STANDARD CHEM. & PHARM. CO., LTD.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

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

STANDARD CHEM. & PHARM CO., LTD. AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023 pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the companies that are required to be included in the consolidated financial statements of affiliates, are the same as those required to be included in the consolidated financial statements under International Financial Reporting Standards No.10, Consolidated Financial Statements. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. As a result, STANDARD CHEM. & PHARM CO., LTD. and subsidiaries are not required to prepare consolidated financial statements of affiliates.

Hereby declare

STANDARD CHEM. & PHARM CO., LTD.

February 27, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of STANDARD CHEM. & PHARM. CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of STANDARD CHEM. & PHARM. CO., LTD. and its subsidiaries (collectively referred herein as the "Group") as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and reports of other auditors (refer to Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters of the Group's 2023 consolidated financial statements are stated as follows:

Valuation of inventories

Description

Refer to Note 4(11) for accounting policies on the valuation of inventories, Note 5(2) for the uncertainty of significant accounting estimations and assumptions relating to valuation of inventories, and Note 6(6) for the details of allowance for inventory valuation loss. As of December 31, 2023, the carrying amount of inventories and allowance for inventory valuation loss are $1,702,218 thousand and $87,242 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of human medicine and dietary supplement. Due to the influence of market demand and short expiration date of medicines, there is a risk of market price decline and obsolescence of inventories. The Group measures inventories at the lower of cost and net realisable value. The net realisable values of obsolete inventories are determined based on the historical information on the selling price.

Given that the valuation of inventories is subject to uncertainty of assumptions and the accounting estimations will have significant influence on the inventory values, we considered the valuation of inventories a key audit matter.

How our audit addressed the matter

We performed the following key audit procedures on the above key audit matter:

1. Assessed the reasonableness of policies on allowance for inventory valuation loss.
2. Assessed the effectiveness of the management's inventory control, based on our understanding of the operations of the warehouse management, inspected the annual inventory taking plan and performed our observation.
3. Tested whether the basis of inventory aging used in calculating the net realisable value of inventory is consistent with the Group's policy.
4. Validated the net realisable value of inventories and the adequacy of allowance for inventory valuation loss.

Existence of domestic sales revenue from human medicines and dietary supplements

Description

Refer to Note 4(27) for accounting policies on revenue recognition. Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

The Group is primarily engaged in the manufacturing and sales of human medicines and dietary supplements. The Group's sales is mainly domestic-based and its customers are numerous, including hospitals, clinics, pharmacies, food and drug administrations all over the country. Since the sales transactions are numerous and would require a longer period for verification, we considered the existence of domestic sales revenue from human medicines and dietary supplements a key audit matter.

How our audit addressed the matter

We performed the following key audit procedures for the above matter:

1. Assessed the consistency and effectiveness of internal control relevant to sales revenue recognition.
2. Assessed basic information of the major customers, including the details of the chairman and major shareholders, registered address, principal place of business, capital and main business activities, etc.
3. Selected samples of sales transactions and checked against related supporting documentation, including unit prices, quantities, reasonableness of sales allowance recognition, waybill and subsequent cash collection.

Other matter –Reference to the audits of other auditors

We did not audit the financial statements of an investment accounted for under equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of this associate, is based solely on the reports of the other auditors. The balance of this investment accounted for under equity method amounted to $243,423 thousand and $235,502 thousand, constituting 2.18% and 2.15% of consolidated total assets as of December 31, 2023 and 2022, respectively, and the share of profit of associates and joint ventures accounted for under equity method amounted to $4,679 thousand and $33,360 thousand, constituting 0.36% and 2.81% of consolidated total comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of STANDARD CHEM. & PHARM. CO., LTD. as of and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the

consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Tien, Chung-Yu

Independent Accountants

Yeh, Fang-Ting

PricewaterhouseCoopers, Taiwan

Republic of China.

February 27, 2024

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,036,743	18	$ 2,259,381	21
1110	Financial assets at fair value through profit or loss - current	5(2) and 6(2)	178,290	2	176,148	2
1136	Financial assets at amortised cost - current	6(1) and 8	60,500	-	163,510	1
1150	Notes receivable, net	6(4), 7 and 12	286,544	3	276,995	2
1170	Accounts receivable, net	6(4), 7 and 12	976,208	9	985,985	9
1200	Other receivables	6(5) and 7	155,671	1	216,601	2
1220	Current income tax assets	6(27)	172	-	67	-
130X	Inventory	5(2), 6(6)(8)	1,614,976	14	1,386,483	13
1410	Prepayments		103,089	1	95,208	1
1479	Other current assets, others		5,563	-	29,115	-
11XX	**Total current assets**		5,417,756	48	5,589,493	51
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	5(2) and 6(2)	16,605	-	15,581	-
1517	Financial assets at fair value through other comprehensive income - non-current	5(2) and 6(3)	347,098	3	251,532	2
1550	Investments accounted for under equity method	6(7)	604,029	6	577,338	5
1600	Property, plant and equipment	6(8), 7 and 8	4,021,526	36	3,658,581	33
1755	Right-of-use assets	6(9) and 7	279,041	3	293,700	3
1780	Intangible assets	6(10)(11)	214,538	2	224,986	2
1840	Deferred income tax assets	6(27)	141,311	1	128,373	1
1915	Prepayments for equipment	6(8)	58,889	1	156,517	2
1920	Guarantee deposits paid		44,818	-	32,002	-
1990	Other non-current assets	6(15)	43,113	-	40,156	1
15XX	**Total non-current assets**		5,770,968	52	5,378,766	49
1XXX	**Total assets**		$ 11,188,724	100	$ 10,968,259	100

(Continued)

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12) and 8	$ 800,000	7	$ 1,350,003	12
2130	Contract liabilities - current	6(20)	83,210	1	83,997	1
2150	Notes payable	7	373,840	3	457,858	4
2170	Accounts payable	7	269,148	2	228,512	2
2200	Other payables	6(13) and 7	525,591	5	515,552	5
2230	Current income tax liabilities	6(27)	235,192	2	222,038	2
2280	Lease liabilities - current	6(9) and 7	24,166	-	21,205	-
2310	Receipts in advance		706	-	667	-
2320	Long-term liabilities, current portion	6(14) and 8	59,027	1	-	-
21XX	**Total current liabilities**		2,370,880	21	2,879,832	26
	Non-current liabilities					
2540	Long-term borrowings	6(14) and 8	222,973	2	182,000	2
2570	Deferred income tax liabilities	6(27)	84,268	1	84,666	1
2580	Lease liabilities - non-current	6(9) and 7	221,720	2	236,696	2
2640	Net defined benefit liability - non-current	6(15)	139,247	1	149,053	1
2645	Guarantee deposits received		12,299	-	411	-
25XX	**Total non-current liabilities**		680,507	6	652,826	6
2XXX	**Total liabilities**		3,051,387	27	3,532,658	32
	Equity attributable to owners of parent					
	Share capital					
3110	Common stock	6(16)	1,786,961	16	1,786,961	16
3200	Capital surplus	6(7)(17)(29)	223,886	2	220,484	2
	Retained earnings	6(3)(7)(18)(19)				
3310	Legal reserve		878,245	8	793,498	7
3320	Special reserve		115,935	1	110,329	1
3350	Unappropriated retained earnings		2,280,812	20	1,957,837	18
3400	Other equity interest	6(3)(7)(19)	13,177	-	(115,935)	(1)
31XX	**Equity attributable to owners of the parent**		5,299,016	47	4,753,174	43
36XX	Non-controlling interest	4(3), 6(17)(29)(30)	2,838,321	26	2,682,427	25
3XXX	**Total equity**		8,137,337	73	7,435,601	68
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 11,188,724	100	$ 10,968,259	100

The accompanying notes are an integral part of these consolidated financial statements.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

	Items	Notes	For the years ended December 31, 2023 AMOUNT	%	2022 AMOUNT	%
4000	Operating revenue	6(20) and 7	$ 6,239,768	100	$ 5,851,368	100
5000	Operating costs	6(6)(9)(10)(15)(25)(26) and 7	(3,514,390)	(56)	(3,363,755)	(58)
5900	Net operating margin		2,725,378	44	2,487,613	42
	Operating expenses	6(9)(10)(15)(25)(26) and 7				
6100	Selling expenses		(794,519)	(13)	(746,173)	(13)
6200	General and administrative expenses		(414,102)	(7)	(353,329)	(6)
6300	Research and development expenses		(266,272)	(4)	(251,878)	(4)
6450	Expected credit gains (losses)	12	9,067	-	(17,812)	-
6000	Total operating expenses		(1,465,826)	(24)	(1,369,192)	(23)
6900	Operating profit		1,259,552	20	1,118,421	19
	Non-operating income and expenses					
7100	Interest income	6(21)	66,378	1	29,594	-
7010	Other income	6(3)(5)(22) and 7	101,082	2	51,615	1
7020	Other gains and losses	6(2)(9)(23), 7 and 12	(5,282)	-	157,712	3
7050	Finance costs	6(8)(9)(24) and 7	(25,419)	(1)	(18,775)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)	41,556	1	61,366	1
7000	Total non-operating income and expenses		178,315	3	281,512	5
7900	**Profit before income tax**		1,437,867	23	1,399,933	24
7950	Income tax expense	6(27)	(279,938)	(4)	(246,313)	(4)
8200	**Profit for the year**		$ 1,157,929	19	$ 1,153,620	20

(Continued)

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

			For the years ended December 31,			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plans	6(15)	$ 4,325	-	$ 37,658	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(19)	152,547	2	(14,140)	-
8320	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method	6(7)	(40)	-	1,047	-
8349	Income tax related to components of other comprehensive income	6(27)	(889)	-	(7,532)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(773)	-	15,785	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method	6(7)	(106)	-	225	-
8300	**Total other comprehensive income for the year**		$ 155,064	2	$ 33,043	-
8500	**Total comprehensive income for the year**		$ 1,312,993	21	$ 1,186,663	20
	Profit attributable to:					
8610	Owners of the parent		$ 834,886	14	$ 815,408	14
8620	Non-controlling interest		323,043	5	338,212	6
			$ 1,157,929	19	$ 1,153,620	20
	Total comprehensive income attributable to:					
8710	Owners of the parent		$ 989,180	16	$ 841,867	14
8720	Non-controlling interest		323,813	5	344,796	6
			$ 1,312,993	21	$ 1,186,663	20
	Earnings per share (in dollars)	6(28)				
9750	Basic		$	4.67	$	4.56
9850	Diluted		$	4.67	$	4.56

The accompanying notes are an integral part of these consolidated financial statements.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent												
			Capital Reserves				Retained Earnings			Other Equity Interest				
	Notes	Common stock	Additional paid-in capital	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Change in net equity of associates and joint ventures accounted for under equity method	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains or losses from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
For the year ended December 31, 2022														
Balance at January 1, 2022		$ 1,786,961	$ 143,353	$ 57,377	$ 3,341	$ 242	$ 709,879	$ -	$ 1,751,052	($ 20,974)	($ 89,355)	$ 4,341,876	$ 2,457,738	$ 6,799,614
Profit for the year		-	-	-	-	-	-	-	815,408	-	-	815,408	338,212	1,153,620
Other comprehensive income (loss) for the year	6(3)(19)	-	-	-	-	-	-	-	26,107	14,492	(14,140)	26,459	6,584	33,043
Total comprehensive income (loss) for the year		-	-	-	-	-	-	-	841,515	14,492	(14,140)	841,867	344,796	1,186,663
Difference between proceeds from acquisition or disposal of subsidiaries and book value	6(29)	-	-	3,521	-	-	-	-	-	-	-	3,521	(305)	3,216
Adjustment to capital surplus due to associates' adjustment of capital surplus	6(7)(17)	-	-	-	3,744	-	-	-	-	-	-	3,744	2,735	6,479
Overdue cash dividends payable	6(17)	-	-	-	-	171	-	-	-	-	-	171	52	223
Disposal of financial assets at fair value through other comprehensive income	6(3)(19)	-	-	-	-	-	-	-	5,958	-	(5,958)	-	-	-
Appropriations of 2021 earnings:														
Legal reserve		-	-	-	-	-	83,619	-	(83,619)	-	-	-	-	-
Special reserve		-	-	-	-	-	-	110,329	(110,329)	-	-	-	-	-
Cash dividends	6(18)	-	-	-	-	-	-	-	(446,740)	-	-	(446,740)	-	(446,740)
Effect of organisational restructuring	6(17)	-	8,735	-	-	-	-	-	-	-	-	8,735	(8,735)	-
Effect on business combinations	6(30)	-	-	-	-	-	-	-	-	-	-	-	6,199	6,199
Change in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(120,053)	(120,053)
Balance at December 31, 2022		$ 1,786,961	$ 152,088	$ 60,898	$ 7,085	$ 413	$ 793,498	$ 110,329	$ 1,957,837	($ 6,482)	($ 109,453)	$ 4,753,174	$ 2,682,427	$ 7,435,601
For the year ended December 31, 2023														
Balance at January 1, 2023		$ 1,786,961	$ 152,088	$ 60,898	$ 7,085	$ 413	$ 793,498	$ 110,329	$ 1,957,837	($ 6,482)	($ 109,453)	$ 4,753,174	$ 2,682,427	$ 7,435,601
Profit for the year		-	-	-	-	-	-	-	834,886	-	-	834,886	323,043	1,157,929
Other comprehensive income (loss) for the year	6(3)(19)	-	-	-	-	-	-	-	2,717	(970)	152,547	154,294	770	155,064
Total comprehensive income (loss) for the year		-	-	-	-	-	-	-	837,603	(970)	152,547	989,180	323,813	1,312,993
Adjustment to capital surplus due to associates' adjustment of capital surplus	6(7)(17)	-	-	-	3,281	-	-	-	-	-	-	3,281	-	3,281
Overdue cash dividends payable	6(17)	-	-	-	-	121	-	-	-	-	-	121	75	196
Disposal of financial assets at fair value through other comprehensive income	6(3)(19)	-	-	-	-	-	-	-	22,465	-	(22,465)	-	-	-
Appropriations of 2022 earnings:														
Legal reserve		-	-	-	-	-	84,747	-	(84,747)	-	-	-	-	-
Special reserve		-	-	-	-	-	-	5,606	(5,606)	-	-	-	-	-
Cash dividends	6(18)	-	-	-	-	-	-	-	(446,740)	-	-	(446,740)	-	(446,740)
Change in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(167,994)	(167,994)
Balance at December 31, 2023		$ 1,786,961	$ 152,088	$ 60,898	$ 10,366	$ 534	$ 878,245	$ 115,935	$ 2,280,812	($ 7,452)	$ 20,629	$ 5,299,016	$ 2,838,321	$ 8,137,337

