

Stock Code: 4123

Center Laboratories, Inc. and Subsidiaries
Consolidated Financial Statements
For the Six Months Ended June 30, 2024 and 2023
and Independent Auditors' Review Report

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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 June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six 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\$5,932,100 thousand and NT\$5,326,203 thousand, constituting 21.9% and 19.3% of the consolidated total assets, and total liabilities of NT\$588,575 thousand and NT\$509,879 thousand, constituting 7.1% and 6.5% of the consolidated total liabilities as of June 30, 2024 and 2023, respectively; and total comprehensive (loss) income of NT\$(223,683) thousand and NT\$253,548 thousand, constituting (39.4)% and 45,849.5% of the consolidated total comprehensive (loss) income for the six months ended June 30, 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\$4,064,276 thousand and NT\$4,067,142 thousand, constituting 15.0% and 14.7% of the consolidated total assets as of June 30, 2024 and 2023, respectively. The share of profit (loss) from associates accounted for using the equity method amounted to NT\$38,802 thousand, NT\$16,793 thousand, NT\$25,893 thousand, and NT\$12,885 thousand for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 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 June 30, 2024 and 2023, and of its consolidated financial performance for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023 and its consolidated cash flows for the six months ended June 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," 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\$1,343,371 thousand and NT\$1,690,932 thousand, constituting 5.0% and 6.1% of the total assets as of June 30, 2024 and 2023, respectively. The share of profit (loss) from associates accounted for using the equity method amounted to NT\$(52,572) thousand, NT\$(248,788) thousand, NT\$(155,401) thousand and NT\$(268,366) thousand, constituting 41.2%, 23.3%, 21.9% and (273.3)% of the income before income tax for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 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

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

Account Co.	Assets	Notes	In Thousands of New Taiwan Dollars						
			June 30, 2024		December 31, 2023		June 30, 2023		
			Amount	%	Amount	%	Amount	%	
11XX	Current assets								
1100	Cash and cash equivalents	6(1)	\$ 1,976,701	7	\$ 1,704,592	6	\$ 1,068,581	4	
1110	Financial assets at fair value through profit or loss	6(2), 8	302,637	1	973,866	4	875,722	3	
1136	Financial assets at amortized cost	6(3)	384,857	2	745,517	3	1,835,946	7	
1150	Notes receivable, net		36,002	—	53,991	—	19,876	—	
1170	Accounts receivable, net	6(4), 7	186,434	1	190,616	1	174,314	1	
1200	Other receivables	7	870,394	3	24,563	—	69,183	—	
130X	Inventories	6(5)	272,677	1	269,228	1	219,485	1	
1476	Other financial assets	8	1,226,379	5	1,127,858	4	146,951	—	
1470	Other current assets		40,328	—	31,105	—	30,500	—	
11XX	Total current assets		<u>5,296,409</u>	<u>20</u>	<u>5,121,336</u>	<u>19</u>	<u>4,440,558</u>	<u>16</u>	
15XX	Non-current assets								
1510	Financial assets at fair value through profit or loss	6(2), 8	12,967,878	48	13,099,516	49	13,233,722	48	
1550	Investments accounted for using the equity method	6(6), 8	5,868,705	22	5,872,700	22	7,169,419	26	
1600	Property, plant and equipment	6(7), 8	1,341,204	5	1,344,772	5	1,250,762	5	
1755	Right-of-use assets	6(8)	21,680	—	26,280	—	30,901	—	
1760	Investment property	6(9), 8	664,276	2	666,559	2	669,226	2	
1780	Intangible assets	6(10)	803,846	3	825,839	3	800,327	3	
1840	Deferred tax assets	6(22)	13,411	—	11,216	—	18,887	—	
1920	Refundable deposits		8,904	—	10,511	—	8,557	—	
1915	Prepayments		54,834	—	16,294	—	4,840	—	
1975	Net defined benefit asset		8,422	—	7,133	—	10,866	—	
15XX	Total non-current assets		<u>21,753,160</u>	<u>80</u>	<u>21,880,820</u>	<u>81</u>	<u>23,197,507</u>	<u>84</u>	
1XXX	Total assets		<u>\$ 27,049,569</u>	<u>100</u>	<u>\$ 27,002,156</u>	<u>100</u>	<u>\$ 27,638,065</u>	<u>100</u>	

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

Center Laboratories, Inc. and Subsidiaries
Consolidated Balance Sheets
As of June 30, 2024, December 31, 2023, and June 30, 2023

		In Thousands of New Taiwan Dollars						
		June 30, 2024		December 31, 2023		June 30, 2023		
Account Co.	Liabilities and Equity	Notes	Amount	%	Amount	%	Amount	%
21XX	Current liabilities							
2100	Short-term loans	6(11), 8	\$ 375,000	1	\$ 330,000	1	\$ 500,000	2
2120	Financial liabilities at fair value through profit or loss	6(2)	—	—	—	—	50,075	—
2130	Contract liabilities	6(18)	122,701	—	113,666	—	118,034	—
2170	Accounts payable	7	130,089	1	144,642	1	125,832	—
2200	Other payables	6(12)	1,244,375	5	160,396	1	699,170	3
2220	Other payables to related parties	7	31	—	661	—	226,801	1
2230	Current tax liabilities		253,223	1	211,336	1	36,018	—
2280	Lease liabilities	6(8)	9,491	—	9,436	—	9,128	—
2320	Long-term liabilities, current portion	6(11)(13)	234,854	1	852,892	3	2,603,228	10
2399	Other current liabilities	7	22,589	—	22,046	—	18,613	—
21XX	Total current liabilities		<u>2,392,353</u>	<u>9</u>	<u>1,845,075</u>	<u>7</u>	<u>4,386,899</u>	<u>16</u>
25XX	Non-current liabilities							
2500	Financial liabilities at fair value through profit or loss	6(2)	22,861	—	72,220	—	43,900	—
2530	Bonds payable	6(13)	4,361,397	16	4,350,826	16	2,591,832	9
2540	Long-term loans	6(11), 8	1,323,724	5	61,090	—	66,565	—
2570	Deferred tax liabilities	6(22)	167,360	1	434,021	2	726,228	3
2580	Lease liabilities	6(8)	12,506	—	17,133	—	22,004	—
2670	Other non-current liabilities		5,576	—	5,588	—	5,673	—
25XX	Total non-current liabilities		<u>5,893,424</u>	<u>22</u>	<u>4,940,878</u>	<u>18</u>	<u>3,456,202</u>	<u>12</u>
2XXX	Total liabilities		<u>8,285,777</u>	<u>31</u>	<u>6,785,953</u>	<u>25</u>	<u>7,843,101</u>	<u>28</u>
31XX	Equity attributable to shareholders of the parent	6(15)						
3110	Share capital		7,181,528	26	6,914,211	26	5,947,560	22
3150	Stock dividends to be distributed		—	—	—	—	594,756	2
3200	Capital surplus		5,772,106	21	7,241,502	27	5,923,243	21
3300	Retained earnings							
3310	Legal capital reserve		1,267,810	5	1,267,810	5	1,267,810	5
3320	Special capital reserve		5,560,363	21	5,560,363	20	5,560,363	20
3350	Unappropriated earnings		(876,844)	(3)	(1,004,735)	(4)	50,943	—
3400	Other equity							
3410	Exchange differences arising on translation of foreign operations		(4,504)	—	(50,396)	—	(68,347)	—
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income		74,820	—	74,820	—	37,824	—
3500	Treasury shares		(211,493)	(1)	(246,721)	(1)	—	—
31XX	Total equity attributable to shareholders of the parent		<u>18,763,786</u>	<u>69</u>	<u>19,756,854</u>	<u>73</u>	<u>19,314,152</u>	<u>70</u>
36XX	Non-controlling interests	6(15), 6(16)	6	—	459,349	2	480,812	2
3XXX	Total equity		<u>18,763,792</u>	<u>69</u>	<u>20,216,203</u>	<u>75</u>	<u>19,794,964</u>	<u>72</u>
1XXX	Total liabilities and equity		<u>\$ 27,049,569</u>	<u>100</u>	<u>\$ 27,002,156</u>	<u>100</u>	<u>\$ 27,638,065</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 and six months ended June 30, 2024 and 2023

In Thousands of New Taiwan Dollars, Except Earnings Per Share

Account Co.	Items	Notes	Three Months Ended June 30, 2024		Three Months Ended June 30, 2023		Six Months Ended June 30, 2024		Six Months Ended June 30, 2023	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Net revenue	6(18), 7	\$ 413,419	100	\$ 312,302	100	\$ 776,829	100	\$ 647,312	100
5000	Cost of revenue		222,402	54	169,847	54	421,137	54	364,287	56
5900	Gross profit		191,017	46	142,455	46	355,692	46	283,025	44
6000	Operating expenses	6(19), 7								
6100	Selling and marketing expenses		61,196	15	49,460	16	117,129	15	100,425	15
6200	General and administrative expenses		56,422	13	80,304	26	102,433	13	139,683	22
6300	Research and development expenses		17,132	4	18,539	6	37,841	5	37,019	6
6450	Expected credit losses (gains)		102	—	219	—	100	—	(107)	—
	Total operating expenses		134,852	32	148,522	48	257,503	33	277,020	43
6900	Income (loss) from operations		56,165	14	(6,067)	(2)	98,189	13	6,005	1
7000	Non-operating income and expenses									
7050	Finance costs	6(20), 7	(60,004)	(14)	(54,517)	(17)	(114,315)	(15)	(82,342)	(13)
7100	Interest income		23,633	6	15,103	5	45,263	6	25,263	4
7130	Dividend income		87,885	21	77,327	25	87,885	11	265,319	41
7190	Other income	7	13,161	3	12,630	4	26,210	3	28,037	4
7225	Gains on disposal of investments		8,675	2	347	—	36,759	5	240,688	37
7230	Net foreign exchange gain		14,123	3	27,487	9	74,442	10	18,495	3
7590	Other gains and losses	6(20)	(1)	—	(8,126)	(3)	(91)	—	(94,605)	(14)
7060	Share of profit or loss of associates	6(6)	(34,500)	(8)	(280,336)	(90)	(177,885)	(23)	(296,863)	(46)
7635	Net (loss) of financial assets and liabilities at fair value through profit or loss		(236,871)	(57)	(849,335)	(272)	(784,717)	(101)	(11,790)	(2)
	Total non-operating income and expenses		(183,899)	(44)	(1,059,420)	(339)	(806,449)	(104)	92,202	14
7900	(Loss) income before income tax		(127,734)	(30)	(1,065,487)	(341)	(708,260)	(91)	98,207	15
7950	Income tax benefit (expense)	6(22)	63,788	15	115,140	37	95,089	12	(70,377)	(11)
8200	Net (loss) income		(63,946)	(15)	(950,347)	(304)	(613,171)	(79)	27,830	4
8300	Other comprehensive income (loss)									
8360	Items that may be reclassified subsequently to profit or loss	6(21)								
8361	Exchange differences arising on translation of foreign operations		10,815	3	(33,491)	(11)	45,352	6	(40,233)	(6)
8370	Share of other comprehensive income or loss of associates		3,834	1	7,324	2	9,930	1	4,694	1
8399	Income tax (expense) benefit related to items that may be reclassified subsequently	6(22)	(2,183)	(1)	5,478	2	(9,390)	(1)	7,156	1
8360	Total components of other comprehensive income that may be reclassified to profit or loss		12,466	3	(20,689)	(7)	45,892	6	(28,383)	(4)
8500	Total comprehensive (loss) income		\$ (51,480)	(12)	\$ (971,036)	(311)	\$ (567,279)	(73)	\$ (553)	—

(To be continued)

(Continued)

