount for minority interest	The higher the weighted average cost of capital and discount for lack of marketability, the lower the fair value; The higher the long-term revenue growth rate and long-term net operating profit before tax, the higher the fair value.
Shares of venture capital company	419,648	Net asset value approach	Not applicable.	Not applicable.
Privately offered fund investments	3,421,743	Net asset value approach	Not applicable.	Not applicable.
Hybrid instrument: Put option	161,115	Monte Carlo simulation	Volatility and discount rate	The higher the volatility, the higher the fair value; the higher the discount rate, the lower the fair value

#### E. Financial risk management objectives

The Company's financial risk management objective is to manage market risk, credit risk, and liquidity risk associated with its operating activities. In order to mitigate the relevant financial risks, the Company is committed to identifying, assessing, and avoiding market uncertainties, so as to reduce potentially unfavorable effects brought by market changes to its financial performance.



The Company's major financial activities are reviewed by the Board of Directors in accordance with the relevant regulations and its internal control system. During the implementation of a financial plan, the Company must strictly comply with the financial procedures relating to overall financial risk management and segregation of duties.

#### F. Market risk

Market risk refers to a type of risk in which the Company's revenue or the value of financial instruments it holds is influenced by changes in market prices, such as exchange rates, interest rates, and equity securities prices. Financial risk management aims to manage the level of exposure to market risk within an acceptable range and maximize return on investment.

##### (a) Exchange rate risk

Information on financial assets and liabilities denominated in foreign currencies that are material to the Group is listed as follows:

	2024.03.31			2023.12.31			2023.03.31		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
(Foreign currency: Functional currency)									
<u>Financial assets</u>									
<u>Monetary Items</u>									
USD: NTD	39,556	32.00	1,265,788	58,792	30.705	1,746,344	44,417	30.45	1,352,273
CNY: NTD	6,201	4.408	27,333	12,863	4.327	32,325	24,106	4.431	106,812
HKD: NTD	247	4.089	1,011	59	3.929	234	428	3.879	1,659
JPY: NTD	62,376,000	0.211	13,193	—	—	—	—	—	—
<u>Non-monetary Items</u>									
USD: NTD	161,904	32.00	5,180,944	152,443	30.705	4,680,765	134,109	30.45	4,083,606
CNY: NTD	770,176	4.408	3,394,934	790,991	4.327	3,422,618	810,373	4.431	3,590,765
KRW: NTD	567,618	0.0239	13,628	567,618	0.0241	13,628	2,406,318	0.0236	56,693
HKD: NTD	657,448	4.089	2,688,364	839,925	3.929	3,300,424	1,311,021	3.879	5,085,450
CHF: NTD	19,200	35.475	681,121	16,936	36.485	617,899	16,972	33.275	562,637
<u>Financial liabilities</u>									
<u>Non-monetary Items</u>									
HKD: NTD	—	—	—	—	—	—	58,073	6.872	228,690
CNY: NTD	87	4.408	383	—	—	—	—	—	—

Due to a wide variety of foreign currencies involved in foreign currency transactions, exchange gains and losses are summarized and disclosed based on various foreign currencies of the consolidated company with material impact. All the exchange gains (losses) (including realized and unrealized) recognized for the three months ended March 31, 2024 and 2023 due to changes in exchange rates were NT\$60,319 thousand and NT\$(8,992) thousand, respectively.

(b) Interest rate risk

Interest rate risk refers to a type of risk in which the fair value of financial instruments changes due to market changes. The Company's interest rate risk mainly arises from floating-rate borrowings.

The carrying amounts of the Company's financial assets and liabilities that are exposed to interest rate risk at the balance sheet date are listed as follows:

Items	2024.03.31	2023.12.31	2023.03.31
With cash flow interest rate risk			
—Financial liabilities	\$ 1,891,281	\$ 1,243,982	\$ 2,287,000

Sensitivity analysis

The sensitivity analysis below is determined based on the interest rate exposure of financial instruments at the balance sheet date.

For floating interest rate liabilities, the analysis is based on the assumption that the liability amount circulating outside on the balance date has been circulating outside all year round.

Assuming all other variables remain constant, a one percentage point increase in the interest rate would lead to a decrease in the Company's pre-tax net profit for the three months ended March 31, 2024 and 2023 by NT\$4,728 thousand and NT\$5,718 thousand, respectively.

G. Credit risk

The Company's main potential credit risk arises from cash and cash equivalents and financial instruments such as accounts receivables. The Company deposits its cash in various financial institutions. The Company controls its exposure to credit risk in each financial institution, and considers that there is no concentration of credit risk with respect to the Company's cash and cash equivalents. Since the Company mainly engages in the sale of Western medicines, the Company has a large customer base and diversifies sales across different regions; hence, there is no concentration of credit risk with respect to the Company's accounts receivable.

H. Liquidity risk

The objective of the Company's management of liquidity risk is to maintain sufficient cash and cash equivalents, highly liquid marketable securities and adequate bank facilities required for its operations, so that the Company possesses ample financial flexibility.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

2024.03.31				
Items	Less than 1 year	1 to 5 years	More than 5 years	Total
Short-term loans	\$ 330,000	\$ —	\$ —	\$ 330,000
Accounts payable	123,059	—	—	123,059
Other payables and others	334,648	—	—	334,648
Lease liabilities	9,531	15,655	—	25,186
Bonds payable	—	4,945,600	—	4,945,600
Long-term loans	234,750	1,314,370	12,161	1,561,281
Total	\$ 1,031,988	\$ 6,275,625	\$ 12,161	\$ 7,319,774

  

2023.12.31				
Items	Less than 1 year	1 to 5 years	More than 5 years	Total
Short-term loans	\$ 330,000	\$ —	\$ —	\$ 330,000
Accounts payable	144,642	—	—	144,642
Other payables and others	372,393	—	—	372,393
Lease liabilities	9,547	17,922	—	27,469
Bonds payable	—	4,945,600	—	4,945,600
Long-term loans	852,892	45,929	15,161	913,982
Total	\$ 1,709,474	\$ 5,009,451	\$ 15,161	\$ 6,734,086