The accompanying notes are an integral part of these consolidated financial statements.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	For the years ended December 31, 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,437,867	$ 1,399,933
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss		(2,890)	(1,083)
Expected credit (gains) losses	12	(9,067)	17,812
Provision for inventory market price decline	6(6)	24,879	7,030
Share of profit of associates and joint ventures accounted for under equity method	6(7)	(41,556)	(61,366)
Depreciation	6(8)(9)(25)	329,459	278,138
Net loss on disposal of property, plant and equipment	6(23)	1,048	1,632
Property, plant and equipment transferred to expenses	6(8)(31)	2,522	378
Gain from lease modification	6(9)(23)	-	(8)
Net (gain) loss on disposal of other non-current assets	6(23)	(2,314)	6,147
Amortisation	6(25)	18,314	20,467
Dividend income	6(22)	(10,463)	(9,860)
Interest income	6(21)	(66,378)	(29,594)
Interest expense	6(24)	25,419	18,775
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(276)	(41,000)
Notes receivable		(9,530)	535
Accounts receivable		18,825	(123,104)
Other receivables		62,435	78,146
Inventories		(261,589)	(187,629)
Prepayments		(7,881)	(8,587)
Other current assets		23,552	(28,036)
Other non-current assets		-	1,506
Changes in operating liabilities			
Contract liabilities - current		(787)	4,882
Notes payable		(49,036)	121,473
Accounts payable		40,636	(93,894)
Other payables		32,966	48,414
Receipts in advance		39	(346)
Refund liabilities - current		-	(14,774)
Net defined benefit liability - non-current		(6,370)	(28,272)
Cash inflow generated from operations		1,549,824	1,377,715
Dividends received		28,463	21,860
Interest received		64,873	28,292
Interest paid		(25,523)	(17,999)
Income tax received		-	17,487
Income tax paid		(281,114)	(199,521)
Net cash flows from operating activities		1,336,523	1,227,834

(Continued)

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	For the years ended December 31, 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in financial assets at amortised cost - current		$ 103,010	$ 126,422
Cash received from withdrawal of capital on financial assets at fair value through profit or loss - non-current	6(2) and 12(3)	-	413
Acquisition of financial assets at fair value through other comprehensive income - non-current		(18,983)	(60,632)
Proceeds from disposal of financial assets at fair value through other comprehensive income - non-current	6(3)	75,964	23,305
Proceeds from disposal of investments accounted for under equity method	6(7)	-	9,156
Cash paid for acquisition of property, plant and equipment	6(31)	(429,742)	(681,988)
Interest paid for acquisition of property, plant and equipment	6(8)(24)(31)	(374)	(2,523)
Proceeds from disposal of property, plant and equipment		1,525	720
Acquisition of intangible assets	6(10)	(2,722)	(4,009)
Increase in prepayments for equipment		(195,580)	(511,545)
(Increase) decrease in guarantee deposits paid		(12,816)	10,708
Increase in other non-current assets		(5,787)	(4,899)
Proceeds from disposal of other non-current assets	6(31)	-	38,364
Cash paid from business combinations	6(30)	-	(24,323)
Net cash flows used in investing activities		(485,505)	(1,080,831)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(32)	1,977,850	2,806,682
Decrease in short-term borrowings	6(32)	(2,527,853)	(2,524,668)
Decrease in short-term notes and bills payable	6(32)	-	(290,000)
Payments of lease liabilities	6(32)	(23,474)	(22,445)
Increase in long-term borrowings	6(32)	106,493	132,000
Decrease in long-term borrowings	6(32)	(6,493)	-
Increase (decrease) in guarantee deposit received	6(32)	11,888	(121)
Overdue cash dividends payable	6(17)	196	223
Payments of cash dividends	6(18)	(446,740)	(446,740)
Cash paid for transaction with non-controlling interests	6(29)	-	(322)
Decrease in non-controlling interests		(167,994)	(120,053)
Net cash flows used in financing activities		(1,076,127)	(465,444)
Effects of foreign exchange		2,471	13,427
Net decrease in cash and cash equivalents		(222,638)	(305,014)
Cash and cash equivalents at beginning of year	6(1)	2,259,381	2,564,395
Cash and cash equivalents at end of year	6(1)	$ 2,036,743	$ 2,259,381

The accompanying notes are an integral part of these consolidated financial statements.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

(1) Standard Chem. & Pharm. Co., Ltd. (the ‘Company’) was incorporated on June 30, 1967 under the provisions of the Company Act of the Republic of China (R.O.C.) and other regulations. The Company is primarily engaged in the manufacturing and sales of Chinese and western medicine, cosmetics, beverage, normal instruments and medical instruments. Refer to Note 4(3), ‘Basis of consolidation’ for the main business activities of the Company and its subsidiaries (the “Group”).

(2) The Company has been listed on the Taiwan Stock Exchange starting from December 1995.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on February 27, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board (“IASB”)
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
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’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5, 'CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY'.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. The fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investors	Name of subsidiaries	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
Standard Chem & Pharm. Co., Ltd.	Standard Pharmaceutical Co., Ltd.	Research and development, trading, investment and other business of medical products	100.00	100.00	—
Standard Chem & Pharm. Co., Ltd.	Chia Scheng International Co., Ltd.	General investment	100.00	100.00	(Note 1)
Standard Chem & Pharm. Co., Ltd.	Standard Chem. & Pharm. Philippines, Inc.	Import and export of various medical products, medicine, supplements	100.00	100.00	—
Standard Chem & Pharm. Co., Ltd.	Inforight Technology Co., Ltd.	Wholesale of multi-function printers and information software	100.00	100.00	—
Standard Chem & Pharm. Co., Ltd.	Souriree Biotech & Pharm. Co., Ltd.	Manufacturing of western medicine and retail and wholesale of various medicine	93.58	93.58	—
Standard Chem & Pharm. Co., Ltd.	Multipower Enterprise Corp.	Import and export of western medicine, nourishment and function food, processing, manufacturing and sale of food	90.72	90.72	—
Standard Chem & Pharm. Co., Ltd.	Advpharma Inc.	Research and development, manufacturing and sale of various medicines	88.71	88.71	—

Name of investors	Name of subsidiaries	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
Standard Chem & Pharm. Co., Ltd.	Syngen Biotech Co., Ltd.	Research and development, manufacturing and sale of APIs, biopesticide, fertiliser and biochemical nutrition, sale of preventive medicines	46.68	46.68	(Note 2)
Standard Chem & Pharm. Co., Ltd.	Syn-Tech Chem. & Pharm. Co., Ltd.	Manufacturing and sale of APIs, reagent, surfactant, Chinese and western medicine and veterinary medicie	28.43	28.43	(Note 3)
Standard Chem & Pharm. Co., Ltd.	Ho Yao Biopharm Co., Ltd.	Research and development of new medicine	84.99	84.99	–
Standard Chem & Pharm. Co., Ltd.	Shanghai Standard Pharmaceuticals Co., Ltd.	Sale of various medicine and dietary supplement	100.00	100.00	–
Standard Pharmaceutical Co., Ltd.	Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	Research and development, technical consulting and technical services of medicines	100.00	100.00	–
Advpharma Inc.	CNH Technologies Inc.	Research and development of various medicine	35.60	35.60	–

Name of investors	Name of subsidiaries	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
Syngen Biotech Co., Ltd.	Syngen Biotech International Sdn. Bhd.	Research and development, manufacturing and sale of APIs and biochemical nutrition, sale of preventive medicines	100.00	100.00	—
Syngen Biotech Co., Ltd.	Jhan Shuo Biopharma Co., Ltd.	Manufacturing, wholesale and sale of western medicine	100.00	100.00	—
Syn-Tech Chem. & Pharm. Co., Ltd.	Advpharma Inc.	Research and development, manufacturing and sale of various medicine	2.49	2.49	—
Syn-Tech Chem. & Pharm. Co., Ltd.	CNH Technologies Inc.	Research and development of various medicine	47.62	47.62	—
Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	Jiangsu Standard-Dia Biopharma Co., Ltd.	Research and development, manufacturing and sale of various medicines	55.00	55.00	—

Note 1 : Formerly named as ‘Chia Scheng Investment Co., Ltd.’ and the name was changed since October 12, 2023.

Note 2: The subsidiary, Syngen Biotech Co., Ltd. (“Syngen Biotech”), filed for an initial public offering with the Taipei Exchange. As part of the public trading process, the Group allowed its underwriter to exercise the overallotment option. Although the Group’s ownership percentage in Syngen Biotech is below 50%, the Group is still the largest single shareholder, and thus the Group did not lose its control over Syngen Biotech.

Note 3: The Group’s shareholding ratio is lower than 50%. However, the Group is the single largest shareholder of Syn-Tech Chem. & Pharm. Co., Ltd. (“Syn-Tech”), the Group obtained substantial control over Syn-Tech through comprehensive assessment and reaching an agreement with another major shareholder.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

(1) As of December 31, 2023 and 2022, the non-controlling interest amounted to $2,838,321 and $2,682,427, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest				
		December 31, 2023		December 31, 2022		
Name of subsidiaries	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
Syngen Biotech Co., Ltd.	Taiwan	$ 1,136,213	53.32%	$ 1,061,524	53.32%	—
Syn-Tech Chem. & Pharm. Co., Ltd.	Taiwan	$ 1,640,034	71.57%	$ 1,561,695	71.57%	—

(2) Summarised financial information of the subsidiaries:

A. Syngen Biotech Co., Ltd.

(a) Balance sheets

	December 31, 2023	December 31, 2022
Current assets	$ 1,132,444	$ 1,112,880
Non-current assets	1,973,809	1,957,995
Current liabilities	(584,579)	(719,470)
Non-current liabilities	(390,054)	(359,862)
Total net assets	$ 2,131,620	$ 1,991,543

(b) Statements of comprehensive income

	For the years ended December 31,	
	2023	2022
Revenue	$ 1,837,185	$ 1,930,594
Profit before income tax	$ 333,802	$ 396,415
Income tax expense	(58,975)	(75,179)
Net income for the year	$ 274,827	$ 321,236
Total comprehensive income for the year	$ 275,441	$ 323,357
Comprehensive income attributable to non-controlling interest	$ 146,292	$ 173,310
Dividends paid to non-controlling interests	$ 72,251	$ 57,799

(c) Statements of cash flows

	For the years ended December 31,	
	2023	2022
Net cash flows provided by operating activities	$ 415,130	$ 277,484
Net cash flows used in investing activities	(93,677)	(585,046)
Net cash flows (used in) provided by financing activities	(200,537)	238,750
Effect of foreign exchange on cash and cash equivalents	(78)	64
Net increase (decrease) in cash and cash equivalents	120,838	(68,748)
Cash and cash equivalents at beginning of the year	246,053	314,801
Cash and cash equivalents at end of the year	$ 366,891	$ 246,053

B. Syn-Tech Chem. & Pharm. Co., Ltd.

(a) Balance sheets

	December 31, 2023	December 31, 2022
Current assets	$ 1,420,228	$ 1,594,505
Non-current assets	1,480,603	1,185,215
Current liabilities	(507,009)	(503,733)
Non-current liabilities	(76,473)	(76,395)
Total net assets	$ 2,317,349	$ 2,199,592

(b) Statements of comprehensive income

	For the years ended December 31,	
	2023	2022
Revenue	$ 1,124,689	$ 898,473
Profit before income tax	$ 313,906	$ 299,371
Income tax expense	(62,756)	(59,949)
Net income for the year	$ 251,150	$ 239,422
Total comprehensive income for the year	$ 252,024	$ 246,123
Comprehensive income attributable to non-controlling interest	$ 188,019	$ 192,332
Dividends paid to non-controlling interests	$ 95,743	$ 61,645

(c) Statements of cash flows

	For the years ended December 31,	
	2023	2022
Net cash flows provided by operating activities	$ 262,288	$ 438,814
Net cash flows used in investing activities	(316,663)	(337,462)
Net cash flows used in financing activities	(123,663)	(486,251)
Net decrease in cash and cash equivalents	(178,038)	(384,899)
Cash and cash equivalents at beginning of the year	844,960	1,229,859
Cash and cash equivalents at end of the year	$ 666,922	$ 844,960

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within 12 months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within 12 months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) <u>Cash equivalents</u>

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits and repurchase bonds that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) <u>Financial assets at fair value through profit or loss</u>

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) <u>Financial assets at amortised cost</u>

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group’s business model is achieved by collecting contractual cash flows.

(b) The assets’ contractual cash flows represent solely payments of principal and interest.

B. The Group’s time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) <u>Financial assets at fair value through other comprehensive income</u>

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses. If the cost exceeds net realisable value, valuation loss is accrued and recognised in operating costs. If the net realisable value reverses, valuation is eliminated within credit balance and is recognised as deduction of operating costs.

(12) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(13) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(14) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to lessee) is recognised in profit or loss on straight-line basis over the lease term.

(15) Investments accounted for under equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for under the equity method and are initially recognised at cost.

B. The Group’s share of its associates’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate’s equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group’s ownership percentage of the associate, the Group recognises the Group’s share of change in equity of the associate in ‘capital surplus’ in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group’s ownership percentage of the associate but maintains significant influence on the associate, then ‘capital surplus’ and ‘investments accounted for under equity method’ shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group’s ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Assets	Useful Life
Buildings (including auxiliary equipment)	2 ～ 60 years
Machinery and equipment	2 ～ 50 years
Utility equipment	3 ～ 20 years
Transportation equipment	2 ～ 15 years
Office equipment	2 ～ 9 years
Other equipment	2 ～ 35 years

(17) Leasing arrangements (lessee)－right-of-use assets / lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentive receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability; and

(b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(18) Intangible assets

A. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 ~ 20 years.