Account Co.	Items	Notes	Three Months Ended June 30, 2024		Three Months Ended June 30, 2023		Six Months Ended June 30, 2024		Six Months Ended June 30, 2023	
			Amount	%	Amount	%	Amount	%	Amount	%
8600	Net income (loss) attributable to:									
8610	Shareholders of the parent		<u>\$ (72,469)</u>	<u>(17)</u>	<u>\$ (933,041)</u>	<u>(298)</u>	<u>\$ (613,446)</u>	<u>(79)</u>	<u>\$ 58,593</u>	<u>9</u>
8620	Non-controlling interests		<u>\$ 8,523</u>	<u>2</u>	<u>\$ (17,306)</u>	<u>(6)</u>	<u>\$ 275</u>	<u>—</u>	<u>\$ (30,763)</u>	<u>(5)</u>
8700	Total comprehensive income attributable to:									
8710	Shareholders of the parent		<u>\$ (60,003)</u>	<u>(14)</u>	<u>\$ (953,730)</u>	<u>(305)</u>	<u>\$ (567,554)</u>	<u>(73)</u>	<u>\$ 30,210</u>	<u>5</u>
8720	Non-controlling interests		<u>\$ 8,523</u>	<u>2</u>	<u>\$ (17,306)</u>	<u>(6)</u>	<u>\$ 275</u>	<u>—</u>	<u>\$ (30,763)</u>	<u>(5)</u>
	Earnings per share									
9750	Basic earnings (loss) per share	6(23)	<u>\$ (0.10)</u>		<u>\$ (1.43)</u>		<u>\$ (0.88)</u>		<u>\$ 0.09</u>	
9850	Diluted earnings (loss) per share	6(23)	<u>\$ (0.10)</u>		<u>\$ (1.43)</u>		<u>\$ (0.88)</u>		<u>\$ 0.09</u>	

(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 six months ended June 30, 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	Stock dividends to be distributed	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
Appropriation of earnings:																		
Cash dividends	—	—	—	—	—	—	—	—	—	—	(594,756)	—	—	—	—	(594,756)	—	(594,756)
Stock dividends	—	594,756	(267,640)	—	—	—	—	—	—	—	(327,116)	—	—	—	—	—	—	—
Appropriation as legal capital reserve	—	—	—	—	—	—	—	—	9,390	—	(9,390)	—	—	—	—	—	—	—
Appropriation as special capital reserve	—	—	—	—	—	—	—	—	—	(412,884)	412,884	—	—	—	—	—	—	—
Other changes in capital surplus																		
Due to recognition of equity component of convertible bond issue	—	—	—	—	—	—	—	660,540	—	—	—	—	—	—	—	660,540	—	660,540
Adjustments to share of changes in equities of associates	—	—	—	—	(22,618)	—	—	—	—	—	(11,579)	—	—	—	—	(34,197)	—	(34,197)
Exercise of reversionary rights	—	—	—	—	—	—	7	—	—	—	—	—	—	—	—	7	—	7
Net income (loss) for the six months ended June 30, 2023	—	—	—	—	—	—	—	—	—	—	58,593	—	—	—	—	58,593	(30,763)	27,830
Other comprehensive income for the six months ended June 30, 2023	—	—	—	—	—	—	—	—	—	—	—	(28,383)	—	(28,383)	—	(28,383)	—	(28,383)
Increase in non-controlling interests in subsidiary acquisitions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	511,575	511,575
Balance as of June 30, 2023	\$ 5,947,560	\$ 594,756	\$ 3,504,789	\$ 449,327	\$ 1,044,997	\$ 71,993	\$ 127	\$ 852,010	\$ 1,267,810	\$ 5,560,363	\$ 50,943	\$ (68,347)	\$ 37,824	\$ (30,523)	\$ —	\$ 19,314,152	\$ 480,812	\$ 19,794,964
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
Issuance of new shares (share exchange)	248,430	—	922,916	(449,327)	—	—	—	—	—	—	(262,401)	—	—	—	—	459,618	(459,618)	—
Capital surplus used to offset accumulated deficits	—	—	(1,004,735)	—	—	—	—	—	—	—	1,004,735	—	—	—	—	—	—	—
Cash dividends from capital surplus	—	—	(1,037,159)	—	—	—	—	—	—	—	—	—	—	—	—	(1,037,159)	—	(1,037,159)
Conversion of convertible bonds	18,887	—	65,896	—	—	—	—	(16,317)	—	—	—	—	—	—	—	68,466	—	68,466
Other changes in capital surplus																		
Adjustments to share of changes in equities of associates	—	—	—	—	44,651	—	—	—	—	—	(997)	—	—	—	—	43,654	—	43,654
Recovery of unclaimed dividends from shareholders	—	—	—	—	—	—	69	—	—	—	—	—	—	—	—	69	—	69
Disposal of the parent company's share by subsidiaries recognized as treasury share transactions	—	—	—	—	—	4,610	—	—	—	—	—	—	—	35,228	39,838	—	—	39,838
Net income (loss) for the six months ended June 30, 2024	—	—	—	—	—	—	—	—	—	—	(613,446)	—	—	—	—	(613,446)	275	(613,171)
Other comprehensive income for the six months ended June 30, 2024	—	—	—	—	—	—	—	—	—	—	—	45,892	—	45,892	—	45,892	—	45,892
Balance as of June 30, 2024	\$ 7,181,528	\$ —	\$ 3,813,462	\$ —	\$ 1,091,577	\$ 81,437	\$ 1,609	\$ 784,021	\$ 1,267,810	\$ 5,560,363	\$ (876,844)	\$ (4,504)	\$ 74,820	\$ 70,316	\$ (211,493)	\$ 18,763,786	\$ 6	\$ 18,763,792

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

Center Laboratories, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the six months ended June 30, 2024 and 2023

	In Thousands of New Taiwan Dollars	
	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash flows from operating activities:		
(Loss) income before income tax	\$ (708,260)	\$ 98,207
Adjustments for:		
The income or loss items which did not affect cash flows		
Depreciation expense	53,776	48,946
Amortization expense	24,404	24,232
Current transfer expenses of construction in process	—	22
Loss on valuation of accounts payable	—	94,556
Net loss of financial assets and liabilities at fair value through profit or loss	784,717	11,790
(Gain) Loss on disposal of property, plant and equipment	(68)	31
Expected credit losses (gains)	100	(107)
Interest expense	114,315	82,342
Interest income	(45,263)	(25,263)
Dividend income	(87,885)	(265,319)
Share of profit or loss of associates	177,885	296,863
Gains on disposal of investments	(36,759)	(240,688)
Changes in operating assets and liabilities		
Decrease in notes receivable	17,994	23,241
Decrease in accounts receivable	4,077	6,742
Decrease in other receivables	8,865	2,267
(Increase) in inventories	(3,449)	(1,776)
Decrease (increase) in other current assets	3,417	(1,793)
Increase in defined benefit asset	(1,300)	(1,142)
(Decrease) increase in accounts payable	(14,553)	9,002
(Decrease) in other payables	(24,932)	(14,870)
(Decrease) in other payables to related parties	(630)	(234,357)
Increase in contract liabilities	9,035	28,485
Increase in other current liabilities	543	3,170
Cash generated from operations	<u>276,029</u>	<u>(55,419)</u>
Interest received	47,443	25,485
Interest paid	(48,547)	(36,364)
Income tax paid	<u>(141,270)</u>	<u>(972,180)</u>
Net cash provided by (used in) operating activities	<u>133,655</u>	<u>(1,038,478)</u>

(To be continued)

(Continued)

	<u>Six Months Ended June 30, 2024</u>	<u>Six Months Ended June 30, 2023</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(1,279,709)	(955,683)
Proceeds from disposal of financial assets at fair value through profit or loss	392,338	658,114
Acquisition of investments accounted for using the equity method	(80,180)	(167,497)
Proceeds from disposal of investments accounted for using the equity method	41,186	—
Acquisition of intangible assets	(2,411)	(760)
Acquisition of property, plant and equipment	(54,966)	(28,687)
Proceeds from disposal of property, plant and equipment	150	—
Decrease (increase) in financial assets at amortized cost	360,660	(1,313,876)
(Increase) in prepayment for equipment	(38,540)	(3,341)
Decrease in refundable deposits	1,607	300
(Increase) decrease in other financial assets	(98,521)	68,132
Dividends received	88,513	293,250
Net cash flows from subsidiaries	—	120,622
Net cash (used in) investing activities	<u>(669,873)</u>	<u>(1,329,426)</u>
Cash flows from financing activities:		
Increase (decrease) in short-term loans	45,000	(110,000)
Proceeds from (repayment of) long-term loans	644,596	(511,656)
Increase in guarantee deposits	—	273
Repayment of the principal portion of lease liabilities	(4,572)	(4,531)
Recovery of unclaimed dividends from shareholders	83,161	—
Payment for disposal of treasury stock	39,838	—
Proceeds from issuance of convertible bonds	—	3,270,583
Payments for transaction costs attributable to the issuance of bonds	—	(4,929)
Exercise of reversionary rights	—	7
Net cash provided by financing activities	<u>808,023</u>	<u>2,639,747</u>
Effect of exchange rate changes on cash and cash equivalents	304	—
Net increase in cash and cash equivalents	272,109	271,843
Cash and cash equivalents, beginning of period	1,704,592	796,738
Cash and cash equivalents, end of period	<u>\$ 1,976,701</u>	<u>\$ 1,068,581</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 Six Months Ended June 30, 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 June 30, 2024, the Company possessed an authorized capital of \$10,000,000 thousand and a paid-in capital of \$7,181,528 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 August 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 endorsed and announced by the FSC:

New, Revised or Amended Standards and Interpretations	Effective Date of Issuance by the IASB (Note 1)
Amendments to IFRS 9 and IAS 7: “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
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 There to	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial	January 1, 2027

New, Revised or Amended Standards and Interpretations	Effective Date of Issuance by the IASB (Note 1)
Statements”	
IFRS 19 “Subsidiaries without Public Accountability: Disclosure”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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.

(1) 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		
				2024.06.30	2023.12.31	2023.06.30
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%	—
The Company and Centerlab Investment Holdings Limited	Bioflag International Corporation	A subsidiary of the Company	Investment	100.00%	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%
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%	—

(2) The important changes in the consolidated entities are explained as follows:

- (a) 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. In May 2024, the Company acquired 52.67% of the shares of Bioflag International Corporation through the issuance of new shares. After the share exchange, Bioflag International Corporation became a wholly-owned subsidiary of the Company.
- (b) 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.
- (3) Subsidiaries with non-controlling interests that are material to the Company:

As of June 30, 2024, December 31, 2023, and June 30, 2023, the total non-controlling interests for the Group were respectively \$6,000, \$459,349 thousand, and \$480,812 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					
		June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	Percentage of Ownership	Amount	Percentage of Ownership	Amount	Percentage of Ownership
Bioflag International Corporation (excluding non-controlling interests of subsidiaries)	Cayman Islands	—	—	459,349	52.67%	480,812	52.67%

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

Balance Sheet

Items	2023.12.31	2023.06.30
	Bioflag International Corporation	Bioflag International Corporation
Current assets	\$ 267,577	\$ 268,615
Non-current assets	1,361,866	1,372,026
Current liabilities	9,798	4,001
Non-current liabilities	200,000	200,000
Equity	\$ 1,419,645	\$ 1,436,640

Statement of Profit or Loss

Items	Bioflag International Corporation	Bioflag International Corporation
	Five Months Ended May 31, 2024 (Base date of share exchange)	Six Months Ended June 30, 2023
Operating revenue	\$ —	\$ —
Net income before tax	20,319	(34,653)
Income tax (expense) benefit	—	—
Net income of continuing operations	\$ 20,319	\$ (34,653)
Other comprehensive income (net after tax)	—	—
Total comprehensive income	\$ 20,319	\$ (34,653)
Comprehensive income (loss) attributable to non-controlling interests	\$ 10,702	\$ (18,252)
Dividends paid to non-controlling interests	\$ —	\$ —