  

2023.03.31				
Items	Less than 1 year	1 to 5 years	More than 5 years	Total
Short-term loans	\$ 300,000	\$ —	\$ —	\$ 300,000
Accounts payable	100,034	—	—	100,034
Other payables and others	1,539,651	—	—	1,539,651
Lease liabilities	8,943	21,642	—	30,585
Bonds payable	2,000,000	—	—	2,000,000
Long-term loans	1,915,052	45,019	26,929	1,987,000
Total	\$ 5,863,680	\$ 66,661	\$ 26,929	\$ 5,957,270

## 7. RELATED PARTY TRANSACTIONS

### (1) Name and relationship of related parties

Name of Related Party	Relationship with the Group
Mycenax Biotech Inc.	Associate
Bioengine Technology Development Inc.	Subsidiary (acquired controlling in October 2023)
Lumosa Therapeutics Co., Ltd.	Associate
Biogend Therapeutics Co., Ltd.	Associate
TOT Biopharm Company Limited	Subsidiary of the Company's associate
Youluck International Inc.	Significant related party
Ausnutria Dairy (Taiwan) Nutrition & Health Corporation	Significant related party
Wechen Co., Ltd.	Board of Directors of the Company
Youde Investment Consulting Co., Ltd.	The person in charge of the Company is the chairman of this company
Bioflag Co., Ltd.	Subsidiary of the Company's associate (2023)

(2) Significant transactions between the Company and related parties are listed as follows:

A. Operating revenue

Type/Name of Related Party	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Other related party	\$ —	\$ 50,019

The terms of sales transactions with related parties are carried out in accordance with the terms of the contract agreement between the two parties.

B. Other operating expenses

Type/Name of Related Party	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Associate	\$ 255	\$ 298

C. Lease income

Type/Name of Related Party	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Other related party	\$ 277	\$ 297
Associate	1,748	1,905
Lumosa Therapeutics Co., Ltd.	1,080	1,080
Total	\$ 3,105	\$ 3,282

D. Miscellaneous income

Type/Name of Related Party	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Associate	\$ 1,397	\$ 947
Other related party	578	577
Total	\$ 1,975	\$ 1,524

E. Accounts receivable (payable)

The debts and claims of the Company and its subsidiaries with related parties are listed as follows:

(a) Accounts receivable

Type/Name of Related Party	2024.03.31	2023.12.31	2023.03.31
Other related party	\$ —	\$ 5,471	\$ 50,898

(b) Other receivables

Type/Name of Related Party	2024.03.31	2023.12.31	2023.03.31
Associate	\$ 1,375	\$ 3,805	\$ 1,051
Other related party	772	795	208
Total	<u>\$ 2,147</u>	<u>\$ 4,600</u>	<u>\$ 1,259</u>

(c) Accounts payable

Type/Name of Related Party	2024.03.31	2023.12.31	2023.03.31
Other related party	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 959</u>

(d) Other payables

Type/Name of Related Party	2024.03.31	2023.12.31	2023.03.31
Bioengine Technology Development Inc.	\$ —	\$ —	\$ 453,032
Associate	32	661	32
Total	<u>\$ 32</u>	<u>\$ 661</u>	<u>\$ 453,064</u>

(e) Other current liabilities

Type/Name of Related Party	2024.03.31	2023.12.31	2023.03.31
Associate	\$ 1,013	\$ 943	\$ 1,082
Other related party	108	93	128
Total	<u>\$ 1,121</u>	<u>\$ 1,036</u>	<u>\$ 1,210</u>

(f) Guarantee deposits received

Type/Name of Related Party	2024.03.31	2023.12.31	2023.03.31
Biogen Therapeutics Co., Ltd.	<u>\$ 565</u>	<u>\$ 565</u>	<u>\$ 565</u>

F. Information on compensation of key management personnel

Items	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Salaries and other short-term employee benefits	\$ 3,386	\$ 17,728
Retirement benefits	54	52
Total	<u>\$ 3,440</u>	<u>\$ 17,780</u>

8. PLEDGED ASSETS

The following assets of the Company have been provided to financial institutions as collateral for borrowings or have been placed under restrictions as to use:

Name of Pledged Asset	2024.03.31	2023.12.31	2023.03.31	Content of Secured Debt
Property, plant and equipment	\$ 801,447	\$ 956,577	\$ 825,497	Bank loans and credit line guarantee
Net investment property	665,312	666,559	670,560	Bank loans and credit line guarantee
Long-term investments accounted for using the equity method	3,294,517	2,217,459	2,468,790	Guarantees for bank loans
Financial assets at fair value through profit or loss	184,590	303,975	506,100	Initial public offering lockup
Financial assets at fair value through profit or loss	1,471,215	1,300,720	1,485,657	Guarantees for bank loans
Other financial assets - Time deposits	920,430	920,430	—	Corporate bond guarantee
Other financial assets - Restricted current deposits	247,512	207,428	274,445	Guarantee Limit for Compensation Accounts and Corporate Bonds
Total	<u>\$ 7,585,023</u>	<u>\$ 6,573,148</u>	<u>\$ 6,231,049</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

- (1) As of March 31, 2024 and 2023, the consolidated company has entered into outstanding authorization contracts of drug commissioned trial development amounted to NT\$4,357 thousand and NT\$6,568 thousand, respectively, and has paid NT\$3,068 thousand and NT\$2,169 thousand, respectively in accordance with the contracts.
- (2) As of March 31, 2024 and 2023, the consolidate company has entered into outstanding capital expenditures amounting to NT\$18,847 thousand and NT\$5,736 thousand, respectively for the construction of new plants and the acquisition of equipment.
- (3) In August 2010, the Company commissioned TTY Biopharm Company Limited to carry out formulation design and process development for R-PLGA long-acting freeze-dried powder injection dosage forms, with a commissioned development contract totaling \$20,000 thousand. As of March 31, 2024, the Company had paid \$12,500 thousand in accordance with the contract.
- (4) In October 2010, the Company entered into licensing contracts for the “D-PLGA Microparticle New Dosage Form Technology” and the “PLGA Microparticle Long-Acting Controlled-Release Platform Technology and Patent,” with a contract royalty of \$5,600 thousand payable and an annual royalty of 4% of the net sales of the products

payable starting 10 years from the date when the sale of the products commences. As of March 31, 2024, the Company has paid a royalty of NT\$3,800 thousand.