C. Patents

Patents is stated at cost and amortised on a straight-line basis over its estimated useful life of 5 ~ 20 years.

D. Other intangible assets

Technical skill transfer fee, royalty paid for acquisition of techniques and distribution rights and trademarks are stated at cost, with exception of technical skill transfer fee, other intangible assets are amortised on a straight-line basis over its estimated useful life of 2 ~ 10 years. The technical skill transfer fee is regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Therefore it is not amortised, but is tested annually for impairment.

(19) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill and intangible asset with uncertain useful life have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation in the contract is discharged or cancelled or expires.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its domestic subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures, etc., to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(25) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(26) Dividends

Cash dividends are recorded as liabilities in the Company's financial statements in the period in which they are resolved by the Board of Directors. Stock dividends are recorded as stock dividends to be distributed in which they are resolved by the Company's shareholders and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells human pharmaceuticals and dietary supplements, etc. Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Goods are often sold with discounts and allowances based on the price spread given by the National Health Insurance. Revenue is recognised based on the price specified in the contract, net of the estimated sales discounts and allowances. Reversal of accounts receivable is recognised for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. The terms of sales transactions are set individually with each clients and usually are made with cash payment in 2 months after billings, or to obtain cheques with a maturity of 4~6 months upon billings. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Rendering of services

(a) The Group provides processing services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised based on the actual service provided to the end of the balance sheet date as a proportion of the total services to be provided.

(b) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

C. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognises the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

(28) Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(29) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Valuation of inventories

(a) As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the influence of different market demand and expiration date, etc., the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the valuation.

(b) As of December 31, 2023, the carrying amount of inventories was $1,614,976.

B. Financial assets-fair value measurement of unlisted stocks without active market

(a) The fair value of unlisted stocks held by the Group that are not traded in an active market is determined considering those companies' recent funding raising activities and technical development status, fair value assessment of other companies of the same type, market conditions and other economic indicators existing on balance sheet date. Any changes in these judgements and estimates will impact the fair value measurement of these unlisted stocks. Please refer to Note 12(3) for the financial instruments fair value information.

(b) As of December 31, 2023, the carrying amount of unlisted stocks without active market was $120,696.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash:		
Revolving funds and petty cash	$ 10,099	$ 8,138
Checking accounts and demand deposits	949,581	639,458
	959,680	647,596
Cash equivalents:		
Time deposits	664,164	878,984
Repurchase bonds	412,899	732,801
	1,077,063	1,611,785
	$ 2,036,743	$ 2,259,381

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of December 31, 2023 and 2022, the carrying amount of more than 3-month time deposits (listed as "Financial assets at amortised cost - current") was $60,500 and $44,355, respectively.

C. As of December 31, 2023 and 2022, cash and cash equivalents amounting to $－ and $119,155, respectively, were pledged to others as collateral for short-term borrowings (listed as "Financial assets at amortised cost - current"). For the detailed information, refer to Note 8, 'PLEDGED ASSETS'.

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

	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 153,043	$ 172,424
Listed stocks	19,657	-
Unlisted stocks	12,000	12,000
	184,700	184,424
Valuation adjustment	(6,410)	(8,276)
	$ 178,290	$ 176,148
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Emerging stocks	$ 1,759	$ 1,759
Unlisted stocks	18,567	18,567
	20,326	20,326
Valuation adjustment	(3,721)	(4,745)
	$ 16,605	$ 15,581

A. The Group recognised net gain (listed as "Other gains and losses") of $5,526 and $1,358 for the years ended December 31, 2023 and 2022, respectively.

B. The Group's financial assets at fair value through profit or loss - non-current, Der Yang Biotechnology Venture Capital, conducted a capital reduction in September 2022. The Group has reversed 41 thousand shares at the initial investment price of $413 proportionately.

C. As of December 31, 2023 and 2022, the Group has no financial assets at fair value through profit or loss pledged to others.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2), 'Financial instruments'.

(3) Financial assets at fair value through other comprehensive income - non-current

	December 31, 2023	December 31, 2022
Equity instruments		
Listed stocks	$ 129,473	$ 163,989
Unlisted stocks	196,997	196,997
	326,470	360,986
Valuation adjustment	20,628	(109,454)
	$ 347,098	$ 251,532

A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was its book value.

B. The Group disposed financial assets at fair value through other comprehensive income in the amount of $75,964 and $23,305 for the years ended December 31, 2023 and 2022, respectively. This resulted in cumulative gain on disposal amounting to $22,465 and $5,958, which was reclassified to retained earnings for the years ended December 31, 2023 and 2022, respectively.

C. The Group recognised $152,547 and ($14,140) in other comprehensive income in relation to fair value change for the years ended December 31, 2023 and 2022, respectively.

D. The Group recognised dividend income of $10,138 and $9,787 in profit or loss (listed as "Other income") in relation to the financial assets at fair value through other comprehensive income for the years ended December 31, 2023 and 2022, respectively.

E. As of December 31, 2023 and 2022, the Group has no financial assets at fair value through other comprehensive income pledged to others.

F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2), 'Financial instruments'.

(4) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 286,781	$ 277,251
Less: Allowance for uncollectible accounts	(237)	(256)
	$ 286,544	$ 276,995
Accounts receivable	$ 991,576	$ 1,010,406
Less: Allowance for uncollectible accounts	(15,368)	(24,421)
	$ 976,208	$ 985,985

A. The ageing analysis of notes and accounts receivable is as follows:

	December 31, 2023	December 31, 2022
Notes receivable:		
Within the credit period	$ 286,094	$ 277,014
Overdue up to 90 days	683	237
Overdue 91 to 180 days	4	-
	$ 286,781	$ 277,251
Accounts receivable:		
Within the credit period	$ 910,207	$ 880,761
Overdue up to 90 days	70,689	87,271
Overdue 91 to 180 days	10,637	42,352
Overdue 181 to 270 days	-	2
Overdue over 271 days	43	20
	$ 991,576	$ 1,010,406

The above aging analysis was based on days overdue.

B. As of December 31, 2023 and 2022, notes and accounts receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to $1,165,167.

C. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was its book value.

D. As of December 31, 2023 and 2022, the Group has no notes and accounts receivable pledged to others.

E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2), 'Financial instruments'.

(5) Other receivables

	December 31, 2023	December 31, 2022
Claims receivable (Note 1) (Note 2)	$ 136, 156	$ 197, 849
Others	19, 515	18, 752
	$ 155, 671	$ 216, 601

(Note 1) The Company was affected by the fire incident in the neighbouring subsidiary－Syn-Tech Chem. & Pharm. Co., Ltd. (hereinafter referred to as "Syn-Tech") on May 20, 2021, which resulted in the damage of certain property, plant and equipment, and inventories and therefore interrupting part of the operations. The Company had derecognised some damaged property, plant and equipment and inventories amounting to $61,693 and $4,608, respectively. The total loss as a result of the fire incident was $66,301 for the year ended December 31, 2021.

The Company had obtained property insurance for its property, plant and equipment. The insurance company is currently handling the follow-up indemnity and claim procedures with the assistance of its commissioned third-party notaries. The Company has inspected some purchasing contract of the assets and after consideration of Consumer Price Index, calculated the replacement cost that could be covered by the insurance based on external information. The Company recognized indemnity income at $66,301 limited to the loss of each property for the year ended December 31, 2021. The insurance company had checked the damaged property in June 2023 and paid insurance claims in the amount of $109,132. The Company recognised the difference of $42,831 between the actual indemnity income and original estimated insurance claims as fire claims income (Listed as "Other income") in 2023.

(Note 2) The subsidiary, Syn-Tech suffered from a fire incident on May 20, 2021, which resulted in the damage of certain property, plant and equipment and inventories and therefore interrupting part of the operations. Syn-Tech had disposed some damaged property, plant and equipment and inventories amounting to $130,434 and $40,757, respectively. The total loss as a result of the fire incident was $171,191 for the year ended December 31, 2021.

Syn-Tech had obtained property insurance for its property, plant and equipment. Currently, the insurance company is handling the follow-up indemnity and claim procedures with the assistance of its commissioned third-party notaries. Syn-Tech has inspected some purchasing contract of the assets and after consideration of Consumer Price Index, calculated the replacement cost that could be covered by the insurance based on the document made by a third-party notary through on-site investigation and accessible information. Syn-Tech recognized indemnity income at $171,191 limited to the loss of each property for the year ended December 31, 2021. As of December 31, 2023, after the insurance company had checked part of the damaged property, Syn-Tech received insurance claim of $35,035, with the remaining of $136,156 awaiting further settlement from the insurance company.

(6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 121,246	($ 3,698)	$ 117,548
Raw materials	491,443	(41,028)	450,415
Supplies	105,952	(9,959)	95,993
Work in process	286,872	(4,366)	282,506
Finished goods	696,705	(28,191)	668,514
	$ 1,702,218	($ 87,242)	$ 1,614,976

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 113,420	($ 2,801)	$ 110,619
Raw materials	507,066	(16,548)	490,518
Supplies	92,880	(7,881)	84,999
Work in process	238,759	(1,883)	236,876
Finished goods	496,721	(33,250)	463,471
	$ 1,448,846	($ 62,363)	$ 1,386,483

The cost of inventories recognised as expenses for the year:

	For the years ended December 31,	
	2023	2022
Cost of goods sold	$ 3,449,436	$ 3,325,065
Loss on scrapped inventories	29,225	20,800
Provision for inventory market value decline	24,879	7,030
Underapplied fixed manufacturing overhead	11,212	6,278
Gain on physical inventory	(1,629)	(774)
	$ 3,513,123	$ 3,358,399

(7) Investments accounted for under equity method

A. Movements of investments accounted for under equity method:

	For the years ended December 31,	
	2023	2022
At January 1	$ 577,338	$ 525,839
Disposal of investments accounted for under equity method	-	(9,156)
Share of profit or loss of investments accounted for under equity method	41,556	61,366
Earnings distribution of investments accounted for under equity method	(18,000)	(12,000)
Capital surplus－Differences between the price for acquisition or disposal of associates and carrying amount	-	3,538
Capital surplus－Changes in net equity of investments accounted for under equity method	3,281	6,479
Retained earnings－Remeasurement of defined benefit plan	(40)	1,047
Other equity interest－Financial statements translation differences of foreign operations	(106)	225
At December 31	$ 604,029	$ 577,338

B. Details of investments accounted for under equity method are as follows:

	December 31, 2023	December 31, 2022
Geneferm Biotechnology Co., Ltd.	$ 327,830	$ 309,854
We Can Medicines Co., Ltd.	243,423	235,502
Taiwan Biosim Co., Ltd.	32,776	31,982
	$ 604,029	$ 577,338

C. Associates:

(a) The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio December 31, 2023	Shareholding ratio December 31, 2022
We Can Medicines Co., Ltd.	Taiwan	32.89%	32.89%
Geneferm Biotechnology Co., Ltd.	Taiwan	28.94%	28.94%

(b) The summarised financial information of the associates that are material to the Group is as follows:

i. Balance sheets

(i) We Can Medicines Co., Ltd.

	December 31, 2023	December 31, 2022
Current assets	$ 1,291,531	$ 1,154,634
Non-current assets	1,569,322	1,421,200
Current liabilities	(1,045,095)	(900,340)
Non-current liabilities	(999,411)	(883,805)
Total net assets	$ 816,347	$ 791,689
Share in associate's net assets	$ 268,497	$ 260,387
Unrealised gain from transactions with associates	(25,074)	(24,885)
Carrying amount of the associate	$ 243,423	$ 235,502

(ii) Geneferm Biotechnology Co., Ltd.

	December 31, 2023	December 31, 2022
Current assets	$ 377,365	$ 352,209
Non-current assets	796,258	836,299
Current liabilities	(188,328)	(238,648)
Non-current liabilities	(92,458)	(119,088)
Total net assets	$ 892,837	$ 830,772
Share in associate's net assets	$ 258,387	$ 240,425
Goodwill	70,651	70,651
Unrealised gain from transactions with associate	(1,208)	(1,222)
Carrying amount of the associate	$ 327,830	$ 309,854

ii. Statements of comprehensive income

(i) We Can Medicines Co., Ltd.

	For the years ended December 31,	
	2023	2022
Revenue	$ 3,122,894	$ 3,302,732
Net income for the year	$ 14,803	$ 100,054
Total comprehensive income for the year	$ 14,683	$ 103,045

(ii) Geneferm Biotechnology Co., Ltd.

	For the years ended December 31,	
	2023	2022
Revenue	$ 792,641	$ 631,340
Net income for the year	$ 124,621	$ 93,454
Total comprehensive income for the year	$ 124,256	$ 94,221

(c) As of December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial associates amounted to $32,776 and $31,982, respectively. The share in associates' financial performance is as follows:

	For the years ended December 31,	
	2023	2022
Net profit for the year	$ 794	$ 1,370
Total comprehensive income for the year	$ 794	$ 1,370

(d) As of December 31, 2023 and 2022, the fair value of the Group's investment accounted for under equity method, Geneferm Biotechnology Co., Ltd., was $894,000 and $802,800, respectively.

(e) The subsidiary of the Company, Syngen Biotech Co., Ltd, is Geneferm's single largest corporate shareholder. However, the Group does not hold more than 50 percent of voting rights during shareholders' meetings and has no agreement with other shareholders to negotiate or jointly make decisions, which indicates that the Group does not have the ability to direct the relevant activities. Therefore, the Group concluded that it has no control or significant influence over Geneferm.

D. As of December 31, 2023 and 2022, the Group has no investments accounted for under the equity method pledged to others.