Statement of Cash Flows

Items	Bioflag International Corporation	Bioflag International Corporation
	Five Months Ended May 31, 2024 (Base date of share exchange)	Six Months Ended June 30, 2023
Net cash provide by (used in) operating activities	\$ 458	\$ (66)
Net cash provide by investing activities	—	—

Net cash provide by financing activities	—	—
Net increase (decrease) in cash and cash equivalents	\$ 458	\$ (66)
Cash and cash equivalents, beginning of period	11,577	12,681
Cash and cash equivalents, end of period	\$ 12,035	\$ 12,615

(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 SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

Items	2024.06.30	2023.12.31	2023.06.30
Cash on hand and petty cash	\$ 504	\$ 498	\$ 210
Checking accounts and demand deposits	1,849,249	743,027	951,591
Cash equivalents:			
Time deposits	126,948	961,067	116,780
Total	\$ 1,976,701	\$ 1,704,592	\$ 1,068,581

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	2024.06.30	2023.12.31	2023.06.30
Financial assets - current			
Designated to be measured at fair value through profit or loss			
Foreign listed stocks	\$ 302,637	\$ 973,866	\$ 875,722
Financial assets - non-current			
Designated to be measured at fair value through profit or loss			
Domestic listed stocks	\$ 3,263,963	\$ 3,242,555	\$ 2,265,125
Domestic unlisted (non-OTC) ordinary shares and emerging-stock-market shares	197,315	210,017	230,931
Foreign listed stocks	1,595,857	2,327,106	3,444,829
Equity shares of unlisted foreign companies	1,082,360	2,006,272	2,319,302
Foreign unlisted preferred/common shares	2,391,949	1,381,440	1,131,456

Foreign funds	4,427,444	3,928,862	3,837,466
Derivative financial instruments - Right of redemption	8,990	3,264	4,613
Total	\$ 12,967,878	\$ 13,099,516	\$ 13,233,722
Financial liabilities - current			
Designated to be measured at fair value through profit or loss			
Derivative financial instruments - redemption options	\$ —	\$ —	\$ 50,075
Financial liabilities - non-current			
Designated to be measured at fair value through profit or loss			
Derivative financial instruments - redemption options	\$ 22,861	\$ 72,220	\$ 43,900

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	2024.06.30	2023.12.31	2023.06.30
Current items:			
Time deposits with original maturity period of more than three months	\$ 384,857	\$ 745,517	\$ 1,835,946

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

Items	2024.06.30	2023.12.31	2023.06.30
Time deposits	5.26%~5.40%	5.26%~5.61%	0.65%~5.17%

(4) Accounts receivable, net

Items	2024.06.30	2023.12.31	2023.06.30
Measured at amortized cost			
Accounts receivable to general customers	\$ 188,037	\$ 187,098	\$ 162,228
Accounts receivable to	—	5,471	14,280

Items	2024.06.30	2023.12.31	2023.06.30
Measured at amortized cost related parties			
Less: loss allowance	(1,603)	(1,953)	(2,194)
Net	\$ 186,434	\$ 190,616	\$ 174,314

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 June 30, 2024, December 31, 2023, and June 30, 2023, for the Company is as follows:

June 30, 2024

Age	Carrying Amount of Accounts Receivable	Loss Allowance for Lifetime Expected Credit Losses
Within 90 days	\$ 164,888	\$ 531
90 days to 180 days past due	21,512	524
180 days to 365 days past due	1,604	515
Over 365 days	33	33
Total	\$ 188,037	\$ 1,603

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	\$ 192,569	\$ 1,953

June 30, 2023

Age	Carrying Amount of Accounts Receivable	Loss Allowance for Lifetime Expected Credit Losses
Within 90 days	\$ 152,614	\$ 380
90 days to 180 days past due	22,044	949

Age	Carrying Amount of Accounts Receivable	Loss Allowance for Lifetime Expected Credit Losses
180 days to 365 days past due	1,380	395
Over 365 days	470	470
Total	<u>\$ 176,508</u>	<u>\$ 2,194</u>

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

Items	2024.06.30	2023.06.30
Beginning balance	\$ 1,953	\$ 1,482
Corporate merger acquisition	—	527
Increased (reversed) recognition of impairment loss	105	185
Written off as uncollectible	(455)	—
Ending balance	<u>\$ 1,603</u>	<u>\$ 2,194</u>

(5) Inventories

Items	2024.06.30	2023.12.31	2023.06.30
Merchandise inventories	\$ 268	\$ 34	\$ 1,198
Finished goods	148,933	139,087	114,037
Work-in-progress and semi- finished goods	39,698	43,429	30,258
Raw materials	81,324	83,265	72,607
Supplies	23,190	22,502	20,465
Inventories in transit	4,217	4,007	754
Total	<u>\$ 297,630</u>	<u>\$ 292,324</u>	<u>\$ 239,319</u>
Less: Allowance for diminution in value of inventories	(24,953)	(23,096)	(19,834)
Net	<u>\$ 272,677</u>	<u>\$ 269,228</u>	<u>\$ 219,485</u>

Costs of goods sold for the six months ended June 30, 2024 and 2023 include diminution in value of inventory (gain from price recovery) amounting to \$1,857 thousand and 526 thousand, respectively.

(6) Investments accounted for using the equity method

Items	2024.06.30	2023.12.31	2023.06.30
Investments in associates	<u>\$ 5,868,705</u>	<u>\$ 5,872,700</u>	<u>\$ 7,169,419</u>

A. Investments in associates are detailed as follows:

Items	2024.06.30	2023.12.31	2023.06.30
Material Associates			
Medeon Biodesign, Inc.	\$ 572,799	\$ 690,923	\$ 807,498
TOT BIOPHARM			
International Company Limited	2,976,401	2,909,254	2,828,915
Mycenax Biotech Inc.	461,058	506,946	561,141
Lumosa Therapeutics Co., Ltd.	459,935	475,213	531,340
	4,470,193	4,582,336	4,728,894
Individually immaterial associates	1,398,512	1,290,364	2,440,525
Total	\$ 5,868,705	\$ 5,872,700	\$ 7,169,419

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

Items	Shareholding percentage		
	2024.06.30	2023.12.31	2023.06.30
Medeon Biodesign, Inc.	29.75%	29.78%	29.78%
TOT BIOPHARM			
International Company Limited	28.59%	28.59%	27.60%
Mycenax Biotech Inc.	20.39%	20.39%	20.44%
Lumosa Therapeutics Co., Ltd.	33.40%	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(17) 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:

	2024.06.30	2023.12.31	2023.06.30
Medeon Biodesign, Inc.	\$ 1,397,962	\$ 1,278,724	\$ 1,532,198
TOT BIOPHARM International Company Limited	2,010,596	1,710,244	1,890,373
Mycenax Biotech Inc.	942,485	570,283	684,499
Lumosa Therapeutics Co., Ltd.	8,906,923	2,607,749	2,260,047
Individually immaterial associates	1,475,015	1,437,435	1,792,566
Total	<u>\$ 14,732,981</u>	<u>\$ 7,604,435</u>	<u>\$ 8,159,683</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

	2024.06.30			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Current assets	\$ 1,729,809	\$ 3,201,822	\$ 985,817	\$ 807,761
Non-current assets	569,608	3,879,242	2,645,002	788,526
Current liabilities	187,758	1,653,687	638,368	197,305
Non-current liabilities	154,291	1,603,463	764,578	6,390
Equity	1,957,368	3,823,914	2,227,873	1,392,592
Non-controlling interests	(31,863)	—	—	(24,226)
	<u>\$ 1,925,505</u>	<u>\$ 3,823,914</u>	<u>\$ 2,227,873</u>	<u>\$ 1,368,366</u>
The Company's share of profit	\$ 572,799	\$ 1,093,348	\$ 452,809	\$ 457,066
Goodwill	—	1,883,053	8,249	11,031

	2024.06.30			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Downstream/sidestream transactions with associates	—	—	—	(8,162)
Carrying amount of associates invested	\$ 572,799	\$ 2,976,401	\$ 461,058	\$ 459,935
	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)
	\$ 2,319,988	\$ 3,589,083	\$ 2,447,192	\$ 1,400,698
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	\$ 690,923	\$ 2,909,254	\$ 506,946	\$ 475,213
	2023.06.30			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Current assets	\$ 2,682,314	\$ 2,902,096	\$ 1,377,033	\$ 1,208,786
Non-current assets	537,024	3,579,493	2,542,294	648,848
Current liabilities	248,275	1,338,386	556,470	193,662
Non-current liabilities	176,848	1,472,614	647,100	—
Equity	2,794,215	3,670,589	2,715,757	1,663,972
Non-controlling interests	(82,393)	—	—	(37,250)
	\$ 2,711,822	\$ 3,670,589	\$ 2,715,757	\$ 1,626,722
The Company's share of profit	\$ 807,498	\$ 1,013,188	\$ 552,892	\$ 539,236
Goodwill	—	1,815,727	8,249	1,422

Downstream/sidestream transactions with associates	—	—	—	(9,318)
Carrying amount of associates invested	\$ 807,498	\$ 2,828,915	\$ 561,141	\$ 531,340

Statement of Profit or Loss

	Three Months Ended June 30, 2024			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Revenue	\$ 63,526	\$ 1,325,345	\$ 200,611	\$ 8,516
Net income of continuing operations	\$ (228,763)	\$ 106,897	\$ (101,616)	\$ 65,635
Other comprehensive income (net after tax)	5,116	3,070	69	12
Total comprehensive income (loss)	\$ (223,647)	\$ 109,967	\$ (101,547)	\$ 65,647
Dividends received from associates	\$ —	\$ —	\$ —	\$ —
	Six Months Ended June 30, 2024			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Revenue	\$ 110,667	\$ 2,297,057	\$ 280,801	\$ 12,979
Net income of continuing operations	\$ (443,276)	\$ 139,248	\$ (237,227)	\$ (51,956)
Other comprehensive income (net after tax)	18,634	6,720	229	37
Total comprehensive income (loss)	\$ (424,642)	\$ 145,968	\$ (236,998)	\$ (51,919)
Dividends received from associates	\$ —	\$ —	\$ —	\$ —
	Three Months Ended June 30, 2023			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Revenue	\$ 51,729	\$ 855,253	\$ 218,049	\$ 14,206
Net income of continuing operations	\$ (649,710)	\$ 5,728	\$ (167,390)	\$ (152,504)
Other comprehensive income (net after tax)	8,788	20,478	70	(51)
Total comprehensive income (loss)	\$ (640,922)	\$ 26,206	\$ (167,320)	\$ (152,555)
Dividends received from associates	\$ —	\$ —	\$ —	\$ —

	Six Months Ended June 30, 2023			
	Medeon Biodesign, Inc.	TOT BIOPHARM International Company Limited	Mycenax Biotech Inc.	Lumosa Therapeutics Co., Ltd.
Revenue	\$ 95,066	\$ 1,441,115	\$ 356,437	\$ 22,182
Net income of continuing operations	\$ (840,229)	\$ (66,608)	\$ (408,355)	\$ (8,547)
Other comprehensive income (net after tax)	5,959	15,010	31	(44)
Total comprehensive income (loss)	\$ (834,270)	\$ (51,598)	\$ (408,324)	\$ (8,591)
Dividends received from associates	\$ 13,053	\$ —	\$ —	\$ —

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

As of June 30, 2024, December 31, 2023, and June 30, 2023, the aggregate carrying amounts of other affiliated companies within the Group were \$1,398,512 thousand, \$1,290,364 thousand, and \$2,440,525 thousand, respectively.