10. LOSS FROM MATERIAL DISASTERS: NONE

11. SIGNIFICANT SUBSEQUENT EVENTS: NONE

12. OTHERS: NONE

13. ADDITIONAL DISCLOSURES

(1) Information on significant transactions and investees

No.	Items	Description
1.	Financing provided	TABLE 1
2.	Endorsement/guarantee provided	None
3.	Marketable securities held (excluding investments in subsidiaries, associates and joint venture)	TABLE 2
4.	Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital	TABLE 3
5.	Acquisition of real estate property at costs of at least NT\$300 million or 20% of the paid-in capital	None
6.	Disposal of real estate property at costs of at least NT\$300 million or 20% of the paid-in capital	None
7.	Purchases from and sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital	None
8.	Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital	None

(2) Disclosure of information on investees

No.	Items	Description
1.	Information on investees (excluding information on investment in Mainland China)	TABLE 4
2.	Disclosure of control over investment companies	TABLES 1, 2, and 4

(3) Information on investment in mainland china:

No.	Items	Description
1.	The name of the mainland investee company, main business items, paid-in capital, investment method, capital access situation, shareholding ratio, investment gains, and losses, the book value of the investment at the end of the period, repatriated investment gains and losses, and investment limits in mainland China	TABLE 5
2.	Significant transactions with investees in Mainland China, either directly or indirectly through a third area, as well as prices, payment terms, and unrealized gains or losses involved therein	None

(4) Information on major shareholders:

Name, number of shares and percentage of ownership of shareholders with a shareholder percentage of at least 5%: Table 6

- (5) Business relationships between the parent and subsidiaries and significant transactions between them: Table 7

14. SEGMENT INFORMATION

(1) Reportable Segment Information

The reportable segments provided to the main business decision-makers for the purposes of allocating resources and assessing segment performance are listed as follows:

Pharmaceutical Division: Manufacturing and Sales of Various Western Medicines.

Biotechnology Venture Capital- Investing in domestic and foreign biotechnology undertakings.

Glac segment - Manufacture and sale of probiotic products.

Other segments - Other businesses and operating segments that are not reported.

(2) The financial information of related reportable segments is analyzed as follows:

	Three Months Ended March 31, 2024					
	Pharmaceutical Division	Biotech Venture Capital	Glac Segment	Other Segments	Adjustments and Write- offs	Mergers
Income from customers other than the parent and subsidiaries	247,234	—	116,176	—	—	363,410
Income from the parent company and consolidated subsidiary	—	4,998	122	—	(5,120)	—
Total revenue	247,234	4,998	116,298	—	(5,120)	363,410
Segment profit (loss)	79,713	(454,621)	(11,177)	(276)		(386,361)
Investment income (loss)						(143,385)
Ordinary income (expenses)						3,531
Finance costs						(54,311)
Net profit before tax from continuing operations						(580,526)
Identifiable assets	815,065	18,501,325	1,552,569	11,327		20,920,285
Long-term equity investments						5,772,893
Ordinary assets						398,359
Total assets						27,091,537

	Three Months Ended March 31, 2023					
	Pharmaceutical Division	Biotech Venture Capital	Glac Segment	Other Segments	Adjustments and Write- offs	Mergers
Income from customers other than the parent and subsidiaries	229,717	—	105,293	—	—	335,010
Income from the parent company and consolidated subsidiary	—	3,025	1,139	355	(4,519)	—
Total revenue	229,717	3,025	106,432	355	(4,519)	335,010
Segment profit (loss)	72,942	1,155,305	(20,671)	—		1,207,576
Investment income (loss)						(16,527)
Ordinary income (expenses)						470
Finance costs						(27,825)
Net profit before tax from continuing operations						1,163,694
Identifiable assets	539,326	17,672,459	1,614,031	29		19,825,845
Long-term equity investments						7,535,603
Ordinary assets						350,471
Total assets						27,711,919



Table 1

Financing provided:

In Thousands of New Taiwan Dollars

Number (Note 1)	Financing Company	Participants	Transactions (Note 2)	Related Party	Highest endorsement or guarantee amount for current period	Ending balance	Actual Amount Drawn	Range of interest rates	Nature of Financing	Transaction Amount	Reason for Financing	Allowance for Bad Debt	Collateral		Credit Limit for Individual Borrowing Company	Total Loan Limit
													Name	Value		
1	Center Biotherapeutics Inc.	Center Laboratories, Inc.	Receivables from related parties	Y	200,000	200,000	—	1.5%	Fund liquidity	—	Operating capital	—	Commercial paper	200,000	270,816 (200% net worth)	270,816 (200% net worth)
2	Genlac Biotech Inc.	Bioflag Co., Ltd.	Receivables from related parties	Y	160,000	160,000	152,345	0.5%	Fund liquidity	—	Operating capital	—	—	—	705,758 (40% net worth)	705,758 (40% net worth)
3	Bioflag International Corporation	Bioflag Co., Ltd.	Receivables from related parties	Y	245,680	245,680	245,680	—	Fund liquidity	—	Operating capital	—	—	—	566,347 (40% net worth)	566,347 (40% net worth)

Note 1: 1. For issuers, please indicate “0” in the code column.

2. For investees, please indicate “1” in the code column and arrange the investees by company type.

Note 2: The term “financing” in this table includes receivables due from associates and joint ventures, receivables due from related parties, shareholder transactions, prepayments, temporary debits, and other account titles of similar nature.

Note 3: The borrowing company’s use of funds shall be explained by providing reasons such as repayment of borrowings, purchase of equipment, and working capital.

Note 4: The method for calculating the maximum limit and the amount of maximum limit shall be indicated.