(8) Property, plant and equipment

	Land	Buildings	Machinery	Utility equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment to be inspected	Total
At January 1, 2023									
Cost	$ 770,539	$ 2,054,723	$ 1,955,216	$ 261,126	$ 23,302	$ 42,528	$ 914,290	$ 385,153	$ 6,406,877
Accumulated depreciation	-	(801,669)	(1,200,223)	(190,453)	(17,392)	(33,114)	(505,445)	-	(2,748,296)
	$ 770,539	$ 1,253,054	$ 754,993	$ 70,673	$ 5,910	$ 9,414	$ 408,845	$ 385,153	$ 3,658,581
For the year ended December 31, 2023									
At January 1	$ 770,539	$ 1,253,054	$ 754,993	$ 70,673	$ 5,910	$ 9,414	$ 408,845	$ 385,153	$ 3,658,581
Additions - cost	-	34,245	69,529	13,051	1,409	4,191	84,451	165,268	372,144
Transfers (Note 1)									
-cost	-	106,196	161,237	39,811	(30)	249	195,537	(204,575)	298,425
-accumulated depreciation	-	-	-	-	70	(70)	478	-	478
Depreciation	-	(55,668)	(142,979)	(14,213)	(1,566)	(2,791)	(86,719)	-	(303,936)
Disposals - cost	-	(2,752)	(14,999)	(481)	(284)	(921)	(10,025)	-	(29,462)
-accumulated depreciation	-	2,752	14,675	481	284	921	7,776	-	26,889
Net exchange differences	-	(1,537)	(36)	-	-	(6)	(14)	-	(1,593)
At December 31	$ 770,539	$ 1,336,290	$ 842,420	$ 109,322	$ 5,793	$ 10,987	$ 600,329	$ 345,846	$ 4,021,526
At December 31, 2023									
Cost	$ 770,539	$ 2,189,911	$ 2,170,248	$ 313,507	$ 24,367	$ 46,006	$ 1,184,136	$ 345,846	$ 7,044,560
Accumulated depreciation	-	(853,621)	(1,327,828)	(204,185)	(18,574)	(35,019)	(583,807)	-	(3,023,034)
	$ 770,539	$ 1,336,290	$ 842,420	$ 109,322	$ 5,793	$ 10,987	$ 600,329	$ 345,846	$ 4,021,526

	Land	Buildings	Machinery	Utility equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment to be inspected	Total
At January 1, 2022									
Cost	$ 496,342	$ 1,818,836	$ 1,661,738	$ 250,123	$ 24,689	$ 41,396	$ 759,754	$ 171,353	$ 5,224,231
Accumulated depreciation	-	(769,944)	(1,118,104)	(180,079)	(18,028)	(31,924)	(447,954)	-	(2,566,033)
	$ 496,342	$ 1,048,892	$ 543,634	$ 70,044	$ 6,661	$ 9,472	$ 311,800	$ 171,353	$ 2,658,198
For the year ended December 31, 2022									
At January 1	$ 496,342	$ 1,048,892	$ 543,634	$ 70,044	$ 6,661	$ 9,472	$ 311,800	$ 171,353	$ 2,658,198
Additions - cost	90	188,639	181,425	5,634	2,167	1,503	103,850	246,851	730,159
Transfers (Note 2)									
-cost	274,107	58,623	137,568	5,826	(3,140)	612	64,989	(33,051)	505,534
-accumulated depreciation	-	8,487	10,609	1,433	1,748	144	(22,421)	-	-
Acquisition from business combinations	-	-	-	-	-	-	18,982	-	18,982
Depreciation	-	(52,428)	(117,217)	(12,264)	(1,527)	(2,320)	(67,849)	-	(253,605)
Disposals - cost	-	(13,682)	(26,168)	(458)	(442)	(230)	(29,461)	-	(70,441)
-accumulated depreciation	-	13,078	24,965	458	442	229	28,917	-	68,089
Net exchange differences	-	1,445	177	-	1	4	38	-	1,665
At December 31	$ 770,539	$ 1,253,054	$ 754,993	$ 70,673	$ 5,910	$ 9,414	$ 408,845	$ 385,153	$ 3,658,581
At December 31, 2022									
Cost	$ 770,539	$ 2,054,723	$ 1,955,216	$ 261,126	$ 23,302	$ 42,528	$ 914,290	$ 385,153	$ 6,406,877
Accumulated depreciation	-	(801,669)	(1,200,223)	(190,453)	(17,392)	(33,114)	(505,445)	-	(2,748,296)
	$ 770,539	$ 1,253,054	$ 754,993	$ 70,673	$ 5,910	$ 9,414	$ 408,845	$ 385,153	$ 3,658,581

(Note 1) Including transfer of $8,217 from 'Inventories'; transfer of $293,208 from 'Prepayment for equipment' and transfer of $2,522 to expenses.

(Note 2) Including transfer of $11,644 from 'Inventories'; transfer of $494,268 from 'Prepayment for equipment' and transfer of $378 to expenses.

A. As of December 31, 2023 and 2022, the carrying amount of land, buildings and other equipment held for operating leases are as follows:

	December 31, 2023	December 31, 2022
Land	$ 5,264	$ 5,264
Buildings	$ 10,619	$ 11,009
Other equipment	$ 2,557	$ 2,313

B. In order to meet the operating needs, the Board of Directors of the Company's subsidiary, Syngen Biotech Co., Ltd., has resolved to acquire the land, plants and related equipments located in Douliu City, Yunlin County, which are sold at a court auction. On May 26, 2022, Syngen Biotech Co., Ltd. was awarded the bid for a total consideration amounting to $516,689 and all the consideration had been paid.

C. Amount of borrowing costs capitalised as part of property, plant and equipment and the interest rates for such capitalisation for the years ended December 31, 2023 and 2022 are as follows:

	For the years ended December 31,	
	2023	2022
Capitalised interest payments	$ 374	$ 2,523
Interest rate	1.42%～1.77%	0.73%～1.35%

D. Information about the property, plant and equipment that were acquired through business combinations for the years ended December 31, 2023 and 2022 is provided in Note 6(30), 'Business combinations'.

E. Information about the property, plant and equipment that were pledged to others as collateral as of December 31, 2023 and 2022 is provided in Note 8, 'PLEDGED ASSETS'.

(9) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings and transportation equipments. Rental contracts are typically made for periods of 2 ~ 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

B. The carrying amount of right-of-use assets and the depreciation are as follows:

	December 31, 2023		December 31, 2022	
	Carrying amount		Carrying amount	
Land	$	246,651	$	262,646
Buildings		23,390		22,121
Transportation equipment		9,000		8,933
	$	279,041	$	293,700

	For the years ended December 31,			
	2023		2022	
	Depreciation		Depreciation	
Land	$	16,024	$	15,895
Buildings		8,423		7,757
Transportation equipment		1,076		881
	$	25,523	$	24,533

C. The additions to right-of-use assets were $11,626 and $20,256 for the years ended December 31, 2023 and 2022, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	For the years ended December 31,			
	2023		2022	
Items affecting profit or loss				
Interest expense on lease liabilities	$	3,134	$	3,270
Expense on short-term lease contract		3,874		6,890
Expense on leases of low-value assets		608		747
Gain from lease modification		-	(	8)

E. The Group's total cash outflow for leases were $31,090 and $33,352 for the years ended December 31, 2023 and 2022, respectively.

(10) Intangible assets

	Goodwill	Software	Patents	Others	Total
At January 1, 2023					
Cost	$ 174,159	$ 41,867	$ 63,998	$ 84,058	$ 364,082
Accumulated amortisation	(248)	(35,097)	(25,761)	(62,460)	(123,566)
Accumulated impairment	-	-	-	(15,734)	(15,734)
Net exchange differences	-	(15)	219	-	204
	$ 173,911	$ 6,755	$ 38,456	$ 5,864	$ 224,986
For the year ended December 31, 2023					
At January 1	$ 173,911	$ 6,755	$ 38,456	$ 5,864	$ 224,986
Additions - acquired separately	-	817	1,905	-	2,722
Amortisation	-	(2,807)	(10,320)	(43)	(13,170)
At December 31	$ 173,911	$ 4,765	$ 30,041	$ 5,821	$ 214,538
At December 31, 2023					
Cost	$ 174,159	$ 42,684	$ 65,903	$ 84,058	$ 366,804
Accumulated amortisation	(248)	(37,904)	(36,081)	(62,503)	(136,736)
Accumulated impairment	-	-	-	(15,734)	(15,734)
Net exchange differences	-	(15)	219	-	204
	$ 173,911	$ 4,765	$ 30,041	$ 5,821	$ 214,538

	Goodwill	Software	Patents	Others	Total
At January 1, 2022					
Cost	$ 162,485	$ 37,858	$ 63,998	$ 84,058	$ 348,399
Accumulated amortisation	(248)	(31,698)	(15,087)	(62,217)	(109,250)
Accumulated impairment	-	-	-	(15,734)	(15,734)
Net exchange differences	-	(16)	219	-	203
	$ 162,237	$ 6,144	$ 49,130	$ 6,107	$ 223,618
For the year ended December 31, 2022					
At January 1	$ 162,237	$ 6,144	$ 49,130	$ 6,107	$ 223,618
Additions - acquired separately	-	4,009	-	-	4,009
Additions - business combinations	11,674	-	-	-	11,674
Amortisation	-	(3,399)	(10,674)	(243)	(14,316)
Net exchange differences	-	1	-	-	1
At December 31	$ 173,911	$ 6,755	$ 38,456	$ 5,864	$ 224,986
At December 31, 2022					
Cost	$ 174,159	$ 41,867	$ 63,998	$ 84,058	$ 364,082
Accumulated amortisation	(248)	(35,097)	(25,761)	(62,460)	(123,566)
Accumulated impairment	-	-	-	(15,734)	(15,734)
Net exchange differences	-	(15)	219	-	204
	$ 173,911	$ 6,755	$ 38,456	$ 5,864	$ 224,986

A. No borrowing costs were capitalised as part of intangible assets for the years ended December 31, 2023 and 2022.

B. Details of amortisation on intangible assets are as follows:

	For the years ended December 31,	
	2023	2022
Operating costs	$ 6,451	$ 6,806
Selling expenses	643	970
General and administrative expenses	3,835	4,378
Research and development expenses	2,241	2,162
	$ 13,170	$ 14,316

C. The Group acquired intangible assets through business combinations for the year ended December 31, 2022. For the detailed information, refer to Note 6(30), ‘Business combinations’.

D. The Group applied value in use method when calculating recoverable amount of goodwill and determined the recoverable amount to be greater than the carrying amount; thus, no impairment was identified. Goodwill distributed to cash generating unit according to operating segment is shown below:

	December 31, 2023	December 31, 2022
Multipower Enterprise Corp.	$ 70,265	$ 70,265
Syn-Tech Chem. & Pharm. Co., Ltd.	$ 91,972	$ 91,972
Ho Yao Biopharm Co., Ltd.	$ 11,674	$ 11,674

E. Impairment information about the intangible assets is provided in Note 6(11), "Impairment of non-financial assets".

F. As of December 31, 2023 and 2022, the Company has no intangible assets pledged to others.

(11) Impairment of non-financial assets

A. Goodwill is tested annually for impairment. Goodwill is allocated to the Group's cash-generating unit identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by the cash-generating unit. Cash flow of financial budgets is prepared based on forecasts of growth of future annual revenue, profit and capital expenditure. Management determined budgeted gross margin based on past performance and its expectation of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

B. The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired for the years ended December 31, 2023 and 2022.

C. As of December 31, 2023 and 2022, the carrying amount of accumulated impairment of non-financial assets was $15,734 for both years.

(12) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Unsecured bank borrowings	$ 800,000	1.58%～1.75%	None

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Unsecured bank borrowings	$ 1,240,003	1.21%～2.33%	None
Bank secured borrowings	110,000	1.45%～1.54%	Time deposits
	$ 1,350,003		

Refer to Note 6(24), 'Finance costs', for more information regarding interest expenses recognised in profit or loss by the Group for the years ended December 31, 2023 and 2022.

(13) Other payables

	December 31, 2023	December 31, 2022
Accrued salaries and bonuses	$ 297,081	$ 253,546
Accrued employees' compensation and directors' remuneration	43,803	37,022
Equipment payable	8,135	31,125
Others	176,572	193,859
	$ 525,591	$ 515,552

(14) Long-term borrowings

Type of borrowings	Maturity date	December 31, 2023	Interest rate	Collateral	Note
Bank secured borrowings	2027.1.15	$ 182,000	1.90%	Constuction in progress	(Note 1)
Bank secured borrowings	2043.10.26	100,000	1.82%	Buildings and structures	(Note 2)
		$ 282,000			
Less: Current portion of long-term borrowings		(59,027)			
		$ 222,973			

Type of borrowings	Maturity date	December 31, 2022	Interest rate	Collateral	Note
Bank secured borrowings	2026.1.15	$ 182,000	1.52%	Constuction in progress	(Note 1)

(Note 1) The principal has a grace period of 18~35 months. After the grace period expires, the principal and interest are payable in 25 installments.

(Note 2) The principal has a grace period of 36 months. After the grace period expires, the principal and interest are payable in 204 installments.

Refer to Note 6(24), 'Finance costs', for more information regarding interest expenses recognised in profit or loss by the Group for the years ended December 31, 2023 and 2022.

(15) Pensions

A. The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labour Standards Law, covering all regular employees' service years prior to the enforcement of the Labour Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2%~5% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labour pension reserve account by December 31, every year. If the account balances are insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March. In accordance with defined benefit pension plan, the Company and its domestic subsidiaries disclose the related information as follows:

(a) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 501,667)	($ 526,187)
Fair value of plan assets	393,479	403,637
	($ 108,188)	($ 122,550)
Net defined benefit liability in the balance sheet (Note 1)	($ 139,247)	($ 149,053)
Net defined benefit asset in the balance sheet (Note 2)	31,059	26,503
	($ 108,188)	($ 122,550)

(Note 1) Listed as 'Net defined benefit liability - non-current'.

(Note 2) Listed as 'Other non-current assets'.