The Company's share of profit	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023
Net income of continuing operations	\$ 451	\$ (5,439)
Other comprehensive income (net after tax)	\$ 1,478	\$ (912)
The Company's share of profit	Six Months Ended June 30, 2024.	Six Months Ended June 30, 2023
Net income of continuing operations	\$ (22,275)	\$ 53,406
Other comprehensive income (net after tax)	\$ 2,605	\$ (1,297)

(7) Property, plant and equipment

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

Items	2024.06.30	2023.12.31	2023.06.30
Land, buildings, and structures	\$ 772,516	\$ 778,324	\$ 784,812
Machinery and equipment	357,524	340,481	352,576
Transportation equipment	1,607	1,308	1,511
Office facility	44,220	46,083	46,020

Items	2024.06.30	2023.12.31	2023.06.30
Leasehold improvements	108,367	107,806	41,027
Miscellaneous equipment	28,596	24,506	21,108
Unfinished construction and equipment under acceptance	28,374	46,264	3,708
Total	<u>\$ 1,341,204</u>	<u>\$ 1,344,772</u>	<u>\$ 1,250,762</u>

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 June 30, 2024
Cost:						
Land, buildings, and structures	\$ 997,954	\$ 968	\$ —	\$ 4,166	\$ —	\$ 1,003,088
Machinery and equipment	675,454	8,072	(147)	30,477	18	713,874
Transportation equipment	6,206	571	(1,448)	—	—	5,329
Office facility	137,524	3,514	(57)	390	—	141,371
Leasehold improvements	129,659	6,462	—	762	—	136,883
Miscellaneous equipment	53,348	5,913	(304)	—	—	58,957
Unfinished construction and equipment under acceptance	46,264	17,905	—	(35,795)	—	28,374
Total	<u>\$ 2,046,409</u>	<u>\$ 43,405</u>	<u>\$ (1,956)</u>	<u>\$ —</u>	<u>\$ 18</u>	<u>\$ 2,087,876</u>

	Balance as of January 1, 2024	Depreciation expense	Disposal	Reclassification	Effect amount of exchange differences	Balance as of June 30, 2024
Accumulated depreciation and impairment:						
House and building	\$ 219,630	\$ 10,942	\$ —	\$ —	\$ —	\$ 230,572
Machinery and equipment	334,973	21,504	(143)	—	16	356,350
Transportation equipment	4,898	211	(1,387)	—	—	3,722
Office facility	91,441	5,762	(52)	—	—	97,151
Leasehold improvements	21,853	6,663	—	—	—	28,516
Miscellaneous equipment	28,842	1,811	(292)	—	—	30,361
Total	<u>\$ 701,637</u>	<u>\$ 46,893</u>	<u>\$ (1,874)</u>	<u>\$ —</u>	<u>\$ 16</u>	<u>\$ 746,672</u>

	Balance as of January 1, 2023	Corporate merger acquisition	Addition - individually acquired	Disposal	Reclassification	Balance as of June 30, 2023
Cost:						
Land, buildings, and structures	\$ 591,881	\$ 391,843	\$ 4,603	\$ —	\$ 5,111	\$ 993,438
Machinery and equipment	156,713	504,817	1,031	—	3,821	666,382
Transportation equipment	5,963	645	—	—	—	6,608
Office facility	67,884	57,991	4,062	(27)	2,098	132,008
Leasehold improvements	—	32,282	9,286	—	17,895	59,463
Miscellaneous equipment	41,498	5,860	2,042	(1,048)	—	48,352
Unfinished construction and equipment under acceptance	—	31,635	1,020	—	(28,947)	3,708
Total	\$ 863,939	\$ 1,025,073	\$ 22,044	\$ (1,075)	\$ (22)	\$ 1,909,959

	Balance as of January 1, 2023	Corporate merger acquisition	Depreciation expense	Disposal	Reclassification	Balance as of June 30, 2023
Accumulated depreciation and impairment:						
House and building	\$ 141,864	\$ 55,403	\$ 11,359	\$ —	\$ —	\$ 208,626
Machinery and equipment	112,093	181,221	20,492	—	—	313,806
Transportation equipment	4,391	503	203	—	—	5,097
Office facility	49,170	31,184	5,659	(25)	—	85,988
Leasehold improvements	—	15,916	2,520	—	—	18,436
Miscellaneous equipment	23,972	2,847	1,444	(1,019)	—	27,244
Total	\$ 331,490	\$ 287,074	\$ 41,677	\$ (1,044)	\$ —	\$ 659,197

C. The amount of capitalized interest for the six months ended June 30, 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

	2024.06.30	2023.12.31	2023.06.30
Carrying amount of right-of-use assets			

House and building	\$ 19,891	\$ 24,003	\$ 28,114
Office facility	—	—	22
Transportation equipment	1,789	2,277	2,765
Total	<u>\$ 21,680</u>	<u>\$ 26,280</u>	<u>\$ 30,901</u>

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Addition of right-of-use assets	\$ —	\$ 8,556
Depreciation expense of right-of-use assets		
House and building	\$ 4,112	\$ 4,112
Office facility	—	65
Transportation equipment	488	422
Total	<u>\$ 4,600</u>	<u>\$ 4,599</u>

B. Lease liabilities

	2024.06.30	2023.12.31	2023.06.30
Current	<u>\$ 9,491</u>	<u>\$ 9,436</u>	<u>\$ 9,128</u>
Non-current	<u>\$ 12,506</u>	<u>\$ 17,133</u>	<u>\$ 22,004</u>

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

	2024.06.30	2023.12.31	2023.06.30
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 June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Short-term lease and low-value asset expenses	\$ 717	\$ 318	\$ 1,439	\$ 661
Total leasehold cash (outflow)			<u>\$ (4,572)</u>	<u>\$ (4,531)</u>

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 June 30, 2024, and 2023 were listed as follows:

Items	2024.06.30	2023.06.30
Less than 1 year	\$ 30,496	\$ 28,854
More than 1 year but less than 5 years	55,575	72,960
Total	\$ 86,071	\$ 101,814

(9) Investment Property

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

Items	2024.06.30	2023.12.31	2023.06.30
Land	\$ 557,177	\$ 557,177	\$ 557,177
House and building	107,099	109,382	112,049
Total	\$ 664,276	\$ 666,559	\$ 669,226

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 June 30, 2024	\$ 557,177	\$ 151,867	\$ 709,044
Accumulated depreciation and impairment			
Balance as of January 1, 2024	\$ —	\$ 42,485	\$ 42,485
Depreciation in current period	—	2,283	2,283
Balance as of June 30, 2024	\$ —	\$ 44,768	\$ 44,768

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 June 30, 2023	\$ 557,177	\$ 151,867	\$ 709,044
Accumulated depreciation and impairment			
Balance as of January 1, 2023	\$ —	\$ 37,148	\$ 37,148

Acquisition cost	Land	House and building	Total
Depreciation in current period	—	2,670	2,670
Balance as of June 30, 2023	\$ —	\$ 39,818	\$ 39,818

- C. The fair value of the consolidated company's investment property as of June 30, 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 April 1 to June 30, 2024 and 2023 and from January 1 to June 30, 2024 and 2023 were NT\$8,201 thousand, NT\$8,073 thousand, NT\$16,388 thousand and NT\$15,972 thousand, respectively. There were no direct operating expenses incurred for the periods from January 1 to June 30 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	2024.06.30	2023.12.31	2023.06.30
Computer software	\$ 4,890	\$ 3,319	\$ 2,130
Goodwill	398,359	398,359	350,471
Technical know-how	177,193	187,616	198,040
Trademark right	223,404	236,545	249,686
Total	\$ 803,846	\$ 825,839	\$ 800,327

- 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 June 30, 2024
Acquisition cost:				
Computer software	\$ 18,309	\$ 2,411	\$ —	\$ 20,720
Goodwill	398,359	—	—	398,359
Technical know-how	208,462	—	—	208,462
Trademark right	262,828	—	—	262,828
Total	\$ 887,958	\$ 2,411	\$ —	\$ 890,369

	Balance as of January 1, 2024	Amortization expense	Disposal	Balance as of June 30, 2024
Accumulated amortization and impairment:				
Computer software	\$ 14,990	\$ 840	\$ —	\$ 15,830
Technical know-how	20,846	10,423	—	31,269
Trademark right	26,283	13,141	—	39,424
Total	<u>\$ 62,119</u>	<u>\$ 24,404</u>	<u>\$ —</u>	<u>\$ 86,523</u>

	Balance as of January 1, 2023	Corporate merger acquisition	Addition - individually acquired	Disposal	Balance as of June 30, 2023
Acquisition cost:					
Computer software	\$ 14,848	\$ 906	\$ 760	\$ —	\$ 16,514
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>\$ 760</u>	<u>\$ —</u>	<u>\$ 838,275</u>

	Balance as of January 1, 2023	Corporate merger acquisition	Amortization expense	Disposal	Balance as of June 30, 2023
Accumulated amortization and impairment:					
Computer software	\$ 12,907	\$ 809	\$ 668	\$ —	\$ 14,384
Technical know-how	—	—	10,422	—	10,422
Trademark right	—	—	13,142	—	13,142
Total	<u>\$ 12,907</u>	<u>\$ 809</u>	<u>\$ 24,232</u>	<u>\$ —</u>	<u>\$ 37,948</u>

- C. No impairment losses on goodwill were recognized for the six months ended June 30, 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

	2024.06.30	2023.12.31	2023.06.30
Bank loan			
Unsecured loan	\$ —	\$ —	\$ 350,000
Secured loan	375,000	330,000	150,000
Total	<u>\$ 375,000</u>	<u>\$ 330,000</u>	<u>\$ 500,000</u>
Range of interest rates	2.24%~2.40%	2.05%~2.40%	1.80%~2.1%

B. Long-term loans

	2024.06.30	2023.12.31	2023.06.30
Bank loan			
Secured loan	\$ 1,558,578	\$ 913,982	\$ 777,344
Less: Long-term loans due within one year	(234,854)	(852,892)	(710,779)
Total	<u>\$ 1,323,724</u>	<u>\$ 61,090</u>	<u>\$ 66,565</u>

C. For assets pledged by the Group as collateral for long-term borrowings, please refer to Note 8.

D. For details of the consolidated company's interest rate, foreign currency, and liquidity risk, please refer to Note 6(26).

(12) Other payables

Items	2024.06.30	2023.12.31	2023.06.30
Expenses payable:			
Salaries, bonuses and employee social insurance	\$ 58,599	\$ 66,580	\$ 47,521
Commission expense	5,113	5,519	3,824
Service fees	4,018	4,135	14,861
Employee bonus and remuneration to the board of directors payable	—	—	2,630
Other estimated expenses payable	41,346	45,057	27,004
Subtotal	<u>109,076</u>	<u>121,291</u>	<u>95,840</u>
Business tax payable	4,406	16,902	9
Equipment expenses payable	10,642	22,203	8,565
Dividends payable	1,120,251	—	594,756
Total	<u>\$ 1,244,375</u>	<u>\$ 160,396</u>	<u>\$ 699,170</u>

(13) Bonds payable

	2024.06.30	2023.12.31	2023.06.30
Domestic unsecured convertible bonds	\$ 2,239,100	\$ 2,320,700	\$ 4,000,000
Domestic secured convertible bonds	2,624,900	2,624,900	1,200,000
Less: Discount on bonds payable	(502,603)	(594,774)	(715,719)
Less: Bonds due within one year	—	—	(1,892,449)
Total	\$ 4,361,397	\$ 4,350,826	\$ 2,591,832

Changes from January 1 to June 30, 2024 and 2023:

Items	2024.06.30	2023.06.30
Liability component on January 1	\$ 4,350,826	\$ 1,868,778
Liability component issued	—	2,569,528
Interest calculated at effective interest rates	78,187	45,976
Less: Issuance of ordinary shares of convertible bonds	(67,616)	—
Liability component on June 30	\$ 4,361,397	\$ 4,484,282

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.