Table 2

Relevant information disclosure on the Company's marketable securities holdings on March 31, 2024 (excluding controlled by investment subsidiaries, associates and joint venture):

Name of Company Held	Type and name of securities	Relationship with Securities Issuer	Financial Statement Account	In Thousands of New Taiwan Dollars			
				Ending Balance			
				Number of Shares	Carrying amount	Shareholding percentage	Fair Value
Center Laboratories, Inc.	Windtree Therapeutics, Inc. - Ordinary shares	—	Financial assets at fair value through profit or loss - current	24,782	281	11.10%	281
Center Laboratories, Inc.	Ausnutria Dairy Corporation Ltd.	—	Financial assets at fair value through profit or loss - current	29,282,627	281,406	1.64%	281,406
Center Laboratories, Inc.	SciClone Pharmaceuticals (Holdings) Limited	—	Financial assets at fair value through profit or loss - current	11,000,000	721,490	1.58%	721,490
Center Laboratories, Inc.	Efficient Biomedical Corp.	—	Financial assets at fair value through profit or loss - non-current	160,000	6,683	16.00%	6,683
Center Laboratories, Inc.	iXensor Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	4,660,165	31,531	8.49%	31,531
Center Laboratories, Inc.	LifeMax Healthcare International Corporation (Cayman) - Preferred shares	—	Financial assets at fair value through profit or loss - non-current	602,200	42,727	1.59%	42,727
Center Laboratories, Inc.	Hydrogenic Energy Fund I L.P.	—	Financial assets at fair value through profit or loss - non-current	—	144,766	19.39%	144,766
Center Laboratories, Inc.	Onward Therapeutics SA Preferred Share	—	Financial assets at fair value through profit or loss - non-current	11,316,700	681,121	19.72%	681,121
Center Laboratories, Inc.	Vivo Innovation Fund II, L.P.	—	Financial assets at fair value through profit or loss - non-current	—	290,080	4.77%	290,080
Center Laboratories, Inc.	Vivo Capital Fund IX, L.P.	—	Financial assets at fair value through profit or loss - non-current	—	991,181	1.74%	991,181
Center Laboratories, Inc.	GL China Opportunities Fund III L.P.	—	Financial assets at fair value through profit or loss - non-current	—	762,752	4.17%	762,752

Name of Company Held	Type and name of securities	Relationship with Securities Issuer	Financial Statement Account	Ending Balance			
				Number of Shares	Carrying amount	Shareholding percentage	Fair Value
Center Laboratories, Inc.	GL China Opportunities Fund IV L.P.	—	Financial assets at fair value through profit or loss - non-current	—	804,752	16.39%	804,752
Center Laboratories, Inc.	Chengwei GP Participation Fund, L.P.	—	Financial assets at fair value through profit or loss - non-current	—	636,610	20.33%	636,610
Center Laboratories, Inc.	T-E Pharma Holding (Cayman) Preferred stocks	—	Financial assets at fair value through profit or loss - non-current	18,750,000	127,221	6.37%	127,221
Center Laboratories, Inc.	AiViva_Series A Preferred Share	—	Financial assets at fair value through profit or loss - non-current	4,031,052	158,610	16.54%	158,610
Center Laboratories, Inc.	Vaxon Investment Inc.	—	Financial assets at fair value through profit or loss - non-current	3,000	114,638	15.00%	114,638
Center Laboratories, Inc.	Shine-On BioMedical Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	2,855,813	159,507	5.73%	159,507
Center Laboratories, Inc.	Helicase Venture Fund I, L.P.	—	Financial assets at fair value through profit or loss - non-current	—	69,013	30.00%	69,013
Center Laboratories, Inc.	Fangyuan PCJ Fund II L.P.	—	Financial assets at fair value through profit or loss - non-current	—	169,784	19.80%	169,784
Center Laboratories, Inc.	Taiwan Depository & Clearing Corporation	—	Financial assets at fair value through profit or loss - non-current	10,505	1,471	—	1,471
Center Laboratories, Inc.	Ausnutria Dairy Corporation Ltd.	—	Financial assets at fair value through profit or loss - non-current	117,635,644	1,130,379	6.61%	1,130,379
Center Laboratories, Inc.	Ever Supreme Bio Technology Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	8,860,563	1,927,172	12.09%	1,927,172
Center Laboratories, Inc.	Ever Fortune. Ai Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	4,200,000	369,180	4.27%	369,180
Center Laboratories, Inc.	TransPacific Medtech Co.,Ltd	—	Financial assets at fair value through profit or loss - non-current	3,129	47,079	31.29%	47,079

Name of Company Held	Type and name of securities	Relationship with Securities Issuer	Financial Statement Account	Ending Balance			
				Number of Shares	Carrying amount	Shareholding percentage	Fair Value
Center Laboratories, Inc.	T-E Meds Holding(Cayman)	—	Financial assets at fair value through profit or loss - non-current	2,500,000	46,591	1.17%	46,591
Center Laboratories, Inc.	Adimmune Corporation	—	Financial assets at fair value through profit or loss - non-current	8,278,000	221,437	1.93%	221,437
Centerlab Investment Holding Limited	Shuimu Development Limited	—	Financial assets at fair value through profit or loss - non-current	—	145,067	33.00%	145,067
Centerlab Investment Holding Limited	Preferred stocks of HebeCell Holding Limited	—	Financial assets at fair value through profit or loss - non-current	31,710	—	1.14%	—
Centerlab Investment Holding Limited	GL JKP Holding L.P.	—	Financial assets at fair value through profit or loss - non-current	—	318,570	8.00%	318,570
Centerlab Investment Holding Limited	Qingdao Chengwei International Equity Investment Partnership (Limited Partnership)	—	Financial assets at fair value through profit or loss - non-current	—	396,721	10.00%	396,721
Centerlab Investment Holding Limited	UAC Technology (Jiaxing) Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	—	181,111	16.20%	181,111
Centerlab Investment Holding Limited	Bioflag Nutrition Corporation (KY)	—	Financial assets at fair value through profit or loss - non-current	5,038,672	221,538	10.26%	221,538
Center Laboratories Limited(HK)	Shanghai Bao Pharmaceuticals Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	7,389,632	1,351,827	14.79%	1,351,827
Center Biotherapeutics, Inc.	Scindy Pharmaceutical (Suzhou)	—	Financial assets at fair value through profit or loss - non-current	—	30,889	15.79%	30,889
Center Biotherapeutics, Inc.	GenEditBio Limited (Cayman)	—	Financial assets at fair value through profit or loss - non-current	4,322,881	96,000	2.97%	96,000
Center Venture Holding I Limite Holding Limited (HK))	Jacobio (CAY) Pharmaceuticals Co., Ltd	—	Financial assets at fair value through profit or loss - current	635,300	4,208	0.08%	4,208
Center Venture Holding I Limited Holding Limited (HK))	Jacobio (CAY) Pharmaceuticals Co., Ltd	—	Financial assets at fair value through profit or loss - non-current	78,801,300	521,994	9.95%	521,994