(b) Movements in defined benefit liability are as follows:

For the year ended December 31, 2023	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
At January 1	($ 526,187)	$ 403,637	($ 122,550)
Current service cost	(6,671)	-	(6,671)
Interest (expense) income	(6,404)	4,962	(1,442)
Effects of pension plan curtailment	243	-	243
	(539,019)	408,599	(130,420)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	3,656	3,656
Change in financial assumptions	(2,108)	-	(2,108)
Experience adjustments	2,777	-	2,777
	669	3,656	4,325
Pension fund contribution	-	13,775	13,775
Paid pension	36,683	(32,551)	4,132
At December 31	($ 501,667)	$ 393,479	($ 108,188)

For the year ended December 31, 2022	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
At January 1	($ 579,620)	$ 391,648	($ 187,972)
Current service cost	(4,082)	-	(4,082)
Interest (expense) income	(3,993)	2,716	(1,277)
Effects of pension plan curtailment	725	-	725
Effects of pension plan settlement	5,172	(362)	4,810
	(581,798)	394,002	(187,796)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	30,344	30,344
Change in financial assumptions	28,243	-	28,243
Experience adjustments	(20,929)	-	(20,929)
	7,314	30,344	37,658
Pension fund contribution	-	19,933	19,933
Paid pension	48,297	(40,642)	7,655
At December 31	($ 526,187)	$ 403,637	($ 122,550)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labour Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labour Retirement Fund Utilisation Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2023	2022
Discount rate	1.20%	1.25%
Future salary increases	2.00%～3.00%	2.00%～3.00%

For the years ended December 31, 2023 and 2022, assumptions regarding future mortality rate are both set based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 10,144)	$ 10,459	$ 10,289	($ 10,033)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 11,194)	$ 10,833	$ 11,375	($ 12,969)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(e) Expected contributions to the defined benefit pension plan of the Group for the year ended December 31, 2024 amount to $10,263.

(f) As of December 31, 2023, the weighted average duration of that retirement plan is 7~10 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 20,446
2-5 years	136,645
Over 5 years	395,123
	$ 552,214

B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labour Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labour

Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The Group's subsidiaries in Mainland China are subject to the government sponsored defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage of employees' monthly salaries and wages. For the years ended December 31, 2023 and 2022, the contribution rates are from 16%. Other than the monthly contributions, the Group has no further obligations. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were $53,687 and $49,075, respectively.

(16) Share capital – common stock

A. Movements in the number of the Company's ordinary shares outstanding are as follows (in thousands of shares):

	For the years ended December 31,	
	2023	2022
Beginning and ending balance	178,696	178,696

B. As of December 31, 2023, the Company's authorised capital was $2,000,000, and the paid-in capital was $1,786,961, consisting of 178,696 thousand shares of ordinary share, with a par value of $10 (in dollars) per share. Shares can be issued several times. All proceeds from shares issued have been collected.

(17) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. The Company implements its work-division and resource integration, to enhance competitiveness and business performance through spin-off of its synthesis department to the subsidiary - Syn-Tech Chem. & Pharm. Co., Ltd. (Syn-Tech) after the resolution by the Board of Directors on March 16, 2021. The Company received 4,532 thousand shares issued from the capital increase of Syn-Tech with total value of $341,000 as the consideration. The transaction pertains to the reorganisation within the Group. As the difference between the net asset value of the synthesis department and net equity value was $8,735, an increase in capital surplus was recognised. The abovementioned transaction had been completed on July 1, 2022.

C. As the Company's associate, We Can Medicines Co., Ltd., issued employee stock options resulting in changes in net equity. The Company recognised the increase in net equity proportionately to its ownership amounting to $3,281 and $1,351 for the years ended December

31, 2023 and 2022, respectively.

D. For the years ended December 31, 2023 and 2022, pursuant to the Business Letter No. 10602420200 issued by the Ministry of Economic Affairs, the subsidiary of the Company, Syngen Biotech Co., Ltd., and the Company reclassified dividends payable of $196 and $223, respectively, which was expired and not collected by the shareholders, to capital surplus.

E. For the year ended December 31, 2022, the investment accounted for under equity method of the Company's subsidiary, Geneferm Biotechnology Co., Ltd., exercised employee stock options resulting in an increase in the equity to Syngen Biotech Co., Ltd. The Group recognised the increase in equity proportionately of $5,128 and was recorded under capital surplus. There was no such transaction for the year ended December 31, 2023.

F. Refer to Note 6(29), 'Transactions with non-controlling interest', for more information regarding changes of capital surplus due to transactions with non-controlling interest.

(18) Retained earnings

A. Within the limit, except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

B. Under the Company's Articles of Incorporation, as the Company operates in a volatile business environment and is in the stable growth stage, the Board of Directors takes into consideration the Company's future capital needs, long-term financial planning and shareholders' needs for cash inflow. The Company's earnings, if any, are distributed in the following order:

(a) Pay all taxes.

(b) Cover accumulated deficit.

(c) Appropriate 10% as legal reserve, until such legal reserve amounts to the total paid-in capital.

(d) Appropriate or reverse special reserve in accordance with regulations.

(e) At least 10% of the remainder and previous unappropriated retained earnings as stockholders' bonus and cash dividends shall account for at least 20% of total dividends distributed. If the cash dividend is below $0.5 (in dollars) per share, the Company can distribute stock dividends instead of cash dividends upon resolution of the shareholders.

When the shareholders bonus is distributed in stock dividend, it shall be allocated according to the resolutions of the shareholders during their meeting. The Company authorised the Board of Directors to process resolution resolved by a majority vote at the meeting attended by two-thirds of the total number of directors: all or part of distributed dividends and bonus, and capital reserve/legal surplus reserve shall be distributed by cash. The result shall be reported to the shareholders' meeting.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. The Company's debit balance on other equity items as of December 31, 2022 and 2021 were $115,935 and $110,329, respectively, which has been set aside as special reserve in accordance with the regulations and shall not be distributed as dividends.

D. As resolved by the Board of Directors on March 15, 2022 and March 14, 2023, the Company recognised cash dividends distributed to owners amounting to $446,740 ($2.5 (in dollars) per share) and $446,740 ($2.5 (in dollars) per share) for the appropriations of 2021 and 2022 earnings, respectively. On February 27, 2024, the Board of Directors resolved for the distribution of dividends from 2023 earnings of $482,479 ($2.7 (in dollars) per share). Information about the distribution of dividends by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(19) Other equity

	For the year ended December 31, 2023		
	Currency translation	Unrealised gain on valuation of financial assets	Total
At January 1	($ 6,482)	($ 109,453)	($ 115,935)
Currency translation differences			
- Company	(970)	-	(970)
Valuation adjustment			
- Company	-	152,452	152,452
- Subsidiaries	-	95	95
Valuation adjustment transferred to retained earnings			
- Company	-	(22,465)	(22,465)
At December 31	($ 7,452)	$ 20,629	$ 13,177

	For the year ended December 31, 2022		
	Currency translation	Unrealised gain on valuation of financial assets	Total
At January 1	($ 20,974)	($ 89,355)	($ 110,329)
Currency translation differences			
- Company	14,492	-	14,492
Valuation adjustment			
- Company	-	(14,235)	(14,235)
- Subsidiaries	-	95	95
Valuation adjustment transferred to retained earnings			
- Company	-	(5,958)	(5,958)
At December 31	($ 6,482)	($ 109,453)	($ 115,935)

(20) Operating revenue

A. The Group derives revenue from the transfer of goods at a point in time and of services over time in the following major product categories and geographical regions:

	For the year ended December 31, 2023		
	Domestic	International	Total
Revenue from sales of medicine	$ 2,429,991	$ 432,448	$ 2,862,439
Revenue from sales of dietary supplement	1,864,361	72,118	1,936,479
Revenue from sales of Active Pharmaceutical Ingredients	307,317	840,615	1,147,932
Revenue from rendering of services	1,618	-	1,618
Others	251,363	39,937	291,300
	$ 4,854,650	$ 1,385,118	$ 6,239,768

	For the year ended December 31, 2022		
	Domestic	International	Total
Revenue from sales of medicine	$ 2,180,743	$ 346,505	$ 2,527,248
Revenue from sales of dietary supplement	1,788,110	145,452	1,933,562
Revenue from sales of Active Pharmaceutical Ingredients	303,675	723,427	1,027,102
Revenue from rendering of services	2,466	-	2,466
Others	333,846	27,144	360,990
	$ 4,608,840	$ 1,242,528	$ 5,851,368

B. The Group has recognised the following revenue-related contract liabilities:

	December 31, 2023		December 31, 2022		January 1, 2022	
Contract liabilities – sales of medicine	$	34,899	$	35,430	$	40,569
Contract liabilities – sales of dietary supplement		44,943		22,853		26,197
Contract liabilities – sales of Active Pharmaceutical Ingredients		31		15		440
Contract liabilities – others		3,337		25,699		11,909
	$	83,210	$	83,997	$	79,115

Revenue recognised that was included in the contract liability balance at the beginning of the years ended December 31, 2023 and 2022 were $62,896 and $74,410, respectively.

(21) Interest income

	For the years ended December 31,			
	2023		2022	
Interest income from bank deposits	$	66,378	$	29,594

(22) Other income

	For the years ended December 31,			
	2023		2022	
Dividend income	$	10,463	$	9,860
Rental income		2,321		2,261
Research income		4,149		2,236
Royalty income		10,362		11,607
Technology transfer income		–		2,842
Government grants income		10,626		5,956
Fire insurance claim income (Note)		42,831		–
Other income		20,330		16,853
	$	101,082	$	51,615

(Note) Refer to Note 6(5), ‘Other receivables’.

(23) Other gains and losses

	For the years ended December 31, 2023	2022
Net gain on financial assets at fair value through profit or loss	$ 5,526	$ 1,358
Net loss on disposal of property, plant and equipment	(1,048)	(1,632)
Gain from lease modification	-	8
Net gain (loss) on disposal of other non-current assets	2,314	(6,147)
Net currency exchange gain	5,617	170,443
Other losses	(17,691)	(6,318)
	($ 5,282)	$ 157,712

(24) Finance costs

	For the years ended December 31, 2023	2022
Interest expense		
Bank borrowings	$ 22,659	$ 18,028
Lease liabilities	3,134	3,270
	25,793	21,298
Less: Capitalisation of qualifying assets	(374)	(2,523)
	$ 25,419	$ 18,775

(25) Expenses by nature

	For the year ended December 31, 2023		
	Recognised in operating costs	Recognised in operating expenses	Total
Employee benefit expenses	$ 779,252	$ 775,377	$ 1,554,629
Depreciation	257,208	72,251	329,459
Amortisation	10,272	8,042	18,314
	$ 1,046,732	$ 855,670	$ 1,902,402

	For the year ended December 31, 2022		
	Recognised in operating costs	Recognised in operating expenses	Total
Employee benefit expenses	$ 677, 600	$ 722, 455	$ 1, 400, 055
Depreciation	215, 708	62, 430	278, 138
Amortisation	11, 079	9, 388	20, 467
	$ 904, 387	$ 794, 273	$ 1, 698, 660

(26) Employee benefit expenses

	For the year ended December 31, 2023		
	Recognised in operating costs	Recognised in operating expenses	Total
Wages and salaries	$ 649, 235	$ 662, 783	$ 1, 312, 018
Labour and health insurance expenses	66, 337	55, 280	121, 617
Pension costs	29, 623	31, 934	61, 557
Other personnel expenses	34, 057	25, 380	59, 437
	$ 779, 252	$ 775, 377	$ 1, 554, 629

	For the year ended December 31, 2022		
	Recognised in operating costs	Recognised in operating expenses	Total
Wages and salaries	$ 574, 542	$ 624, 714	$ 1, 199, 256
Labour and health insurance expenses	47, 474	51, 944	99, 418
Pension costs	26, 027	22, 872	48, 899
Other personnel expenses	29, 557	22, 925	52, 482
	$ 677, 600	$ 722, 455	$ 1, 400, 055

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year (pre-tax profit before deducting employees’ compensation and directors’ remuneration), after covering accumulated losses, shall be distributed as employees' compensation and directors’ remuneration. The ratio shall be 1%~10% for employees’ compensation and shall not be higher than 3% for directors’ remuneration. Employees’ compensation will be distributed in the form of shares or cash. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, are entitled to receive aforementioned stock or cash. The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees’ compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting.