Holder 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		22,491
Issue price of convertible bonds (net of issuance costs of NT\$1,311 thousand)	\$	498,689

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.

Holder 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)	\$	1,496,157

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)	\$	769,497

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)	\$	2,496,158

(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 April 1 to June 30, 2024 and 2023 and from

January 1 to June 30, 2024 and 2023 were NT\$4,885 thousand, NT\$4,108 thousand, NT\$9,345 thousand and NT\$7,861 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 April 1 to June 30, 2024 and 2023 and from January 1 to June 30, 2024 and 2023 were NT\$(5) thousand, NT\$0 thousand, NT\$(9) thousand and NT\$0 thousand, respectively.

(15) Equity

A. Share capital

As of June 30, 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 June 30, 2024 and 2023, the Company had a paid-in capital of NT\$7,181,528 thousand and NT\$5,947,560 thousand, corresponding to 718,152 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	2024.06.30	2023.12.31	2023.06.30
Issued at premium	\$ 3,813,462	\$ 4,866,544	\$ 3,504,789
Changes in net equity of associates and joint ventures accounted for using the equity method	1,091,577	1,046,926	1,044,997
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	—	449,327	449,327
Stock options	784,021	800,338	852,010
Transaction of shares in stock	81,437	76,827	71,993
Others	1,609	1,540	127
Total	<u>\$ 5,772,106</u>	<u>\$ 7,241,502</u>	<u>\$ 5,923,243</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

The cash dividends from capital surplus, which were proposed and approved in the shareholders' meetings on June 25, 2024 was as follows:

	2023	
	Amount	Earnings per share (\$)
Cash dividends from capital surplus	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 six months ended June 30, 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

	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Exchange differences arising on translation of foreign operations	Total
Exchange differences arising on translation of foreign operations	—	36,260	36,260
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	—	9,632	9,632
Balance as of June 30, 2024	\$ 74,820	\$ (4,504)	\$ 70,316

	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 on translating the financial statements of foreign operations	—	(32,186)	(32,186)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	—	3,803	3,803
Balance as of June 30, 2023	\$ 37,824	\$ (68,347)	\$ (30,523)

F. Treasury shares

(a) Reasons for treasury stock and its quantity for the six months ended June 30, 2024:

Six Months Ended June 30, 2024

Unit: 1000 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	—	765	4,593

As of June 30, 2024, the subsidiary company held treasury stocks with a market value of NT\$249,842 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	2024.06.30	2023.06.30
Beginning balance	\$ 459,349	\$ —
Net profit of the year	275	(30,763)
Increase (decrease) in non-controlling interests in subsidiary acquisitions	(459,618)	511,575
Ending balance	\$ 6	\$ 480,812

(16) Transactions with Non-controlling Interests

The Company formerly held 47.33% of the shares of Bioflag International Corporation through its subsidiary, Centerlab Investment Holding Limited. In May 2024, the Company acquired 52.67% of the shares of Bioflag International Corporation through the issuance of new shares. After the share exchange, Bioflag International Corporation became a wholly-owned subsidiary of the Company.

Items	2024.06.30
Acquired book value of non-controlling interests	\$ 459,618
Payment of share consideration for non-controlling interests	(1,171,346)
Difference between acquisition price and carrying value of equity in subsidiaries	\$ (711,728)
Equity transaction balance adjustment account	
Capital surplus	\$ (449,327)
Accumulated Profit/Loss	\$ (262,401)

(17) 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	2023/01/03	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	\$ 808,825

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	\$ 971,274

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)

	<u>Six Months Ended June 30, 2023</u>	
	<u>Bioflag International Corporation</u>	
Transfer Consideration	\$	808,825
Non-controlling interests		511,575
Less: fair value of identifiable net assets acquired		971,274
Goodwill acquired from acquisition	\$	<u>349,126</u>

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

	<u>Six Months Ended June 30, 2023</u>	
	<u>Bioflag International Corporation</u>	
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	\$	<u>199,162</u>

G. Net cash flows from subsidiaries

	<u>Six Months Ended June 30, 2023</u>	
	<u>Bioflag International Corporation</u>	
Consideration paid in cash	\$	—
Less: balance of cash and cash equivalents acquired		120,622

	<u>Six Months Ended June 30, 2023</u>
	<u>Bioflag International Corporation</u>
Net cash flows	<u>\$ (120,622)</u>

H. Effect of business combinations on operating results

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

	<u>Bioflag International Corporation</u>
	<u>Date of Acquisition - June 30, 2023</u>
Operating revenue	<u>\$ 188,658</u>
Net Profit	<u>(34,653)</u>

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.

	<u>Bioflag International Corporation</u>
Operating revenue	<u>\$ 188,658</u>
Net Profit	<u>(34,653)</u>

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.

(18) Net Revenue

A. Details of revenue

Three Months Ended June 30, 2024			
	Pharmaceutical Division	Glac Segment	Total
<u>Major Regional Markets</u>			
Taiwan	241,051	57,777	298,828
China	—	107,193	107,193
Others	—	7,398	7,398
	<u>241,051</u>	<u>172,368</u>	<u>413,419</u>
<u>Major Products/Services</u>			
Western medicine	241,051	—	241,051
Probiotics	—	172,368	172,368
Total	<u>241,051</u>	<u>172,368</u>	<u>413,419</u>

Six Months Ended June 30, 2024			
	Pharmaceutical Division	Glac Segment	Total
<u>Major Regional Markets</u>			
Taiwan	488,285	99,916	588,201
China	—	171,787	171,787
Others	—	16,841	16,841
	<u>488,285</u>	<u>288,544</u>	<u>776,829</u>
<u>Major Products/Services</u>			
Western medicine	488,285	—	488,285
Probiotics	—	288,544	288,544
Total	<u>488,285</u>	<u>288,544</u>	<u>776,829</u>

Three Months Ended June 30, 2023			
	Pharmaceutical Division	Glac Segment	Total
<u>Major Regional Markets</u>			
Taiwan	228,937	27,312	256,249
China	—	9,022	9,022
Others	—	47,031	47,031

Three Months Ended June 30, 2023

Pharmaceutical Division	Glac Segment	Total
228,937	83,365	312,302

Major Products/Services

Western medicine	228,932	—	228,932
Probiotics	5	82,951	82,956
Others	—	414	414
Total	228,937	83,365	312,302

Six Months Ended June 30, 2023

Pharmaceutical Division	Glac Segment	Total	
<u>Major Regional Markets</u>			
Taiwan	458,654	52,869	511,523
China	—	59,439	59,439
Others	—	76,350	76,350
	458,654	188,658	647,312

Major Products/Services

Western medicine	458,622	—	458,622
Probiotics	32	187,829	187,861
Others	—	829	829
Total	458,654	188,658	647,312

B. Contract assets and liabilities

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

	2024.06.30	2023.12.31	2023.06.30
Accounts receivable (including related parties)	188,037	192,569	176,508
Less: Loss allowance	(1,603)	(1,953)	(2,194)
	186,434	190,616	174,314
Contract liabilities	122,701	113,666	118,034

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.

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

	April 1 to June 30, 2024			April 1 to June 30, 2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salaries	38,218	62,893	101,111	23,476	31,238	54,714
Labor and health insurance	4,129	5,072	9,201	3,584	4,007	7,591
Pension	2,054	2,826	4,880	1,743	2,365	4,108
Others	4,147	1,624	5,771	5,257	2,295	7,552
Subtotals	48,548	72,415	120,963	34,060	39,905	73,965
Depreciation	20,892	6,340	27,232	18,160	6,585	24,745
Amortization	12	12,221	12,233	13	12,129	12,142

Function	January 1 to June 30, 2024			January 1 to June 30, 2023		
	Recognized in Operating Costs	Recognized in Operating Expenses	Total	Recognized in Operating Costs	Recognized in Operating Expenses	Total
Nature						
Employee benefit expenses						
Salaries and wages	71,263	113,963	185,226	54,925	96,096	151,021
Labor and health insurance	8,001	9,244	17,245	6,913	8,169	15,082
Retirement benefits	3,959	5,377	9,336	3,345	4,516	7,861
Other employee benefit expenses	7,656	3,226	10,882	7,412	4,563	11,975
Subtotals	90,879	131,810	222,689	72,595	113,344	185,939
Depreciation expense	40,922	12,854	53,776	35,901	13,045	48,946
Amortization expense	25	24,379	24,404	25	24,207	24,232

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 six months ended June 30, 2024, the Company was unable to provide employee compensation.

The Company's employee compensation and director and supervisor remuneration for the six months ended June 30, 2023 are as follows:

	Six Months Ended June 30, 2023	
	Percentage	Amount
Employee compensation	1.00%	1,315
Remuneration of directors and supervisors	1.00%	1,315

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.

(20) Non-operating income and expenses

A. Finance costs

Items	2024.04.01 ~2024.06.30	2023.04.01~ 2023.06.30	2024.01.01~ 2024.06.30	2023.01.01~ 2023.06.30
Bank loan	\$ 13,629	\$ 14,708	\$ 22,317	\$ 28,872
Interest on corporate bonds	39,452	34,140	78,187	45,976
Interest on lease liabilities	82	103	170	203
Others	8	13	16	20
Subtotals	53,171	48,964	100,690	75,071
Bank loan processing fees	6,833	5,553	13,625	7,271
Total	<u>\$ 60,004</u>	<u>\$ 54,517</u>	<u>\$ 114,315</u>	<u>\$ 82,342</u>

B. Other gains and losses

Items	2024.04.01~ 2024.06.30	2023.04.01~ 2023.06.30	2024.01.01~ 2024.06.30	2023.01.01~ 2023.06.30
Loss on valuation of accounts payable	\$ —	\$ 8,108	\$ —	\$ 94,556
Loss on disposal of property, plant, and equipment	—	—	—	31
Others	(1)	18	91	18
Total	<u>\$ (1)</u>	<u>\$ 8,126</u>	<u>\$ 91</u>	<u>\$ 94,605</u>

(21) Components of Other Comprehensive Income

Three Months	Amount	Reclassification	Other	Income Tax	Amount
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Ended June 30, 2024		Adjustment	Comprehensive Income	Benefit (Expense)	After Tax
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations					
	\$ 14,269	\$ (3,454)	\$ 10,815	\$ (2,185)	\$ 8,630
Share of other comprehensive income or loss of related parties and joint ventures accounted for using the equity method					
	4,721	(887)	3,834	2	3,836
Other comprehensive income					
	\$ 18,990	\$ (4,341)	\$ 14,649	\$ (2,183)	\$ 12,466
Three Months Ended June 30, 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					
	\$ (33,491)	\$ —	\$ (33,491)	\$ 6,699	\$ (26,792)
Share of other comprehensive income or loss of related parties and joint ventures accounted for using the equity method					
	7,324	—	7,324	(1,221)	6,103
Other comprehensive income					
	\$ (26,167)	\$ —	\$ (26,167)	\$ 5,478	\$ (20,689)
Six Months Ended June 30, 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	\$ 48,806	\$ (3,454)	\$ 45,352	\$ (9,092)	\$ 36,260
Share of other comprehensive income or loss of related parties and joint ventures accounted for using the equity method	10,817	(887)	9,930	(298)	9,632
Other comprehensive income	\$ 59,623	\$ (4,341)	\$ 55,282	\$ (9,390)	\$ 45,892

Six Months Ended June 30, 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	\$ (42,098)	\$ 1,865	\$ (40,233)	\$ 8,047	\$ (32,186)
Share of other comprehensive income or loss of related parties and joint ventures accounted for using the equity method	4,694	—	4,694	(891)	3,803
Other comprehensive income	\$ (37,404)	\$ 1,865	\$ (35,539)	\$ 7,156	\$ (28,383)