Name of Company Held	Type and name of securities	Relationship with Securities Issuer	Financial Statement Account	Ending Balance			
				Number of Shares	Carrying amount	Shareholding percentage	Fair Value
Bioengine Technology Development Inc.	Jacobio (CAY) Pharmaceuticals Co., Ltd	—	Financial assets at fair value through profit or loss - current	4,361,400	28,891	0.55%	28,891
Bioengine Technology Development Inc.	Adimmune Corporation	—	Financial assets at fair value through profit or loss - non-current	20,739,000	554,768	4.83%	554,768

Table 3

Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital

(In Thousands of New Taiwan Dollars, Except for Shares)

Name of Company	Type and name of securities	Financial Statement Account	Counterparty	Relationship	At the Beginning of the Period		Acquisition		Sale				Ending Balance	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling Price	Carrying Amount	Gain (Loss) on Disposal	Number of shares	Carrying amount
Center Laboratories, Inc.	GL China Opportunities Fund IV L.P.	Financial assets at fair value through profit or loss - non-current	—	—	—	290,318	—	320,163	—	—	—	—	—	804,752
Bioengine Technology Development Inc.	Adimmune Corporation	Financial assets at fair value through profit or loss - non-current	—	—	32,113,000	1,064,546	—	—	11,374,000	344,934	215,925	129,009	20,739,000	554,768

Table 4

Information on Investees: (Excluding Information on Investment in Mainland China)

(In Thousands of New Taiwan Dollars, Except for Shares)

Name of Investor	Investee Companies	Address	Main Operations	Initial Investment Amount		At the end of the period			Net Profit (Loss) of Investee	Share of Profit (Loss) of Investee	Note
				End of Current Period	End of Previous Period	Number of shares	Percentage	Carrying Amount			
Center Laboratories, Inc.	Center Biotherapeutics Inc.	Sea Meadow House, Blackburne Highway, PO Box 116, Road Town, Tortola, British Virgin Islands	Investment	66,152	66,152	2,228,283	100.00%	135,408	(2,257)	(2,257)	Subsidiary
Center Laboratories, Inc.	Mycenax Biotech Inc.	66 Biomedical 2nd Road, 7th Floor, Zhubei City, Hsinchu County, Hsinchu Science Park	Manufacture and sale of biopharmaceutical products	1,003,282	1,003,282	41,974,314	20.40%	480,228	(135,611)	(27,647)	The Company's legal representative is the chairman of this company
Center Laboratories, Inc.	Bioengine Technology Development Inc.	7F., No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Investment management consulting	928,777	1,528,777	98,437,500	100.00%	762,362	(160,380)	(154,754)	Subsidiary
Center Laboratories, Inc.	TOT BIOPHARM International Company Limited	15/F MAY MAY BUILDING, 683-685 NATHAN ROAD KOWLOON, HONG KONG	Investment	2,433,620	2,433,620	213,311,700	27.60%	2,835,681	32,351	5,081	—
Center Laboratories, Inc.	Centerlab Investment Holding Limited(HK)	Unit 706, Haleson Building, NO.1 Jubilee street, Hong Kong	Investment	1,267,813	1,267,813	41,328,822	100.00%	2,033,223	29,640	29,640	Subsidiary
Center Laboratories, Inc.	Center Laboratories Limited(HK)	Unit 706, Haleson Building, NO.1 Jubilee street, Central, Hong Kong	Investment	963,097	963,097	32,851,703	100.00%	1,351,813	(76,888)	(76,888)	Subsidiary
Center Laboratories, Inc.	Medeon Biodesign, Inc.	7F., No. 116, Hougang St., Shilin Dist., Taipei City, Taiwan (R.O.C.)	Development of medical devices	770,495	770,495	27,411,028	29.75%	634,688	(199,827)	(59,467)	—
Center Laboratories, Inc.	Lumosa Therapeutics Co., Ltd.	4F-1, No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Drug development	1,098,802	1,098,802	54,068,631	32.77%	425,278	(115,619)	(37,889)	—
Center Laboratories, Inc.	Fangyuan Growth SPC PCJ Healthcare Fund SP	Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104,	Investment	280,021	280,021	—	33.33%	350,781	(56,206)	(18,733)	—