B. Employees’ compensation was accrued at $10,108 and $9,436 for the years ended December 31, 2023 and 2022, respectively; while directors' remuneration was accrued at $3,150 and $3,000 for the years ended December 31, 2023 and 2022, respectively. The aforementioned amounts were recognised in salary expenses that were estimated and accrued based on the distributable net profit of current year calculated by the percentage prescribed under the Company's Articles of Incorporation. As resolved by the Board of Directors on February 27, 2024, the employees' compensation and directors' remuneration were $10,076 and $3,124, respectively, and the employees' compensation will be distributed in the form of cash. The employees' compensation and directors' remuneration for 2022 as resolved by the Board of Directors was $12,417, and the employees' compensation was distributed in the form of cash. The difference between the aforementioned amount and the amount of $12,436 recognised in the 2022 financial statements by $19, mainly caused by estimation differences, had been adjusted in the profit or loss for 2023. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense:

(a) Components of income tax expense:

	For the years ended December 31,	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 287,724	$ 264,244
Tax on undistributed earnings	16,301	1,045
Over provision of prior year's income tax	(9,862)	(25,337)
	294,163	239,952
Deferred tax:		
Origination and reversal of temporary differences	(14,225)	6,361
Total income tax expense	$ 279,938	$ 246,313

(b) The income tax relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2023	2022
Remeasurement of defined benefit obligation	$ 889	$ 7,532

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 328,288	$ 325,567
Effect of amount not allowed to be recognised under regulations	(49,517)	(52,588)
Effect from investment tax credits	(2,394)	-
Effect from net operating loss carryfoward	(3,134)	(2,374)
Effect from alternative minimum tax	256	-
Tax on undistributed earnings	16,301	1,045
Over provision of prior year's income tax	(9,862)	(25,337)
Income tax expense	$ 279,938	$ 246,313

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and loss carryforward are as follows:

	For the year ended December 31, 2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Temporary differences:				
Bad debts	$ 5,659	($ 1,472)	$ -	$ 4,187
Unrealised loss on inventories from market value decline	12,471	4,974	-	17,445
Unrealised exchange loss	-	3,851	-	3,851
Investment loss	46,904	1,109	-	48,013
Unrealised impairment loss on intangible assets	3,147	-	-	3,147
Unrealised sales returns and allowance	6,189	2,293	-	8,482
Unused compensated absences	7,524	509	-	8,033
Pensions	19,873	2,112	(889)	21,096
Employee benefits	3	(3)	-	-
Loss carryforward	26,603	454	-	27,057
	$128,373	$ 13,827	($ 889)	$ 141,311
Deferred tax liabilities				
Temporary differences:				
Unrealised exchange gain	($ 2,657)	$ 2,657	$ -	$ -
Pensions	-	(4,095)	-	(4,095)
Intangible assets identified from business combinations	(7,343)	1,836	-	(5,507)
Provision for land value increment tax	(74,666)	-	-	(74,666)
	($ 84,666)	$ 398	$ -	($ 84,268)
	$ 43,707	$ 14,225	($ 889)	$ 57,043

	For the year ended December 31, 2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Temporary differences:				
Bad debts	$ 2,952	$ 2,707	$ -	$ 5,659
Unrealised loss on inventories from market value decline	11,067	1,404	-	12,471
Unrealised exchange loss	14,632	(14,632)	-	-
Investment loss	39,516	7,388	-	46,904
Unrealised impairment loss on intangible assets	3,147	-	-	3,147
Unrealised sales returns and allowance	3,112	3,077	-	6,189
Unused compensated absences	7,505	19	-	7,524
Pensions	32,930	(5,525)	(7,532)	19,873
Employee benefits	3	-	-	3
Loss carryforward	26,581	22	-	26,603
	$141,445	($ 5,540)	($ 7,532)	$128,373
Deferred tax liabilities				
Temporary differences:				
Unrealised exchange gain	$ -	($ 2,657)	$ -	($ 2,657)
Intangible assets identified from business combinations	(9,179)	1,836	-	(7,343)
Provision for land value increment tax	(74,666)	-	-	(74,666)
	($ 83,845)	($ 821)	$ -	($ 84,666)
	$ 57,600	($ 6,361)	($ 7,532)	$ 43,707

D. Expiration dates of loss carryforward and amounts of unrecognised deferred tax assets are as follows:

December 31, 2023				
Year incurred	Amount filed/ approved	Unused amount	Unrecognised deferred tax assets	Usable until year
2014～2023	$ 443,650	$ 417,600	$ 282,315	2024～2033

December 31, 2022				
Year incurred	Amount filed/ approved	Unused amount	Unrecognised deferred tax assets	Usable until year
2013～2022	$ 410,215	$ 389,304	$ 256,288	2023～2032

E. The Company’s income tax returns through 2021 have been assessed and approved by the Tax Authority. The Company does not have any administrative remedy as of February 27, 2024.

(28) Earnings per share

	For the year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 834,886	178,696	$ 4.67
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 834,886	178,696	
Assumed conversion of all dilutive potential ordinary shares			
Employees’ compensation	-	194	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 834,886	178,890	$ 4.67

	For the year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 815,408	178,696	$ 4.56
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 815,408	178,696	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	189	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 815,408	178,885	$ 4.56

(29) Transactions with non-controlling interest

A. In September 2022, the Group acquired part of shares of its subsidiary—Souriree Biotech & Pharm. Co., Ltd. for a total cash consideration of $322. The carrying amount was $305 at the acquisition date. This transaction resulted in a decrease in the equity attributable to the parent by $17.

B. In July 2022, refer to Note 6(17), 'Capital surplus' for more information regarding the Group spin off and transfer of the Company's synthesis department to the subsidiary, Syn-Tech Chem. & Pharm. Co., LTD.

C. There was no such transaction for the year ended December 31, 2023.

(30) Business combinations

A. To deepen and strengthen the technical collaboration, on January 18, 2022 and February 18, 2022, the Group participated in the capital increase of Ho Yao Biopharm Co., Ltd. (Ho Yao) and acquired its equity interests for a total consideration amounting to $21,000 and $25,800, respectively, and obtained control over Ho Yao. Refer to Note 4(3)(b) for the details of the main business operations.

B. The following table summarises the consideration paid for Ho Yao and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the fair value of the non-controlling interest at the acquisition date:

		February 10, 2022
Purchase price		
Cash paid	$	46,800
Fair value of the non-controlling interest (Note)		6,199
	$	52,999
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	$	22,477
Other current assets		282
Property, plant and equipment		18,982
Other non-current assets		300
Current liabilities	(	716)
Total identifiable net assets	$	41,325
Goodwill	$	11,674

(Note) Consideration of the purchase price of the stock equities and deduction of implicit cost of the controlling interest has been taken when evaluating the fair value of the non-controlling interest.

C. Since February 10, 2022, the acquisition date of Ho Yao, the operating revenue and loss before income tax attributed by Ho Yao was $295 and ($10,406), respectively. Assuming that Ho Yao had been consolidated since January 1, 2022, the operating revenue and income before income tax attributed by the Group for the year ended December 31, 2022 would have been $5,851,368 and $1,399,275, respectively.

(31) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the years ended December 31,			
	2023		2022	
(a) Acquisition of property, plant and equipment	$	372,144	$	730,159
Add: Beginning balance of notes payable		72,188		37,743
Beginning balance of payable on equipment (listed as "Other payables")		31,125		19,922
Less: Ending balance of notes payable	(	37,206)	(	72,188)
Ending balance of payable on equipment (listed as "Other payables")	(	8,135)	(	31,125)
Capitalised interest	(	374)	(	2,523)
Cash paid for acquisition of property, plant and equipment	$	429,742	$	681,988
(b) Proceeds from disposal of other non-current assets	$	-	$	-
Add: Beginning balance of other receivables		-		38,364
Cash received from disposal of other non-current assets	$	-	$	38,364

B. Operating and investing activities with no cash flow effects:

	For the years ended December 31,	
	2023	2022
(1) Elimination of allowance for uncollectible accounts	$ 20	$ 79
(2) Inventories transferred to property, plant and equipment	$ 8,217	$ 11,644
(3) Prepayments for equipment transferred to property, plant and equipment	$ 293,208	$ 494,268
(4) Property, plant and equipment transferred to expenses	$ 2,522	$ 378

C. Refer to Note 6(30), 'Business combinations' for the information of the cash acquired from business combinations.

(32) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Long-term borrowings (including current portion)	Guarantee deposits received	Total
At January 1, 2023	$ 1,350,003	$ 257,901	$ 182,000	$ 411	$ 1,790,315
Changes in cash flow from financing activities	(550,003)	(23,474)	100,000	11,888	(461,589)
Changes in other non-cash items	-	11,459	-	-	11,459
At December 31, 2023	$ 800,000	$ 245,886	$ 282,000	$ 12,299	$ 1,340,185

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings	Guarantee deposits received	Total
At January 1, 2022	$ 1,067,989	$ 290,000	$ 259,988	$ 50,000	$ 532	$ 1,668,509
Changes in cash flow from financing activities	282,014	(290,000)	(22,445)	132,000	(121)	101,448
Changes in other non-cash items	-	-	20,358	-	-	20,358
At December 31, 2022	$ 1,350,003	$ -	$ 257,901	$ 182,000	$ 411	$ 1,790,315

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
We Can Medicines Co., Ltd. (We Can)	Associate
Taiwan Biosim Co., Ltd. (Biosim)	Associate
Geneferm Biotechnology Co., Ltd. (Geneferm)	Associate
Sun You Biotech Pharm Co., Ltd. (Sun You)	Other related party (The manager of the Company is Sun You's director)
Syn-Tech Chem. & Pharm. Co., Ltd. (Syn-Tech)	Other related party (The Company is Syn-Tech's corporate director)
Fan Dao Nan Foundation (Fan Dao Nan)	Other related party (The corporate director of the Company)

(2) Significant related party transactions

A. Sales of goods

	For the years ended December 31,	
	2023	2022
Associates	$ 116, 118	$ 144, 015
Other related parties	21, 308	24, 183
	$ 137, 426	$ 168, 198

Prices of goods sold to related parties are determined each time when delivering goods. Terms of transactions are similar with those to third parties, which is cash payment in 2 months after billing, or to obtain cheques with a maturity of 4~6 months upon billing.

B. Purchases of goods

	For the years ended December 31,	
	2023	2022
Associates	$ 46, 451	$ 53, 613
Other related parties	5, 284	4, 471
	$ 51, 735	$ 58, 084

Goods are purchased based on the price lists in force and terms that would be available to regular suppliers. Payment terms is cash payment in 1~4 months after monthly billing.

C. Property transactions－Disposal of property, plant and equipment

	For the year ended December 31, 2022	
	Disposal proceeds	Gain on disposal
Other related parties	$ 6	$ 6

There was no such transaction for the year ended December 31, 2023.

D. Other expenses

	For the years ended December 31,	
	2023	2022
Advertisement expenses:		
Associates	$ 1,167	$ 1,347
Donations:		
Other related parties	$ -	$ 60
Miscellaneous expenses:		
Associates	$ 38,296	$ 42,108
Other related parties	1	52
	$ 38,297	$ 42,160

E. Other income

	For the years ended December 31,	
	2023	2022
Associates	$ 1,372	$ 4,199
Other related parties	337	2,596
	$ 1,709	$ 6,795

F. Ending balance of goods sold

	December 31, 2023	December 31, 2022
Receivables from related parties:		
Associates	$ 31,698	$ 37,146
Other related parties	6,899	8,085
	$ 38,597	$ 45,231

The receivables from related parties arise mainly from sales transactions. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

G. Other receivables

	December 31, 2023	December 31, 2022
Associates	$ 4,090	$ 324
Other related parties	-	1,180
	$ 4,090	$ 1,504

H. Ending balance of goods purchased

	December 31, 2023	December 31, 2022
Payables to related parties:		
Associates	$ 33,389	$ 31,733
Other related parties	2,268	1,626
	$ 35,657	$ 33,359

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

I. Other payables

	December 31, 2023	December 31, 2022
Associates	$ 3,447	$ 4,126

J. Lease transactions－lessee

(a) The Group leases land and buildings from Fan Dao Nan and We Can. Rental contracts are made for the periods from October 1, 2016 to September 30, 2027 and April 1, 2023 to March 31, 2024, respectively. Rents are paid quarterly and monthly, respectively.

(b) As of December 31, 2023 and 2022, the carrying amount of right-of-use assets are $4,852 and $6,608, respectively.

(c) As of December 31, 2023 and 2022, the carrying amount of lease liability are $4,971 and $6,724, respectively. The Group recognised interest expense of $77 and $102 for the years ended December 31, 2023 and 2022, respectively (listed as 'Finance costs').

(3) Key management compensation

	For the years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 43,795	$ 39,547

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purposes
Pledged time deposits (Note 1)	$ －	$ 119,155	Short-term borrowings
Land (Note 2)	296,940	46,406	Short-term and long-term borrowings
Buildings-net (Note 2)	335,971	171,481	Short-term and long-term borrowings
Machinery-net (Note 2)	12,073	17,457	Long-term borrowings
Other equipment-net (Note 2)	110	118	Long-term borrowings
Construction in progress (Note 2)	110,519	110,519	Long-term borrowings
	$ 755,613	$ 465,136	

(Note 1) Listed as 'Financial assets at amortised cost - current'.

(Note 2) Listed as 'Property, plant and equipment'.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

As of December 31, 2023 and 2022, the balances for contracts that the Group entered into for the purchase of property, plant and equipment, but not yet due were $89,860 and $243,961, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENT AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 194,895	$ 191,729
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	$ 347,098	$ 251,532
Financial assets at amortised cost		
Cash and cash equivalents	$ 2,036,743	$ 2,259,381
Financial assets at amortised cost	60,500	163,510
Notes receivable	286,544	276,995
Accounts receivable	976,208	985,985
Other receivables	155,671	216,601
Guarantee deposits paid	44,818	32,002
	$ 3,560,484	$ 3,934,474
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 800,000	$ 1,350,003
Notes payable	373,840	457,858
Accounts payable	269,148	228,512
Other payables	525,591	515,552
Long-term borrowings (including current portion)	282,000	182,000
Guarantee deposits received	12,299	411
	$ 2,262,878	$ 2,734,336
Lease liabilities	$ 245,886	$ 257,901

B. Risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments may be used to hedge certain risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

C. Significant financial risks and degrees of financial risks

(a) Market risk

<u>Foreign exchange risk</u>

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Group used in various functional currency, primarily with respect to the USD, EUR, JPY and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. The Group has certain sales and purchases denominated in USD and other foreign currencies. Changes in market exchange rates would affect the fair value. However, the payment and collection periods of asset and liability positions in foreign currencies are close, market risk can be offset. The Group does not expect significant interest rate risk.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. However, the net investments of foreign operations are strategic investments, thus the Group does not hedge the investments.