(22) Income tax

A. Deferred Tax Assets (Liabilities)

Items	2024.06.30	2023.12.31	2023.06.30
Deferred tax assets			
Allowance for diminution in value of inventories	\$ 2,354	\$ 2,354	\$ 1,665
Unrealized gain on financial assets	2,618	—	—
Investments accounted for using the equity method	9,502	9,655	—
Loss offset	—	—	14,097

Exchange differences arising on translation of foreign operations	(1,740)	(1,470)	—
Others	677	677	3,125
Subtotals	<u>\$ 13,411</u>	<u>\$ 11,216</u>	<u>\$ 18,887</u>
Deferred tax liabilities			
Allowance for diminution in value of inventories	\$ 1,085	\$ 2,267	\$ (1,297)
Bonds payable	(97,105)	(104,370)	(9,607)
Unrealized gain on financial assets	(94,990)	(246,064)	(301,703)
Land value increment tax	(11,718)	(11,718)	(11,718)
Investments accounted for using the equity method	43,648	(89,856)	(415,619)
Others	(6,969)	7,911	1,149
Exchange differences arising on translation of foreign operations	(1,311)	7,809	12,567
Subtotals	<u>\$ (167,360)</u>	<u>\$ (434,021)</u>	<u>\$ (726,228)</u>

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

Items	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Income tax expense for the period	\$ 130,959	\$ 268	\$ 160,201	\$ 21,254
Deferred income tax expense	(217,703)	(135,064)	(278,246)	15,499
Income basic tax	9,964	1,104	9,964	15,072
Repayment of income taxes in prior years	413	104	413	104
Underestimated (overestimated) income tax in prior years	(3,260)	18,448	(3,260)	18,448
Other (Withholding Tax)	15,839	—	15,839	—
Income tax expense (benefit)	<u>\$ (63,788)</u>	<u>\$ (115,140)</u>	<u>\$ (95,089)</u>	<u>\$ 70,377</u>

C. Income tax recognized in other comprehensive income

Items	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Exchange differences arising on translation of foreign operations	\$ 2,185	\$ (6,699)	\$ 9,092	\$ (8,047)
Share of other comprehensive income or loss of related parties and joint ventures accounted for using the equity method	(2)	1,221	298	891
Income tax expense (gain) relating to items that may be reclassified to profit or loss	\$ 2,183	\$ (5,478)	\$ 9,390	\$ (7,156)

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

(23) Earnings per share

	Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	Net Profit	Weighted average shares	Earnings per share (\$)	Net Profit	Weighted average shares	Earnings per share (\$)
Basic earnings per share	(72,469)	699,623	(0.10)	(933,041)	653,737	(1.43)
Dilutive potential ordinary shares						
Employee compensation	—	—		(Note)	—	
Convertible bonds	(Note)	—		—	—	
Diluted earnings per share	(72,469)	699,623	(0.10)	(933,041)	653,737	(1.43)

	Six Months Ended June 30, 2024			Six Months Ended June 30, 2023		
	Net Profit	Weighted average shares	Earnings per share (\$)	Net Profit	Weighted average shares	Earnings per share (\$)
Basic earnings per share	(613,446)	695,545	(0.88)	58,593	653,737	0.09
Dilutive potential ordinary shares						
Employee compensation	—	—		(Note)	—	
Convertible bonds	(Note)	—		—	24	
Diluted earnings per share	(613,446)	695,545	(0.88)	58,593	653,761	0.09

(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 six months ended June 30, 2023, decreased from NT\$0.10 to NT\$0.09 and from NT\$0.10 to NT\$0.09, 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.

(24) Cash Flow Information

A. Significant Non-Cash Transactions

The Group's investments and financing activities in non-cash transactions from January 1 to June 30, 2024 were as follows:

- (a) On May 31, 2024, the Company acquired the remaining 52.67% equity of Bioflag International Corporation by issuing new shares. The fair value of

common shares issued amounted to \$1,171,346 thousand (refer to Note 6(16) of the financial statements).

B. Changes in Debt from Fundraising Activities

	Six Months Ended June 30, 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	45,000	644,596	—	(4,572)
New Lease	—	—	—	—
Other Non-Cash Adjustments	—	—	10,571	—
March 31	375,000	1,558,578	4,361,397	21,997

	Six Months Ended June 30, 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	(110,000)	(511,656)	3,265,654	(4,531)
Merged transfer	300,000	—	—	—
New Lease	—	—	—	5,628
Components of equity	—	—	(660,540)	—
Other Non-Cash Adjustments	—	—	8,390	29,686
June 30	500,000	777,344	4,482,282	31,132

(25) 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	2024.06.30	2023.12.31	2023.06.30
Total liabilities	\$ 8,285,777	\$ 6,785,953	\$ 7,843,101
Total amount	\$ 27,049,569	\$ 27,002,156	\$ 27,638,065
Debt ratio	31%	25%	28%

(26) 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.(26)C).

		June 30, 2024		
		Fair Value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities				
Convertible bonds	4,361,397	—	—	4,286,726
		December 31, 2023		
		Fair Value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities				
Convertible bonds	4,350,826	—	—	4,320,597
		June 30, 2023		
		Fair Value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities				
Convertible bonds	4,484,282	—	—	4,456,683

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:

	2024.06.30			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current:				
Overseas listed stocks	\$ 302,637	\$ —	\$ —	\$ 302,637
Financial assets at fair value through profit or loss - non-current:				
Foreign funds	\$ —	\$ —	\$ 4,427,444	\$ 4,427,444
Domestic unlisted stocks and emerging stocks	—	185,438	11,877	197,315
Unlisted stocks and interests of foreign companies	—	—	3,474,309	3,474,309
Domestic listed stocks	3,263,963	—	—	3,263,963
Overseas listed stocks	1,595,857	—	—	1,595,857
Right of redemption	—	—	8,990	8,990
Total	<u>\$ 4,859,820</u>	<u>\$ 185,438</u>	<u>\$ 7,922,620</u>	<u>\$ 12,967,878</u>
Financial liabilities at fair value through profit or loss – non-current:				
Put options	\$ —	\$ —	\$ 22,861	\$ 22,861

	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

	2023.06.30			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current:				
Overseas listed stocks	\$ 875,722	\$ —	\$ —	\$ 875,722
Financial assets at fair value through profit or loss - non-current:				
Foreign funds	\$ —	\$ —	\$ 3,837,466	\$ 3,837,466
Domestic unlisted stocks and emerging stocks	—	212,888	18,043	230,931
Unlisted stocks and interests of foreign companies	—	—	3,450,758	3,450,758
Domestic listed stocks	2,265,125	—	—	2,265,125
Overseas listed stocks	3,444,829	—	—	3,444,829
Right of redemption	—	—	4,613	4,613
Total	\$ 5,709,954	\$ 212,888	\$ 7,310,880	\$ 13,233,722
Financial liabilities at fair value through profit or loss				
Put options	\$ —	\$ —	\$ 93,975	\$ 93,975

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:

	<u>Listed Stocks</u>	<u>Open-end Funds</u>
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:

	<u>Fair value as of June 30, 2024</u>	<u>Valuation technique</u>	<u>Significant Unobservable Inputs</u>	<u>Relationship between Inputs and Fair Value</u>
Non-derivative instruments:				
Non-listed stocks	3,013,767	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,	The higher the weighted average cost of capital

	Fair value as of June 30, 2024	Valuation technique	Significant Unobservable Inputs	Relationship between Inputs and Fair Value
			weighted average cost of capital, discount for lack of marketability, and discount for minority interest	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	472,419	Net asset value approach	Not applicable.	Not applicable.
Privately offered fund investments	4,427,444	Net asset value approach	Not applicable.	Not applicable.
Hybrid instrument: Put option	22,861	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
Hybrid instrument: Right of redemption	8,990	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 June 30, 2023	Valuation technique	Significant Unobservable Inputs	Relationship between Inputs and Fair Value
Non-derivative instruments:				
Non-listed stocks	3,003,699	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	465,102	Net asset value approach	Not applicable.	Not applicable.
Privately offered fund investments	3,837,466	Net asset value approach	Not applicable.	Not applicable.
Hybrid instrument: Put	93,975	Monte Carlo	Volatility and	The higher the volatility,

	Fair value as of June 30, 2023	Valuation technique	Significant Unobservable Inputs	Relationship between Inputs and Fair Value
option		simulation	discount rate	the higher the fair value; the higher the discount rate, the lower the fair value
Hybrid instrument: Right of redemption	4,613	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:

	2024.06.30			2023.12.31			2023.06.30		
	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	37,164	32.45	1,205,970	58,792	30.705	1,746,344	42,252	31.14	1,315,733
CNY: NTD	13,819	4.445	61,426	12,863	4.327	32,325	52,036	4.282	222,819
HKD: NTD	214,096	4.155	889,570	59	3.929	234	13,380	3.974	53,119
JPY: NTD	67,497	0.2017	13,614	—	—	—	—	—	—

	2024.06.30			2023.12.31			2023.06.30		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Non-monetary Items</u>									
USD: NTD	157,125	32.45	5,098,841	152,443	30.705	4,680,765	147,097	31.14	4,580,603
CNY: NTD	752,600	4.445	3,345,305	790,991	4.327	3,422,618	753,052	4.282	3,224,569
KRW: NTD	1,111,800	0.0237	26,439	567,618	0.0241	13,628	2,037,539	0.0238	48,493
HKD: NTD	575,982	4.155	2,342,851	839,925	3.929	3,300,424	1,086,972	3.974	4,319,627
CHF: NTD	13,284	36.055	478,943	16,936	36.485	617,899	13,979	34.595	483,611
<u>Financial liabilities</u>									
<u>Non-monetary Items</u>									
USD: NTD	—	—	—	—	—	—	178	31.14	5,521
CNY: NTD	—	—	—	—	—	—	221	4.282	959

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 six months ended June 30, 2024 and 2023 due to changes in exchange rates were NT\$74,442 thousand and NT\$18,495 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	2024.06.30	2023.12.31	2023.06.30
With cash flow interest rate risk			
— Financial liabilities	\$ 1,933,578	\$ 1,243,982	\$ 1,277,344

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 six months ended March 31, 2024 and 2023 by NT\$9,668 thousand and NT\$6,387 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.