Name of Investor	Investee Companies	Address	Main Operations	Initial Investment Amount		At the end of the period			Net Profit (Loss) of Investee	Share of Profit (Loss) of Investee	Note
				End of Current Period	End of Previous Period	Number of shares	Percentage	Carrying Amount			
		Cayman Islands									
Center Laboratories, Inc.	PCJ Capital Management Limited	Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands	Management consultant	—	—	—	25%	—	—	—	—
Center Laboratories, Inc.	A2 + Healthcare Venture Fund L.P.	6F., No. 135, Section 3, Minsheng East Road, Songshan District, Taipei City (R.O.C.)	Venture capital	250,000	250,000	—	49.50%	342,241	21,913	10,847	—
Center Laboratories, Inc.	Biogend Therapeutics Co., Ltd.	4F, No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Development of orthopedic medical equipment	512,676	512,676	37,580,008	30.53%	322,571	(10,962)	(4,554)	—
Center Laboratories, Inc.	ANYA Biopharm Holding Corp.	P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 Cayman Islands	Investment	97,675	97,675	852,360	30.55%	46,723	(10,170)	(5,693)	—
Center Laboratories, Inc.	Center Venture Holding I Limited	Unit 706,Haleson Building,No.1 Jubilee Street,Central,Hong Kong	Investment	1,913,443	1,913,443	1	100%	526,227	(603,622)	(603,622)	Subsidiary
Center Laboratories, Inc.	Center Venture Holding II Limited	Unit 706,Haleson Building,No.1 Jubilee Street,Central,Hong Kong	Investment	—	—	1	100%	—	—	—	Subsidiary
Center Laboratories, Inc.	Center Venture Holding III Limited	Level 1,Central Bank of Samoa Building Beach Road,Apia,Samoa	Investment	—	—	1	100%	—	—	—	Subsidiary
Center Laboratories, Inc.	Cytoengine Co., Ltd.	7F., No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Drug development	50,000	50,000	5,000,000	40%	25,916	(4,929)	(1,972)	—
Center Laboratories, Inc.	KriSan Biotech Co., Ltd.	5th Floor, No. 28, Lane 31, Section 1, Huan Dong Road, Xinxiqu, Tainan City	Western Pharmaceutical Manufacturing Industry	201,500	201,500	10,075,000	19.29%	188,919	(10,633)	(3,054)	—
Centerlab Investment Holding Limited(HK)	ASEAN Bio & Medical Platform Investment L.P.	25F, City Air Tower, 159-9, Samsung-dong, Gangnam-gu, Seoul, Korea	Investment	53,945	53,945	—	30.00%	13,628	—	—	—
Centerlab Investment Holding Limited(HK)	Bioflag International Corporation	4 <sup>th</sup> Floor,Harbour Place,103 South church Street,P.O.Box 10240,Grand Cayman KY1-1002,Cayman Islands	Investment	877,830	877,830	28,395,290	47.33%	754,486	(3,780)	(7,410)	Subsidiary



Name of Investor	Investee Companies	Address	Main Operations	Initial Investment Amount		At the end of the period			Net Profit (Loss) of Investee	Share of Profit (Loss) of Investee	Note
				End of Current Period	End of Previous Period	Number of shares	Percentage	Carrying Amount			
Bioflag International Corporation	Bioflag Co.,Ltd.	Sea Meadow House,Blackburne Highway,Road Town,British Virgin Islands	Investment	1,836,445	1,836,445	58,289,401	100.00%	1,359,526	(2,341)	(2,341)	Sub-subsidiary
Bioflag Co.,Ltd.	Genlac Biotech Inc.	7F., No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Investment	3,300,000	3,300,000	330,000,000	100.00%	1,764,394	(2,579)	(2,579)	Sub-subsidiary
Genlac Biotech Inc.	Glac Biotech Co., Ltd.	4F.-2, No. 17, Guoji Rd., Xinshi Dist., Tainan City	Production and Sale of Functional Probiotics	3,247,695	3,247,695	72,171,000	100.00%	522,382	(2,579)	(2,579)	Sub-subsidiary
Glac Biotech Co., Ltd.	OmniPro Biotech Co., Ltd.	10 New Life Street, Beidou Village, Minxiong Township, Chiayi County	General food manufacturing industry, etc.	15,000	15,000	1,500,000	100.00%	2,347	(10)	(10)	Sub-subsidiary
Glac Biotech Co., Ltd.	Ezadd Co., Ltd.	7F., No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Functional Probiotic Sales	1,990	1,990	199,000	99.50%	1,302	(315)	(314)	Sub-subsidiary
Bioengine Technology Development Inc.	Lumosa Therapeutics Co., Ltd.	4F-1, No. 3-2, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Drug development	28,434	34,510	1,081,169	0.66%	18,530	(115,619)	(920)	—
Bioengine Technology Development Inc.	TOT BIOPHARM International Company Limited	15/F MAY MAY BUILDING,683-685 NATHAN ROAD KOWLOON,HONG KONG	Investment	84,468	84,468	7,646,300	0.99%	103,885	32,351	182	—
Bioengine Technology Development Inc.	A2+ Biotech Consulting Co., Ltd.	6F., No. 135, Section 3, Minsheng East Road, Songshan District, Taipei City (R.O.C.)	Management consultant	4,000	4,000	400,000	33.33%	5,194	1,298	433	—
Bioengine Technology Development Inc.	BioEngine Development I Limited	FLAT/RM 1204 YU SUNG BOON BLDG 107-111 DES VOEUX ROAD CENTRAL	Investment	22,890	22,890	1,000,000	100.00%	19,855	(274)	(274)	—

Table 5

## Information on Investment in Mainland China:

In Thousands of New Taiwan Dollars

Name of Investee in Mainland China	Main Operations	Paid-in capital	Investment method (Note 1)	Accumulated Amount of Investment Remitted from Taiwan at the Beginning of the Period	Amount of Investment		Accumulated Amount of Investment Remitted from Taiwan at the End of the Period	Net Profit (Loss) of Investee	Percentage of Ownership through the Company's Direct or Indirect Investment	Investment profit (loss) confirmed in current year (Note 2)	Carrying Amount of Investments at the End of the Period	Accumulated Amount of Investment Income Remitted from Investee as of End of the Period
					Remitted to Investee	Remitted from Investee						
TOT BIOPHARM International Company Limited	Production, research and development of anti-cancer capsules and liposome injection	USD 222,450 thousand	(2) TOT BIOPHARM International Company Limited (Hong Kong)	698,807	—	—	698,807	52,557	27.60%	14,506	778,926	—
Jiang Su Tung Yang Biopharm Tech Co., Ltd.	Sale, research and development of Western medicines	USD 2,000 thousand	(2) TOT BIOPHARM International Company Limited (Hong Kong)	13,684	—	—	13,684	(93)	27.60%	(26)	7,643	—
Dongyuan Biotech (Shanghai) Co., Ltd.	Pharmaceutical research and development	USD 3,730 thousand	(2) TOT BIOPHARM International Company Limited (Hong Kong)	24,956	—	—	24,956	(154)	27.60%	(42)	4,042	—
Shanghai Bao Pharmaceuticals Co., Ltd.	Company specializing in the development of recombinant proteins and antibody drugs	RMB 46,860 thousand	(2)Center Laboratories Limited(HK)	962,975	—	—	962,975	—	14.78%	—	1,351,827	—
Beijing Jinkangpu Food Science & Technology Co., Ltd.	Sub-packaging and production of food additives and compound food additives	RMB 10,000 thousand	(2)Centerlab Investment Holding Limited	198,471	—	—	198,471	—	5.00%	—	286,712	—
Beijing Kangpuni Detection Technology Co., Ltd.	Technology of Detection	RMB 1,000 thousand	(2)Centerlab Investment Holding Limited	22,053	—	—	22,053	—	5.00%	—	31,858	—