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, PHP and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 47,888	30.71	$1,470,640
EUR: NTD	231	33.98	7,849
JPY: NTD	91,306	0.2172	19,832
RMB: NTD	14,896	4.327	64,455
Financial liabilities			
Monetary items			
USD: NTD	175	30.71	5,374
JPY: NTD	5,658	0.2172	1,229

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 52,963	30.71	$1,626,494
EUR: NTD	361	32.72	11,812
JPY: NTD	211,262	0.2324	49,097
RMB: NTD	12,984	4.408	57,233
Financial liabilities			
Monetary items			
USD: NTD	364	30.71	11,178

With regard to sensitivity analysis of foreign currency exchange rate risk, if the exchange rates of NTD to all foreign currencies had appreciated/depreciated by 1%, with all other factors remaining constant, the Group's net income for the years ended December 31, 2023 and 2022 would have increased/decreased by $12,449 and $13,866, respectively.

v. Total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022 amounted to $5,617 and $170,443, respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $2,050 and $2,048, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $3,265 and $3,610, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

<u>Cash flow and fair value interest rate risk</u>

i. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the years ended December 31, 2023 and 2022, the Group's borrowings at variable rate were denominated in the NTD.

ii. With regard to sensitivity analysis of interest rate risk, if interest rates on borrowings at that date had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have been $203 and $150 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages its credit risk taking into consideration the entire company's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. In line with credit risk management procedure, payment reminders are sent as the contract payments are past due, whereby the default occurs when the contract payments are past due over certain period of time, and recourse procedures are initiated. However, the Group will continue executing the recourse procedures to secure their rights.

iv. The Group classifies customer's notes and accounts receivable in accordance with credit rating of customer. The Group applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis. The Group used the forecastability of conditions to adjust historical and timely information to assess the default possibility of notes and accounts receivable, whereby rate ranging from 0.01% to 100% are applied to the provision matrix. Movements in relation to the Group applying the modified approach to provide loss allowance for notes and accounts receivable are as follows:

	For the year ended December 31, 2023		
	Notes receivable	Accounts receivable	Total
Beginning balance	$ 256	$ 24,421	$ 24,677
Reversal of impairment	(19)	(9,048)	(9,067)
Write-offs during the year	-	(20)	(20)
Effect of foreign exchange	-	15	15
Ending balance	$ 237	$ 15,368	$ 15,605

	For the year ended December 31, 2022		
	Notes receivable	Accounts receivable	Total
Beginning balance	$ 360	$ 6,558	$ 6,918
(Reversal of) provision for impairment	(104)	17,916	17,812
Write-offs during the year	-	(79)	(79)
Effect of foreign exchange	-	26	26
Ending balance	$ 256	$ 24,421	$ 24,677

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities.

ii. Surplus cash held by the Group over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

iii. The Group has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	$ 3,638,970	$ 3,441,650
Expiring beyond one year	47,000	2,042
	$ 3,685,970	$ 3,443,692

iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date:

December 31, 2023	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 802,624	$ -	$ -	$ -
Notes payable	373,840	-	-	-
Accounts payable	269,148	-	-	-
Other payables	525,591	-	-	-
Lease liabilities	25,564	24,402	55,967	157,814
Long-term borrowings	63,790	62,733	81,863	105,025
Guarantee deposits received	3	3,566	8,730	-

December 31, 2022	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$1,354,539	$ -	$ -	$ -
Notes payable	457,858	-	-	-
Accounts payable	228,512	-	-	-
Other payables	515,552	-	-	-
Lease liabilities	24,201	23,457	60,461	173,983
Long-term borrowings	2,766	89,524	95,479	-
Guarantee deposits received	-	411	-	-

v. For non-derivative financial liabilities, the Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in beneficiary certificates and listed stocks is included.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly.

Level 3: Unobservable inputs for the asset or liability. The Group's investment in partial equity instruments without active market is included.

B. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including current portion) and guarantee deposits received) are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets is as follows:

(a)The related information on the nature of the assets is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 178,290	$ -	$ 16,605	$ 194,895
Financial assets at fair value through other comprehensive income				
Equity securities	243,007	-	104,091	347,098
	$ 421,297	$ -	$ 120,696	$ 541,993

December 31, 2022	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 176,148	$ -	$ 15,581	$ 191,729
Financial assets at fair value through other comprehensive income				
Equity securities	154,874	-	96,658	251,532
	$ 331,022	$ -	$ 112,239	$ 443,261

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments that the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed stocks	Open-end fund
Market quoted price	Closing price	Net asset value

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date.

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. There was no transfer between Level 1 and Level 2 in 2023 and 2022.

E. The following table presents the changes in Level 3 instruments in 2023 and 2022:

	For the years ended December 31,	
	2023	2022
At January 1	$ 112,239	$ 108,808
Capital reduction and return of shares	-	(413)
Recognised in profit or loss (Note 1)	1,025	842
Recognised in other comprehensive income (Note 2)	7,432	3,002
At December 31	$ 120,696	$ 112,239

(Note 1) Listed as "Other income or loss".

(Note 2) Listed as "Unrealised gain or loss on financial assets at fair value through other comprehensive income".

F. For the years ended December 31, 2023 and 2022, there was no transfer from or to Level 3.

G. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 120,696	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	$ 112,239	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	± 3%	$ 712	($ 712)	$ 4,461	($ 4,461)

	Input	Change	December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	± 3%	$ 667	($ 667)	$ 4,143	($ 4,143)

13. SUPPLEMENTARY DISCLOSURES

(Only 2023 information is disclosed in accordance with the current regulatory requirements.)

(1) Significant transactions information

A. Loans to others: Refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures): Refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital or more: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major stockholders’ information

Major stockholders’ information: Refer to table 6.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. There is change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this year in accordance with global marketing expansion of the

Group.

(2) Measurement of segment information

The chief operating decision maker evaluates the performance of operating segments based on pre-tax income. Accounting policies applied on the operating segments are consistent with the significant accounting policies applied in the preparation of the consolidated financial statements set out in Note 4.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the year ended December 31, 2023				
	Medicine	Dietary supplement	Active Pharmaceutical Ingredients	Others	Total
Segment revenue	$ 2,950,820	$ 2,026,185	$ 1,179,913	$ 349,742	$ 6,506,660
Revenue from internal customers	(88,381)	(89,706)	(31,981)	(56,824)	(266,892)
Revenue from external customers	2,862,439	1,936,479	1,147,932	292,918	6,239,768
Segment profit before income tax	960,772	302,489	332,005	49,533	1,644,799
Segment assets	3,960,531	3,548,070	3,101,462	578,661	11,188,724
Segment liabilities	1,303,327	1,044,227	621,018	82,815	3,051,387

	For the year ended December 31, 2022					
	Medicine	Dietary supplement	Active Pharmaceutical Ingredients	Business combinations	Others	Total
Segment revenue	$ 2,602,130	$ 2,056,957	$ 1,071,757	$ -	$ 391,225	$ 6,122,069
Revenue from internal customers	(74,882)	(123,395)	(44,655)	-	(27,769)	(270,701)
Revenue from external customers	2,527,248	1,933,562	1,027,102	-	363,456	5,851,368
Segment profit before income tax	857,747	341,312	349,326	-	12,851	1,561,236
Segment assets	3,727,184	3,329,204	3,169,543	42,041	700,287	10,968,259
Segment liabilities	1,583,710	1,041,128	667,354	716	239,750	3,532,658

(4) Reconciliation for segment income (loss), assets and liabilities

A. Sales between segments are carried out at arm’s length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment income before income tax to the profit before income tax is provided as follows:

	For the years ended December 31,	
	2023	2022
Reportable segment income before income tax	$ 1,595,266	$ 1,548,385
Other segments profit before income tax	49,533	12,851
Including inter-segment loss	(206,932)	(161,303)
Profit before income tax	$ 1,437,867	$ 1,399,933

B. The amounts provided to the chief operating decision maker with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. No reconciliation is needed.

(5) Information on product and service

Revenue from external customers is mainly from manufacturing, research and development, sale and wholesale of various medicine, food and medical products. Details of revenue are as follows:

	For the years ended December 31,	
	2023	2022
Revenue from sales of medicine	$ 2,862,439	$ 2,527,248
Revenue from sales of dietary supplement	1,936,479	1,933,562
Revenue from sales of Active Pharmaceutical Ingredients	1,147,932	1,027,102
Revenue from rendering of services	1,618	2,466
Others	291,300	360,990
	$ 6,239,768	$ 5,851,368

(6) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	For the years ended December 31,			
	2023		2022	
	Revenue (Note 1)	Non-current assets (Note 2)	Revenue (Note 1)	Non-current assets (Note 2)
Taiwan	$ 4,854,650	$ 4,446,611	$ 4,608,840	$ 4,197,335
Japan	300,280	–	300,289	–
South Korea	170,703	–	106,515	–
Vietnam	128,749	–	48,434	–
Mainland China	117,927	137,522	163,435	149,901
Saudi Arabia	74,830	–	54,017	–
Germany	71,361	–	83,373	–
Philippines	56,530	1,877	48,433	–
Singapore	55,549	–	59,834	–
India	47,387	–	28,812	–
Others	361,802	–	349,386	200
	$ 6,239,768	$ 4,586,010	$ 5,851,368	$ 4,347,436

(Note 1) Revenue is based on where the clients are located.

(Note 2) Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, prepayments for equipment, and partial other non-current assets.

(7) Major customer information

The revenue from each customer of the Group for the years ended December 31, 2023 and 2022 did not reach 10% of the amount of revenue in the consolidated income statement.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES

Loans to others

For the year ended December 31, 2023

Table 1

Expressed in thousands of NTD

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance	Ending balance (Note 2)	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Note
1	Standard Pharmaceutical Co., Ltd.	Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	Other receivables	Yes	$ 92,130	$ 92,130	$ 92,130	1.20%	2	-	Operating capital	-	—	-	$ 376,757	$ 376,757	(Notes 3)
2	Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	Jiangsu Standard-Dia Biopharma Co., Ltd.	Other receivables	Yes	4,543	4,543	4,543	1.20%	2	-	Operating capital	-	—	-	12,035	14,442	(Notes 3)

Note 1: The code represents the nature of financing activities as follows:

(1) Trading partner.

(2) Short-term financing.

Note 2: The ending balance is the credit limit approved by the Board of Directors.

Note 3: Calculation of limit on loans granted to a single party and ceiling on total loans granted:

(1) Limit on loans granted to a single party:

(a) For the companies having business relationship with the Company, limit on loans granted to a single party is the higher value of purchasing and selling during current or latest year on the year of financing.

(b) For short-term financing, limit on loans granted to a single party is 5% of the Company’s net assets based on the latest audited consolidated financial statements.

(c) Limit on loans granted by Standard Pharmaceutical Co., Ltd. to a single party is 200% of the creditor’s net assets based on the latest audited or reviewed consolidated financial statements.

(d) Limit on loans granted by Jiangsu Standard Biotech Pharmaceutical to a single party is 25% of the creditor’s net assets based on the latest audited or reviewed consolidated financial statements.

(2) Ceiling on total loans granted to a single party:

(a) Ceiling on total loans granted by Standard Pharmaceutical Co., Ltd. to single party is 200% of the creditor’s net assets.

(b) Ceiling on total loans granted by Jiangsu Standard Biotech Pharmaceutical to single party is 30% of the creditor’s net assets.

(3) For short-term financing, ceiling on total loans granted to all direct or indirect wholly-owned domestic and foreign subsidiaries of the Company is not limited to 40% of the creditors’ net assets.

Note 4: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2023 as follows: USD: NTD 1:30.71 and RMB: NTD 1:4.327.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 2

Expressed in thousands of NTD

					As of December 31, 2023			
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Note
Standard Chem & Pharm. Co., Ltd.	Bonds with repurchase agreement:							
	China Bills Finance Corporation	—	1	—	$ 18,424	-	$ 18,424	-
	Stocks:							
	Original BioMedicals Co., Ltd.	—	2	200,000	-	0.43%	-	-
	NCKU Venture Capital Co., Ltd.	—	3	650,000	3,913	4.17%	3,913	-
	NTU Innovation & Incubation Co., Ltd.	—	3	480,000	3,883	3.76%	3,883	-
	TaiwanJ Pharmaceuticals Co., Ltd.	—	3	258,133	3,808	0.34%	3,808	-
	HER-SING CO., LTD.	The Company is HER-SING Co., Ltd.'s corporate director	4	3,055,000	48,819	17.71%	48,819	-
	SUN YOU BIOTECH PHARM CO., LTD.	The manager of the Company is SUN YOU BIOTECH PHARM CO., LTD.'s director	4	3,378,006	45,738	18.13%	45,738	-
	Green Management International Co., Ltd.	—	4	109,672	1,873	5.14%	1,873	-
	Kenda Pharmacentiocal Co., Ltd.	—	4	5,000,000	4,400	19.42%	4,400	-
	Rossmax International Ltd.	—	4	1,304,000	32,600	1.54%	32,600	-
	EASYWELL BIOMEDICALS, INC.	—	4	5,094,600	210,407	4.45%	210,407	-
Chia Scheng International Co., Ltd.	Beneficiary certificates:							
	Taishin Ta-Chong Money Market Fund	—	2	368,142	5,378	-	5,378	-
	Taishin 1699 Money Market Fund	—	2	50,000	697	-	697	-
	Stocks:							
	SUN YOU BIOTECH PHARM CO., LTD.	The manager of the Company is SUN YOU BIOTECH PHARM CO., LTD.'s director	4	240,846	3,261	1.29%	3,261	-
	Stason Pharmaceuticals, Inc.	—	4	4,000,000	-	13.02%	-	-
MULTIPOWER ENTERPRISE CORP.	Bonds with repurchase agreement:							
	International Bills Finance Corporation	—	1	—	80,000	-	80,000	-
	Mega Bills Finance Co., Ltd.	—	1	—	20,000	-	20,000	-
Advpharma Inc.	Beneficiary certificates:							
	Mega Diamond Money Market Fund	—	2	3,166,588	40,846	-	40,846	-
	FSITC Taiwan Money Market Fund	—	2	1,652,490	26,007	-	26,007	-
	Taishin 1699 Money Market Fund	—	2	1,473,047	20,538	-	20,538	-
	UPAMC James Bond Money Market Fund	—	2	1,662,198	28,501	-	28,501	-
	Shin Kong US Harvest Balanced USD A	—	2	245,916	2,693	-	2,693	-
	Cathay Senior Secured High Yield Bond	—	2	368,302	4,044	-	4,044	-
	Capital Money Market Fund	—	2	1,658,329	27,507	-	27,507	-
	Shin Kong Emergin Wealthy Nations Bond Fund A	—	2	195,290	1,778	-	1,778	-