2024.06.30				
Items	Less than 1 year	1 to 5 years	More than 5 years	Total
Short-term loans	\$ 375,000	\$ —	\$ —	\$ 375,000
Accounts payable	130,089	—	—	130,089
Other payables and others	1,497,629	—	—	1,497,629
Lease liabilities	9,499	12,806	—	22,305
Bonds payable	—	4,864,000	—	4,864,000
Long-term loans	234,854	1,314,811	8,913	1,558,578

2024.06.30				
Items	Less than 1 year	1 to 5 years	More than 5 years	Total
Total	\$ 2,247,071	\$ 6,191,617	\$ 8,913	\$ 8,447,601

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

2023.06.30				
Items	Less than 1 year	1 to 5 years	More than 5 years	Total
Short-term loans	\$ 500,000	\$ —	\$ —	\$ 500,000
Accounts payable	125,832	—	—	125,832
Other payables and others	961,989	—	—	961,989
Lease liabilities	9,505	22,270	—	31,775
Bonds payable	2,000,000	3,200,000	—	5,200,000
Long-term loans	710,779	45,450	21,115	777,344
Total	\$ 4,308,105	\$ 3,267,720	\$ 21,115	\$ 7,596,940

7. RELATED PARTY TRANSACTIONS

(1) Name and Relationship of Related Parties

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
Mycenax Biotech Inc.	Associate
BioEngine Technology Development Inc.	Subsidiary (acquired controlling in October 2023)
	Associate
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

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
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)
PCJ Capital Management Limited	Associate
A2+ Biotech Consulting Co., Ltd.	Associate

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

A. Operating revenue

<u>Type/Name of Related Party</u>	<u>Three Months Ended June 30, 2024</u>	<u>Three Months Ended June 30, 2023</u>	<u>Six Months Ended June 30, 2024</u>	<u>Six Months Ended June 30, 2023</u>
Bioflag Co., Ltd.	\$ —	\$ 9,022	\$ —	\$ 59,041

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

<u>Type/Name of Related Party</u>	<u>Three Months Ended June 30, 2024</u>	<u>Three Months Ended June 30, 2023</u>	<u>Six Months Ended June 30, 2024</u>	<u>Six Months Ended June 30, 2023</u>
BioEngine Technology Development Inc.	\$ —	\$ 13,878	\$ —	\$ 13,878
Associate	90	90	345	388
Other related party	24	10	24	10
Total	\$ 114	\$ 13,978	\$ 369	\$ 14,276

C. Lease Income

<u>Type/Name of Related Party</u>	<u>Three Months Ended June 30, 2024</u>	<u>Three Months Ended June 30, 2023</u>	<u>Six Months Ended June 30, 2024</u>	<u>Six Months Ended June 30, 2023</u>
Other related party	\$ 238	\$ 298	\$ 515	\$ 595
Associate	1,747	1,905	3,495	3,810
Lumosa Therapeutics Co., Ltd.	1,080	1,080	2,160	2,160
Total	\$ 3,065	\$ 3,283	\$ 6,170	\$ 6,565

D. Miscellaneous Income

Type/Name of Related Party	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Associate	\$ 1,154	\$ 818	\$ 2,551	\$ 1,765
PCJ Capital Management Limited	—	—	—	3,849
Other related party	577	1,045	1,155	1,622
Total	<u>\$ 1,731</u>	<u>\$ 1,863</u>	<u>\$ 3,706</u>	<u>\$ 7,236</u>

E. Other Related Party Transactions:

Bioengine Technology Development Inc. provided investment management services for its consolidated companies and paid performance bonuses of NT\$260,614 thousand for the six months ended, June 30, 2023 (recorded as a reduction of other payables to related parties).

F. 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	2024.06.30	2023.12.31	2023.06.30
Other related party	<u>\$ —</u>	<u>\$ 5,471</u>	<u>\$ 14,280</u>

(b) Other receivables

Type/Name of Related Party	2024.06.30	2023.12.31	2023.06.30
Associate	\$ 990	\$ 3,805	\$ 1,120
Other related party	276	795	211
Total	<u>\$ 1,266</u>	<u>\$ 4,600</u>	<u>\$ 1,331</u>

(c) Accounts payable

Type/Name of Related Party	2024.06.30	2023.12.31	2023.06.30
Associate	\$ —	\$ —	\$ 32
Other related party	—	—	959
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 991</u>

(d) Other Payables

Type/Name of Related Party	2024.06.30	2023.12.31	2023.06.30
Bioengine Technology Development Inc.	\$ —	\$ —	\$ 226,801
Associate	31	661	—
Total	\$ 31	\$ 661	\$ 226,801

(e) Other current liabilities

Type/Name of Related Party	2024.06.30	2023.12.31	2023.06.30
Associate	\$ 989	\$ 943	\$ 1,050
Other related party	96	93	116
Total	\$ 1,085	\$ 1,036	\$ 1,166

(f) Guarantee deposits received

Type/Name of Related Party	2024.06.30	2023.12.31	2023.06.30
Biogen Therapeutics Co., Ltd.	\$ 565	\$ 565	\$ 565

G. Information on Compensation of Key Management Personnel

Items	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Salaries and other short-term employee benefits	\$ 3,652	\$ (10,597)	\$ 7,038	\$ 7,131
Retirement benefits	27	54	81	106
Total	\$ 3,679	\$ (10,543)	\$ 7,119	\$ 7,237

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	2024.06.30	2023.12.31	2023.06.30	Content of Secured Debt
Property, plant and equipment	\$ 795,041	\$ 956,577	\$ 819,804	Bank loans and credit line guarantee
Net investment property	664,276	666,559	669,226	Bank loans and credit line guarantee

Name of Pledged Asset	2024.06.30	2023.12.31	2023.06.30	Content of Secured Debt
Long-term investments accounted for using the equity method	3,308,770	2,217,459	2,338,134	Guarantees for bank loans
Financial assets at fair value through profit or loss	252,000	303,975	441,000	Initial public offering lockup
Financial assets at fair value through profit or loss	1,436,098	1,300,720	2,536,082	Guarantees for bank loans
Other financial assets - Time deposits	920,430	920,430	—	Corporate bond guarantee
Other financial assets - Restricted current deposits	305,949	207,428	146,951	Guarantee Limit for Compensation Accounts and Corporate Bonds
Total	<u>\$ 7,682,564</u>	<u>\$ 6,573,148</u>	<u>\$ 6,951,197</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

- (1) As of June 30, 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\$8,779 thousand, respectively, and has paid NT\$3,068 thousand and NT\$4,306 thousand, respectively in accordance with the contracts.
- (2) As of June 30, 2024 and 2023, the consolidate company has entered into outstanding capital expenditures amounting to NT\$62,549 thousand and NT\$2,230 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 June 30, 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 June 30, 2024, the Company has paid a royalty of NT\$3,800 thousand.

10. LOSS FROM MATERIAL DISASTERS: NONE
11. SIGNIFICANT MATTERS AFTER THE PERIOD: 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 in Investments 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:

	Six Months Ended June 30, 2024					
	Pharmaceutical Division	Biotech Venture Capital	Glac Segment	Other Segments	Adjustments and Write- offs	Mergers
Income from customers other than the parent and subsidiaries	488,285	—	288,544	—	—	776,829
Income from the parent company and consolidated subsidiary	—	10,152	426	—	(10,578)	—
Total revenue	<u>488,285</u>	<u>10,152</u>	<u>288,970</u>	<u>—</u>	<u>(10,578)</u>	<u>776,829</u>
Segment profit (loss)	<u>150,097</u>	<u>(566,401)</u>	<u>4,770</u>	<u>(335)</u>		(411,869)
Investment income (loss)						(177,885)
Ordinary income (expenses)						(4,191)
Finance costs						(114,315)
Net profit before tax from continuing operations						<u>(708,260)</u>
Identifiable assets	<u>608,003</u>	<u>18,552,101</u>	<u>1,611,039</u>	<u>11,364</u>		20,782,507
Long-term equity investments						5,868,705
Ordinary assets						398,357
Total assets						<u>27,049,569</u>

	Six Months Ended June 30, 2023					
	Pharmaceutical Division	Biotech Venture Capital	Glac Segment	Other Segments	Adjustments and Write- offs	Mergers
Income from customers other than the parent and subsidiaries	458,654	—	188,658	—	—	647,312
Income from the parent company and consolidated subsidiary	—	5,723	1,173	712	(7,608)	—
Total revenue	<u>458,654</u>	<u>5,723</u>	<u>189,831</u>	<u>712</u>	<u>(7,608)</u>	<u>647,312</u>

Six Months Ended June 30, 2023

	Pharmaceutical Division	Biotech Venture Capital	Glac Segment	Other Segments	Adjustments and Write- offs	Mergers
Segment profit (loss)	151,508	374,816	(49,227)	83		477,180
Investment income (loss)						(296,863)
Ordinary income (expenses)						232
Finance costs						(82,342)
Net profit before tax from continuing operations						98,207
Identifiable assets	612,717	17,878,601	1,606,823	20,034		20,118,175
Long-term equity investments						7,169,419
Ordinary assets						350,471
Total assets						27,638,065

Table 1

Financing provided:

In Thousands of New Taiwan Dollars

No. (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	251,136 (200% net worth)	251,136 (200% net worth)
2	Genlac Biotech Inc.	Bioflag Co.,Ltd.	Receivables from related parties	Y	170,000	170,000	160,977	0.5%	Fund liquidity	—	Operating capital	—	—	—	719,238 (40% net worth)	719,238 (40% net worth)
3	Bioflag International Corporation	Bioflag Co.,Ltd.	Receivables from related parties	Y	260,360	259,600	259,600	—	Fund liquidity	—	Operating capital	—	—	—	575,470 (40% net worth)	575,470 (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 June 30, 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	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	1,377	143	11.10%	143
Center Laboratories, Inc.	Ausnutria Dairy Corporation Ltd.	—	Financial assets at fair value through profit or loss - current	29,282,627	270,106	1.64%	270,106
Center Laboratories, Inc.	Efficient Biomedical Corp.	—	Financial assets at fair value through profit or loss - non-current	160,000	9,920	16.00%	9,920
Center Laboratories, Inc.	iXensor Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	4,660,165	23,965	8.49%	23,965
Center Laboratories, Inc.	LifeMax Healthcare International Corporation (Cayman) - Preferred shares	—	Financial assets at fair value through profit or loss - non-current	602,200	31,749	1.59%	31,749
Center Laboratories, Inc.	Hydrogenic Energy Fund I L.P.	—	Financial assets at fair value through profit or loss - non-current	—	147,825	19.39%	147,825
Center Laboratories, Inc.	Onward Therapeutics SA Preferred Share	—	Financial assets at fair value through profit or loss - non-current	11,316,700	478,943	19.72%	478,943
Center Laboratories, Inc.	Vivo Innovation Fund II,L.P.	—	Financial assets at fair value through profit or loss - non-current	—	291,012	4.77%	291,012
Center Laboratories, Inc.	Vivo Capital Fund IX, L.P.	—	Financial assets at fair value through profit or loss - non-current	—	989,151	1.74%	989,151
Center Laboratories, Inc.	GL China Opportunities Fund III L.P.	—	Financial assets at fair value through profit or loss - non-current	—	782,606	4.17%	782,606
Center Laboratories, Inc.	GL China Opportunities Fund IV L.P.	—	Financial assets at fair value through profit or loss - non-current	—	781,915	16.39%	781,915
Center Laboratories, Inc.	Chengwei GP Participation	—	Financial assets at fair value through profit or loss - non-	—	641,071	20.33%	641,071

In Thousands of New Taiwan Dollars

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
Inc.	Fund,L.P.		current				
Center Laboratories, Inc.	T-E Pharma Holding(Cayman) Preference share	—	Financial assets at fair value through profit or loss - non-current	18,750,000	95,235	6.37%	95,235
Center Laboratories, Inc.	AiViva_Series A Preferred Share	—	Financial assets at fair value through profit or loss - non-current	4,031,052	112,447	16.54%	112,447
Center Laboratories, Inc.	Vaxon Investment Inc.	—	Financial assets at fair value through profit or loss - non-current	3,000	104,498	15.00%	104,498
Center Laboratories, Inc.	Shine-On BioMedical Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	2,855,813	161,473	5.73%	161,473
Center Laboratories, Inc.	Helicase Venture Fund I, L.P.	—	Financial assets at fair value through profit or loss - non-current	—	76,285	30.00%	76,285
Center Laboratories, Inc.	Fangyuan PCJ Fund II L.P.	—	Financial assets at fair value through profit or loss - non-current	—	169,881	19.80%	169,881
Center Laboratories, Inc.	Taiwan Depository & Clearing Corporation	—	Financial assets at fair value through profit or loss - non-current	10,505	1,957	—	1,957
Center Laboratories, Inc.	Ausnutria Dairy Corporation Ltd.	—	Financial assets at fair value through profit or loss - non-current	117,635,644	1,085,083	6.61%	1,085,083
Center Laboratories, Inc.	Ever Supreme Bio Technology Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	9,730,619	1,931,528	12.06%	1,931,528
Center Laboratories, Inc.	Ever Fortune. Ai Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	4,200,000	504,000	4.27%	504,000
Center Laboratories, Inc.	TransPacific Medtech Co.,Ltd	—	Financial assets at fair value through profit or loss - non-current	3,129	41,282	31.29%	41,282
Center Laboratories, Inc.	T-E Meds Holding(Cayman)	—	Financial assets at fair value through profit or loss - non-current	2,500,000	48,180	1.17%	48,180