Name of Investee in Mainland China	Main Operations	Paid-in capital	Investment method (Note 1)	Accumulated Amount of Investment Remitted from Taiwan at the Beginning of the Period	Amount of Investment		Accumulated Amount of Investment Remitted from Taiwan at the End of the Period	Net Profit (Loss) of Investee	Percentage of Ownership through the Company's Direct or Indirect Investment	Investment profit (loss) confirmed in current year (Note 2)	Carrying Amount of Investments at the End of the Period	Accumulated Amount of Investment Income Remitted from Investee as of End of the Period
					Remitted to Investee	Remitted from Investee						
Scindy Pharmaceutical (Suzhou)	Medical Research and Experimental Development	RMB 15,833 thousand	(2)Center Biotherapeutics. Inc.	66,120	—	—	66,120	—	15.79%	—	30,889	—
Qingdao Chengwei Guoji Equity Investment Partnership (Limited Partnership)	Venture capital	RMB 660,000 thousand	(2)Centerlab Investment Holding Limited	391,214	—	—	391,214	—	10.00%	—	396,721	—
UAC Technology (Jiaxing) Co., Ltd.	Manufacture and Design of Specialized Equipment	EUR 23,045 thousand	(2)Centerlab Investment Holding Limited	174,143	—	—	174,143	—	16.20%	—	181,111	—
Bioflag Co., Ltd.	Biological health product research and development and related technical consultation	RMB 109,218 thousand	(2)Centerlab Investment Holding Limited Transfer of Investment to Bioflag	—	—	—	—	—	10.26%	—	221,538	—
Bioflag (Anhui) Co., Ltd.	Research and development, production, and sales of probiotics and other microorganisms and related products	RMB 36,242 thousand	(2)Centerlab Investment Holding Limited Transfer of Investment to Bioflag	—	—	—	—	—	10.26%	—		—
Beijing Shundu Pharmaceutical Research Institute Co., Ltd.	Development of pharmaceutical technology and related consultation	RMB 6,123 thousand	(2)BioEngine Development I Limited	—	—	—	—	(276)	100%	(276)	11,266	—

Company name	Amount of Investment Remitted from Taiwan to Mainland China at the End of the Period	Amount of Investment Approved by the Ministry of Economic Affairs Investment Committee	Upper Limit on the Company's Investments in Mainland China
			Net value * 60%
Center Laboratories, Inc.	NT\$2,132,519 thousand	USD 80,373 thousand RMB 514,475 thousand EUR 5,500 thousand	11,553,635

Note 1: Method of investment can be divided into three types as follows:

- (1) Direct investment in Mainland China.
- (2) Investment in Mainland China through a company in a third area (Please indicate the invested company in a third area).
- (3) Other methods.

Note 2: The recognition of investment gains and losses for the current period is based on unaudited financial statements.

Center Laboratories, Inc.

Information on Major Shareholders

March 31, 2024

Table 6

Names of major shareholders	Shares	
	Number of shares held (thousand shares)	Shareholding percentage
Lejean Biotech Co., Ltd.	66,161,405	9.56%
Royal Foods Co., Ltd.	41,488,084	6.00%

Note 1: Information on major shareholders in this table is provided by Taiwan Depository & Clearing Corporation according to information on shareholders holding at least 5% of ordinary shares and preferred shares (including treasury shares) that have been issued and delivered without physical registration by the Company on the last business day at the end of the current quarter. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.

Note 2: If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For a shareholder who declares its shareholdings as an insider holding more than 10% of shares in accordance with the Securities and Exchange Act, such shareholding information shall include shares held by the shareholder and those delivered to the trust over which the shareholder has the right to determine the use of trust property. For information on declaration of shareholdings by insiders, please visit the Market Observation Post System.

Table 7

## Parent-Subsidiary Company Business Relation and Important Transactions - For the three months ended March 31, 2024

In Thousands of New Taiwan Dollars

Number (Note 1)	Name of Company	Name of Counterparty	Nature of Relationship (Note 2)	Transactions between Company and Subsidiaries				
				Financial Statement Account		Amount	Transaction Terms	Percentage of Transaction Amount to Consolidated Revenue or Total Assets (Note 3)
0	Center Laboratories, Inc.	Glac Biotech Co., Ltd.	1	Other receivables	Other payables	994	Based on contracts signed between both parties	—
		Glac Biotech Co., Ltd.	1	Unearned receipts	Prepaid expenses	623	Based on contracts signed between both parties	—
		Glac Biotech Co., Ltd.	1	Guarantee deposits received	Refundable deposits	1,105	Based on contracts signed between both parties	—
		Glac Biotech Co., Ltd.	1	Rental Income / Investment Loss	Depreciation / Interest expenses	1,817	Based on contracts signed between both parties	0.50%
		Glac Biotech Co., Ltd.	1	Lease income	Rental expenditure	266	Based on contracts signed between both parties	0.07%
		Glac Biotech Co., Ltd.	1	Other income	Other operating expenses	1,065	Based on contracts signed between both parties	0.29%
		Glac Biotech Co., Ltd.	1	Other receivables/Long-term investment	Leasing liabilities/Lease assets	2,625	Based on contracts signed between both parties	—
		Bioflag International Corporation	1	Financial assets at amortized cost - non-current	Bonds payable	200,000	Based on contracts signed between both parties	0.74%
		Bioflag International Corporation	1	Other receivables	Other payables	11,775	Based on contracts signed between both parties	0.04%
		Bioflag International Corporation	1	Interest income	Interest expenses	2,000	Based on contracts signed between both parties	0.55%
		Center Biotherapeutics Inc.	1	Interest expenses	Interest income	59	Based on contracts signed between both parties	0.02%
	Bioflag International Corporation	Bioflag Co.,Ltd	1	Other receivables	Other payables	256,000	Based on contracts signed between both parties	0.94%
	Genlac Biotech Inc.	Bioflag Co.,Ltd	2	Other receivables	Other payables	155,151	Based on contracts signed between both parties	0.57%

Number (Note 1)	Name of Company	Name of Counterparty	Nature of Relationship (Note 2)	Transactions between Company and Subsidiaries				
				Financial Statement Account		Amount	Transaction Terms	Percentage of Transaction Amount to Consolidated Revenue or Total Assets (Note 3)
	Glac Biotech Co., Ltd.	OmniPro Biotech Co., Ltd.	1	Accounts receivable	Accounts payable	1,565	Based on contracts signed between both parties	—
		OmniPro Biotech Co., Ltd.	1	Sales revenue	Cost of goods sold	122	Based on contracts signed between both parties	0.03%

Note 1: The business transaction information between the parent company and its subsidiaries should be indicated in the serial number column, respectively. The method of filling in the serial number is as follows:

- (1) For the parent, please indicate “0” in the code column.
- (2) For investees, please indicate “1” in the code column and arrange the investees by company type.

Note 2: There are five types of relationship with the trader. Just indicate the type:

- (1) The parent to the subsidiary.
- (2) Subsidiary to the parent.
- (3) Between subsidiaries.

Note 3: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets. If it is an asset-liability account, it is calculated as the ending balance of the consolidated total assets; if it is a profit and loss account, the cumulative amount in the period accounts for the total consolidated total. It is calculated by the method of receipt.

Table 8

Parent-Subsidiary Company Business Relation and Important Transactions - For the three months ended March 31, 2023

In Thousands of New Taiwan Dollars

Number (Note 1)	Name of Company	Name of Counterparty	Nature of Relationship (Note 2)	Transactions between Company and Subsidiaries				
				Financial Statement Account		Amount	Transaction Terms	Percentage of Transaction Amount to Consolidated Revenue or Total Assets (Note 3)
0	Center Laboratories, Inc.	Glac Biotech Co., Ltd.	1	Other receivables/Advances received	Other payables/Prepaid expenses	903	Based on contracts signed between both parties	—
		Glac Biotech Co., Ltd.	1	Guarantee deposits received	Refundable deposits	345	Based on contracts signed between both parties	—
		Glac Biotech Co., Ltd.	1	Rental income / Investment loss	Depreciation / Interest expenses	741	Based on contracts signed between both parties	0.22%
		Glac Biotech Co., Ltd.	1	Lease income	Rental expenditure	33	Based on contracts signed between both parties	0.01%
		Glac Biotech Co., Ltd.	1	Other income	Other operating expenses	264	Based on contracts signed between both parties	0.08%
		Bioflag International Corporation	1	Financial assets at amortized cost - non- current	Bonds payable	200,000	Based on contracts signed between both parties	0.72%
		Bioflag International Corporation	1	Other receivables	Other payables	2,000	Based on contracts signed between both parties	0.01%
		Bioflag International Corporation	1	Interest income	Interest expenses	2,000	Based on contracts signed between both parties	0.60%
		Center Biotherapeutics Inc.	1	Other payables to related parties	Other receivables from related parties	100,510	Based on contracts signed between both parties	0.36%
		Center Biotherapeutics Inc.	1	Interest expenses	Interest income	354	Based on contracts signed between both parties	0.11%
	Bioflag International Corporation	Bioflag Co.,Ltd	1	Other receivables	Other payables	256,000	Based on contracts signed between both parties	0.92%
		Glac Biotech Co., Ltd.	1	Other receivables	Other payables	100	Based on contracts signed between both parties	—
	Genlac Biotech Inc.	Bioflag Co.,Ltd	2	Other receivables	Other payables	152,345	Based on contracts signed between both parties	0.55%



Number (Note 1)	Name of Company	Name of Counterparty	Nature of Relationship (Note 2)	Transactions between Company and Subsidiaries				
				Financial Statement Account		Amount	Transaction Terms	Percentage of Transaction Amount to Consolidated Revenue or Total Assets (Note 3)
	Glac Biotech Co., Ltd.	OmniPro Biotech Co., Ltd.	1	Accounts receivable	Accounts payable	1,507	Based on contracts signed between both parties	0.01%
		OmniPro Biotech Co., Ltd.	1	Sales revenue	Cost of goods sold	178	Based on contracts signed between both parties	0.05%
		Ezadd Co., Ltd.	1	Accounts receivable	Accounts payable	343	Based on contracts signed between both parties	—
		Ezadd Co., Ltd.	1	Sales revenue	Cost of goods sold	327	Based on contracts signed between both parties	0.10%
	OmniPro Biotech Co., Ltd.	Ezadd Co., Ltd.	3	Accounts receivable	Accounts payable	666	Based on contracts signed between both parties	—
		Ezadd Co., Ltd.	3	Sales revenue	Cost of goods sold	634	Based on contracts signed between both parties	0.19%

Note 1: The business transaction information between the parent company and its subsidiaries should be indicated in the serial number column, respectively. The method of filling in the serial number is as follows:

- (1) For the parent, please indicate “0” in the code column.
- (2) For investees, please indicate “1” in the code column and arrange the investees by company type.

Note 2: There are five types of relationship with the trader. Just indicate the type:

- (1) The parent to the subsidiary.
- (2) Subsidiary to the parent.
- (3) Between subsidiaries.

Note 3: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets. If it is an asset-liability account, it is calculated as the ending balance of the consolidated total assets; if it is a profit and loss account, the cumulative amount in the period accounts for the total consolidated total. It is calculated by the method of receipt.