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.	Adimmune Corporation	—	Financial assets at fair value through profit or loss - non-current	8,278,000	236,337	1.93%	236,337
Centerlab Investment Holding Limited	Shuimu Development Limited	—	Financial assets at fair value through profit or loss - non-current	—	129,661	33.00%	129,661
Centerlab Investment Holding Limited	Preferred stocks of HebeCell Holding Limited	—	Financial assets at fair value through profit or loss - non-current	31,710	529	1.14%	529
Centerlab Investment Holding Limited	GL JKP Holding L.P.	—	Financial assets at fair value through profit or loss - non-current	—	326,639	8.00%	326,639
Centerlab Investment Holding Limited	Qingdao Chengwei Guoji Equity Investment Partnership (Limited Partnership)	—	Financial assets at fair value through profit or loss - non-current	—	418,037	10.00%	418,037
Centerlab Investment Holding Limited	UAC Technology (Jiaxing) Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	—	151,898	16.20%	151,898
Centerlab Investment Holding Limited	Bioflag Nutrition Corporation(KY)	—	Financial assets at fair value through profit or loss - non-current	5,038,672	150,748	10.26%	150,748
Center Laboratories Limited(HK)	Shanghai Bao Pharmaceutical Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	7,389,632	1,369,620	14.79%	1,369,620
Center Biotherapeutics, Inc.	Scindy Pharmaceutical (Suzhou)	—	Financial assets at fair value through profit or loss - non-current	—	20,691	15.79%	20,691
Center Biotherapeutics, Inc.	GenEditBio Limited(Cayman)	—	Financial assets at fair value through profit or loss - non-current	4,322,881	97,350	2.97%	97,350
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	4,118	0.08%	4,118
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	510,774	9.95%	510,774

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 Venture Holding II Limited	Guangzhou Hybot Technology Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	—	444,500	8.33%	444,500
BioEngine Technology Development Inc.	Jacobio(CAY)Pharmaceuticals Co.,Ltd	—	Financial assets at fair value through profit or loss - current	4,361,400	28,270	0.55%	28,270
BioEngine Technology Development Inc.	Adimmune Corporation	—	Financial assets at fair value through profit or loss - non-current	20,739,000	592,098	4.83%	592,098

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	—	506,479	—	—	—	—	—	781,915
Center Laboratories, Inc.	Center Venture Holding II Limited	Investments accounted for using the equity method	—	—	1	—	13,692,894	451,032	—	—	—	—	13,692,895	444,531
Center Laboratories, Inc.	Bioflag International Corporation	Investments accounted for using the equity method	—	—	—	—	31,598,801	11,171,346	—	—	—	—	31,598,801	456,853
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	592,098
Center Venture Holding II Limited	Guangzhou Hybot Technology Co., Ltd.	Financial assets at fair value through profit or loss - non-current	—	—	—	—	—	451,000	—	—	—	—	—	444,500

Table 4

Information on investees :(excluding information on investments 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 Islannds	Investment	66,152	66,152	2,228,283	100.00%	125,568	(12,097)	(12,097)	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	20.39%	461,058	(237,227)	(48,377)	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	428,777	1,028,777	98,437,500	100.00%	804,547	(64,616)	(116,952)	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%	2,871,242	139,248	30,657	—
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%	1,965,809	(37,665)	(37,665)	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%	1,369,606	(59,095)	(59,095)	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%	572,799	(412,285)	(122,669)	—
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	32.78%	449,901	(48,295)	(15,828)	—
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, Cayman Islands	Investment	280,021	280,021	—	33.33%	361,042	(41,370)	(13,789)	—
Center Laboratories, Inc.	PCJ Capital Management	Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime	Management consultant	—	—	—	25%	—	—	—	—

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			
Inc.	Limited	Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands									
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%	340,311	17,616	8,721	—
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	30.24%	310,637	(45,846)	(16,412)	—
Center Laboratories, Inc.	Anya Biopharm Inc.	6F., No. 378, Changchun Rd., Zhongshan Dist., Taipei City	Drug development	20,920	—	4,091,296	21.66%	129,668	2,462	979	—
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%	514,917	(614,932)	(614,932)	Subsidiary
Center Laboratories, Inc.	Center Venture Holding II Limited	Unit 706,Haleson Building,No.1 Jubilee Street,Central,Hong Kong	Investment	451,032	—	13,692,895	100%	444,531	(6,501)	(6,501)	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%	24,226	(9,153)	(3,661)	—
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%	185,835	(21,421)	(6,138)	—
Center Laboratories, Inc.	Bioflag International Corporation	4 th Floor,Harbour Place,103 South church Street,P.O.Box 10240,Grand Cayman KY1-1002,Cayman Islands	Investment	1,171,346	—	31,598,801	52.67%	456,853	19,030	(2,764)	Subsidiary
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%	26,439	43,063	12,919	—
Centerlab Investment Holding Limited(HK)	Bioflag International Corporation	4 th 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%	759,661	19,030	(2,235)	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%	1,369,717	7,850	7,850	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%	1,798,096	31,122	31,122	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%	547,460	22,499	22,499	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%	2,049	(309)	(309)	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%	1,308	(309)	(308)	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	27,172	34,510	1,033,169	0.62%	18,179	(48,295)	(491)	—
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%	105,160	138,248	1,099	—
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%	4,986	2,555	852	—
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%	19,892	(335)	(335)	—
Bioengine Technology Development Inc.	Anya Biopharm Inc.	6F., No. 378, Changchun Rd., Zhongshan Dist., Taipei City	Drug development	68,400	-	900,000	4.77%	28,456	2,462	(53)	—

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	Method of Investment (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	Share of Profit (Loss) of Investee (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 Co., Ltd.	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	132,754	27.60%	37,882	809,303	—
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	(165)	27.60%	(45)	7,687	—
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	(165)	27.60%	(45)	4,073	—
Shanghai Bao Pharmaceutical 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%	—	1,369,620	—
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%	—	293,974	—

Name of Investee in Mainland China	Main Operations	Paid-in capital	Method of Investment (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	Share of Profit (Loss) of Investee (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						
Beijing Kangpuni Detection Technology Co., Ltd.	Technology of Detection	RMB 1,000 thousand	(2)Centerlab Investment Holding Limited	22,053	—	—	22,053	—	5.00%	—	32,665	—
Scindy Pharmaceutical (Suzhou)	Medical Research and Experimental Development	RMB 15,833 thousand	(2)Center Biotherapeutics. Inc.	66,120	—	—	66,120	—	15.79%	—	20,691	—
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%	—	418,037	—
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%	—	151,898	—
Bioflag Co., Ltd.	Biological health product research and development and related technical consultation	RMB 109,218 thousand	(2) Centerlab Investment Holdings Limited Transfer of Investment to Bioflag	—	—	—	—	—	10.26%	—	150,748	—
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 Holdings Limited Transfer of Investment to Bioflag	—	—	—	—	—	10.26%	—		—

Name of Investee in Mainland China	Main Operations	Paid-in capital	Method of Investment (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	Share of Profit (Loss) of Investee (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						
Beijing Shundu Pharmaceutical Research Institute Co., Ltd.	Development of pharmaceutical technology and related consultation	RMB 6,123 thousand	(2)BioEngine Development I Limited	—	—	—	—	(337)	100%	(337)	11,302	—
Guangzhou Hybot Technology Co., Ltd.	Sales of new energy vehicles	RMB 300,000 thousand	(2)Center Venture Holding II Limited	—	451,000	—	451,000	—	8.33%	—	444,500	—

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\$ 2,583,519 thousand	USD 80,373 thousand RMB 614,475 thousand EUR 5,500 thousand	11,285,271

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

June 30, 2024

Table 6

Names of major shareholders	Shares	
	Number of shares held (thousand shares)	Shareholding percentage
Lejean Biotech Co., Ltd.	66,161,405	9.21%
Royal Foods Co., Ltd.	41,488,084	5.77%

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 six months ended June 30, 2024

In Thousands of New Taiwan Dollars

No. (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	1,109	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	3,626	Based on contracts signed between both parties	0.47%
		Glac Biotech Co., Ltd.	1	Lease income	Rental expenditure	490	Based on contracts signed between both parties	0.06%
		Glac Biotech Co., Ltd.	1	Other income	Other operating expenses	2,087	Based on contracts signed between both parties	0.27%
		Glac Biotech Co., Ltd.	1	Other receivables/Long-term investment	Leasing liabilities/Lease assets	2,777	Based on contracts signed between both parties	0.01%
		Bioengine Technology Development Inc.	1	Other income	General and administrative expenses for entrusted management	307	Based on contracts signed between both parties	0.04%
		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	13,775	Based on contracts signed between both parties	0.05%
		Bioflag International Corporation	1	Interest income	Interest expenses	4,000	Based on contracts signed between both parties	0.51%

No. (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)
		Center Biotherapeutics Inc.	1	Interest expenses	Interest income	59	Based on contracts signed between both parties	0.01%
	Bioflag International Corporation	Bioflag Co.,Ltd	1	Other receivables	Other payables	270,504	Based on contracts signed between both parties	1.00%
		Bioflag Co.,Ltd	1	Interest income	Interest expenses	254	Based on contracts signed between both parties	0.03%
	Genlac Biotech Inc.	Bioflag Co.,Ltd	2	Other receivables	Other payables	164,186	Based on contracts signed between both parties	0.61%
	Glac Biotech Co., Ltd.	OmniPro Biotech Co., Ltd.	1	Accounts receivable	Accounts payable	2,007	Based on contracts signed between both parties	0.01%
		OmniPro Biotech Co., Ltd.	1	Sales revenue	Cost of Goods Sold	426	Based on contracts signed between both parties	0.05%
		OmniPro Biotech Co., Ltd.	1	Commission expenditure	Other income	28	Based on contracts signed between both parties	—
	OmniPro Biotech Co., Ltd.	Glac Biotech Co., Ltd.	2	Accounts receivable	Accounts payable	30	Based on contracts signed between both parties	—

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 six months ended June 30, 2023

In Thousands of New Taiwan Dollars

No. (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	431	Based on contracts signed between both parties	—
		Glac Biotech Co., Ltd.	1	Unearned receipts	Prepaid expenses	461	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	1,450	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	—
		Glac Biotech Co., Ltd.	1	Other income	Other operating expenses	264	Based on contracts signed between both parties	0.04%
		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	4,000	Based on contracts signed between both parties	0.01%
		Bioflag International Corporation	1	Interest income	Interest expenses	4,000	Based on contracts signed between both parties	0.62%
		Center Biotherapeutics Inc.	1	Other payables to related parties	Other receivables to related party	100,869	Based on contracts signed between both parties	0.36%
		Center Biotherapeutics Inc.	1	Interest expenses	Interest income	713	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	0.93%
	Genlac Biotech Inc.	Bioflag Co.,Ltd	2	Other receivables	Other payables	152,345	Based on contracts signed between both parties	0.55%

No. (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	1,526	Based on contracts signed between both parties	0.01%
		OmniPro Biotech Co., Ltd.	1	Sales revenue	Cost of Goods Sold	196	Based on contracts signed between both parties	0.03%
		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	0.05%
	OmniPro Biotech Co., Ltd.	Ezadd Co., Ltd.	3	Accounts receivable	Accounts payable	684	Based on contracts signed between both parties	—
		Ezadd Co., Ltd.	3	Sales revenue	Cost of Goods Sold	651	Based on contracts signed between both parties	0.10%

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.