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	As of December 31, 2023 Book value	Ownership (%)	Fair value	Note
Advpharma Inc.	Fubon NASDAQ-100 Index ETF	—	2	2,000	$ 134	-	$ 134	-
	Yuanta Taiwan High Dividend Low Volatility ETF	—	2	2,000	101	-	101	-
	CTBC Taiwan ESG Leading Semiconductor ETF	—	2	3,000	49	-	49	-
	CTBC TIP Customized Taiwan Green Energy and Electric Vehicles ETF	—	2	1,000	16	-	16	-
	SinoPac Taiwan Superior Dividend Highlight Stocks ETF	—	2	2,000	30	-	30	-
	KGI Taiwan Premium Selection High Dividend 30 ETF	—	2	3,000	67	-	67	-
	Capital Tip Customized Taiwan Select High Dividend ETF	—	2	2,000	45	-	45	-
	Cathay Taiwan Leaders 50 ETF	—	2	3,000	51	-	51	-
	Fuh Hwa Taiwan Technology Dividend Highlight ETF	—	2	4,000	77	-	77	-
	Yuanta US 20+ Year BBB Corporate Bond ETF	—	2	1,000	36	-	36	-
	CAPITAL ICE ESG 20+ Year BBB Us Corporate ETF	—	2	1,000	16	-	16	-
Advpharma Inc.	Stocks:							
	Taiwan Cement Corporation	—	2	2,000	70	-	70	-
	Universal Cement Corporation	—	2	1,000	30	-	30	-
	CHAROEN POKPHAND ENTERPRISE(TAIWAN) CO., LTD.	—	2	4,000	384	-	384	-
	Cathay Consolidated,INC.	—	2	1,000	120	-	120	-
	Tainan Enterprises Co., Ltd.	—	2	5,000	146	-	146	-
	CHUNG-HSIN ELECTRIC & MACHINERY MFG. CORP.	—	2	20,000	2,330	-	2,330	-
	CHINA WIRE & CABLE CO., LTD.	—	2	2,000	77	-	77	-
	Taiwan Fertilizer Co., Ltd.	—	2	2,000	135	-	135	-
	NANG KUANG PHARMACECUTICAL CO., LTD	—	2	4,000	213	-	213	-
	EVERGREEN STEEL CORPORATION	—	2	3,000	312	-	312	-
	United Microelectronics Corporation	—	2	7,000	368	-	368	-
	COMPEQ MANUFACTURING CO., LTD.	—	2	1,000	71	-	71	-
	TAIWAN SEMICONDUCTOR MANUFACTURING CO.,LTD.	—	2	1,000	593	-	593	-
	Synnex Technology International Corporation	—	2	1,000	70	-	70	-
	QUANTA COMPUTER INC.	—	2	1,000	225	-	225	-
	INSTEK ELECTRONIC (SHANGHAI) CO., LTD.	—	2	10,000	380	0.01%	380	-
	KING YUAN ELECTRONICS CO., LTD.	—	2	18,000	1,528	-	1,528	-
	UNIFORM INDUSTRIAL CORP. .	—	2	6,000	243	0.01%	243	-

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	As of December 31, 2023 Book value	Ownership (%)	Fair value	Note
Advpharma Inc.	HANPIN ELECTRON CO., LTD.	—	2	1,000	$ 40	-	$ 40	-
	Goldsun Building Materials Co., Ltd.	—	2	1,000	28	-	28	-
	HUNG SHENG CONSTRUCTION CO., LTD.	—	2	3,000	61	-	61	-
	Taiwan Navigation Co., Ltd.	—	2	3,000	99	-	99	-
	EVA AIRWAYS CORPORATION	—	2	3,000	94	-	94	-
	Bafang Yunji International Co., Ltd.	—	2	1,000	171	-	171	-
	CHANG HWA COMMERCIAL BANK, LTD.	—	2	5,000	90	-	90	-
	Shinkong Insurance Co., Ltd.	—	2	3,000	204	-	204	-
	Yuanta Financial Holding Co., Ltd.	—	2	30,000	828	-	828	-
	SinoPac Financial Holdings Co., LTD.	—	2	20,000	394	-	394	-
	First Financial Holding Co.,Ltd.	—	2	47,000	1,288	-	1,288	-
	Zero One Technology Co., Ltd.	—	2	8,000	523	0.01%	523	-
	Unimicron Technology Corp.	—	2	1,000	176	-	176	-
	TXC CORPORATION	—	2	4,000	394	-	394	-
	POWERCOM CO., LTD.	—	2	4,000	148	0.01%	148	-
	ASX-ASE Technology Holding Co., Ltd.	—	2	1,000	135	-	135	-
	TOPKEY CORPORATION	—	2	1,000	179	-	179	-
	Primax Electronics Ltd.	—	2	2,000	135	-	135	-
	STAR COMGISTIC CAPITAL CO., LTD.	—	2	3,000	97	-	97	-
	GENERAL PLASTIC INDUSTRIAL CO., LTD.	—	2	1,000	35	-	35	-
	Radiant Opto-Electronics Corporation	—	2	5,000	665	-	665	-
	ATEN INTERNATIONAL CO., LTD.	—	2	3,000	241	-	241	-
	Taiwan Surface Mounting Technology Corp.	—	2	1,000	96	-	96	-
	Symtek Automation Asia Co., Ltd.	—	2	4,000	418	0.01%	418	-
	WINSTAR DISPLAY CO., LTD	—	2	3,000	88	-	88	-
	CHANG WAH ELECTROMATERIALS INC.	—	2	1,000	35	-	35	-
	Pou Chen Corporation	—	2	1,000	31	-	31	-
	TAIWAN SAKURA CORPORATION	—	2	3,000	209	-	209	-
	Yulon Finance Corporation	—	2	1,000	186	-	186	-
	Channel Well Technology Co., Ltd	—	2	2,000	168	-	168	-
	Ardentec Corporation	—	2	1,000	74	-	74	-
	Winstek Semiconductor Co., Ltd.	—	2	4,000	365	-	365	-
	AIC INC.	—	2	1,000	441	-	441	-
	TTY Biopharm Company Limited	—	2	3,000	241	-	241	-
	LEO SYSTEMS, INC.	—	2	1,000	34	-	34	-
	SIMPLO TECHNOLOGY CO., LTD.	—	2	6,000	2,520	-	2,520	-
	Chipbond Technology Corporation	—	2	13,000	940	-	940	-
	Quanta Storage Inc.	—	2	1,000	82	-	82	-
	CHANG WAH TECHNOLOGY CO., LTD.	—	2	1,000	33	-	33	-
	Ever Supreme Bio Technology Co., Ltd.	—	2	1,000	196	-	196	-
	AMPIRE CO., LTD.	—	2	1,000	39	-	39	-
Advpharma Inc.	BON FAME CO., LTD.	—	2	1,000	$ 91	-	$ 91	-
	Xxentria Technology Materials Co., Ltd.	—	2	1,000	72	-	72	-

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	As of December 31, 2023 Book value	Ownership (%)	Fair value	Note
	Deyong Biological Technology Co., Ltd.	–	3	76,698	716	3.70%	716	-
	TaiwanJ Pharmaceuticals Co., Ltd.	–	3	25,203	372	0.03%	372	
Syngen Biotech Co,. Ltd.	Stocks:							
	NCKU Venture Capital Co., Ltd.	–	3	650,000	3,913	4.17%	3,913	-
SYN-TECH CHEM & PHARM CO., LTD.	Bonds with repurchase agreement:							
	Ta Ching Bills Finance Corporation.	–	1	–	294,475	-	294,475	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.
Note 2: The general ledger account is classified into the following four categories:

1. Cash and cash equivalents
2. Financial assets at fair value through profit or loss - current
3. Financial assets at fair value through profit or loss - non-current
4. Financial assets at fair value through other comprehensive income - non-current

Note 3: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2023 as follows: USD: NTD 1:30.71.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

For the year ended December 31, 2023

Table 3

Expressed in thousands of NTD

				Transaction			
Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
0	Standard Chem & Pharm. Co., Ltd.	Syngen Biotech Co,. Ltd.	1	Purchases	$ 68,237	1 ~ 4 month(s) after monthly billings.	1%
			1	Accounts payable	(23,030)	–	–
		Souriree Biotech & Pharm. Co., Ltd.	1	Purchases	78,809	1 ~ 4 month(s) after monthly billings.	1%
			1	Accounts payable	(13,266)	–	–
		SYN-TECH CHEM & PHARM CO., LTD.	1	Purchases	20,389	1 ~ 4 month(s) after monthly billings.	–
		Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	1	Other expenses	13,696	1 ~ 4 month(s) after monthly billings.	–
		Ho Yao Biopharm Co., Ltd.	1	Other expenses	14,856	1 ~ 4 month(s) after monthly billings.	–
1	Standard Pharmaceutical Co., Ltd.	Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	3	Other receivables	92,244	–	1%
2	Syngen Biotech Co,. Ltd.	Standard Chem & Pharm. Co., Ltd.	2	Other expenses	22,845	30 days after monthly billings.	–
3	SYN-TECH CHEM. & PHARM. CO., LTD.	Standard Chem & Pharm. Co., Ltd.	2	Lease Liabilities	15,021	–	–
		Souriree Biotech & Pharm. Co., Ltd.	3	Sales	10,285	Receiving promissory note mature in 4 months at next month after sales, or receiving promissory note mature in 1~3 month(s) after sales.	–

Note 1: As the amounts and counterparties of significant inter-company transactions are the same from the opposite transaction sides, no disclosure is required. Only transactions amounting to more than $10,000 are disclosed.

Note 2: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 3: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 4: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on ending balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the year to consolidated total operating revenues for statement of comprehensive income accounts.

Note 5: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2023 as follows: USD: NTD 1:30.71 and RMB: NTD 1:4.327.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES

Information on investees

For the year ended December 31, 2023

Table 4

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised for the year ended December 31, 2023	Note
Standard Chem & Pharm. Co., Ltd.	Standard Pharmaceutical Co., Ltd.	Samoa	Research and development, trading, investment and other business of medical products	$ 396,953	$ 396,953	13,000,000	100.00	$ 179,272	($ 1,618)	($ 1,618)	Subsidiary
	Chia Scheng International Co., Ltd.	Taiwan	General investment	161,356	161,356	14,553,000	100.00	11,363	266	266	Subsidiary (Note 1)
	STANDARD CHEM. & PHARM. PHILIPPINES, INC.	Philippines	Import and export of various medical products, medicine, supplements	12,340	6,762	392,014	100.00	3,996	(1,883)	(1,883)	Subsidiary
	Inforight Technology Co., Ltd.	Taiwan	Wholesale of multi-function printers and information software	5,000	5,000	500,000	100.00	7,666	3,454	3,454	Subsidiary
	Souriree Biotech & Pharm. Co., Ltd.	Taiwan	Manufacturing of western medicine and retail and wholesale of various medicines	41,871	41,871	5,673,908	93.58	50,404	9,402	8,965	Subsidiary
	Multipower Enterprise Corp.	Taiwan	Import and export of western medicine, nourishment and function food, processing, manufacturing and sale of food	293,063	293,063	19,840,600	90.72	324,570	(13,971)	(12,827)	Subsidiary
	Advpharma Inc.	Taiwan	Research and development, manufacturing and sale of various medicine	525,933	525,933	53,226,806	88.71	271,699	5,460	4,908	Subsidiary
	Syngen Biotech Co., Ltd.	Taiwan	Research and development, manufacturing and sale of APIs, biopesticide, fertiliser and biochemical nutrition, sale of preventive medicine	330,203	330,203	12,651,146	46.68	975,993	274,827	128,862	Subsidiary (Note 2)
	SYN-TECH CHEM. & PHARM. CO., LTD.	Taiwan	Manufacturing and sale of APIs, reagent, surfactant, Chinese, western, and veterinary medicinal products	720,941	720,941	12,675,959	28.43	784,589	251,150	63,757	Subsidiary (Note 3)
	Ho Yao Biopharm Co., LTD.	Taiwan	Research and development of new medicine	46,800	46,800	3,680,000	84.99	43,286	5,730	4,869	Subsidiary

				Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised for the year ended December 31, 2023	
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			Note
Standard Chem & Pharm. Co., Ltd.	WE CAN MEDICINES CO., LTD.	Taiwan	Wholesale of various medicine	$ 277,067	$ 277,067	13,155,909	32.89	$ 243,423	$ 14,803	$ 4,679	Associate
	Taiwan Biosim, Co., Ltd.	Taiwan	Research and development of various medicine	49,900	49,900	4,990,000	49.90	32,776	1,591	794	Associate
Syngen Biotech Co., Ltd	SYNGEN BIOTECH INTERNATIONAL SDN. BHD.	Malaysia	Research and development, manufacturing and sale of APIs and biochemical nutrition, sale of preventive medicine	14,064	7,322	2,000,000	100.00	6,851	(791)	-	Subsidiary (Note 4)
	Jhan Shuo Biopharma Co., Ltd.	Taiwan	Manufacturing, wholesale and sale of western medicine	100	100	10,000	100.00	101	1	-	Subsidiary (Note 4)
	GENEFERM BIOTECHNOLOGY CO., LTD.	Taiwan	Research and development, design, quantification, manufacturing and sale of microbial and edible mushroom medicine fermentation, herbal and vegetal functional products, fruit and vegetable fermentation concentrates and protein products, management of the aforementioned trade business, technological consultancy, etc.	273,840	273,840	12,000,000	28.94	327,830	124,621	-	Associate (Note 4)
Advpharma Inc.	CNH TECHNOLOGIES INC.	USA	Research and development of various medicine	13,734	13,734	400,000	35.60	1,202	1,478	-	(Note 4)
SYN-TECH CHEM. & PHARM. CO., LTD.	Advpharma Inc.	Taiwan	Research and development, manufacturing and sale of various medicine	9,626	9,626	1,495,414	2.49	7,823	5,460	-	(Note 4)
	CNH TECHNOLOGIES INC.	USA	Research and development of various medicine	21,092	21,092	535,050	47.62	1,834	1,478	-	(Note 4)

Note 1: Formerly named as 'Chia Scheng Investment Co., Ltd.' and the name was changed since October 12, 2023.

Note 2: In September 2016, the subsidiary, Syngen Biotech Co., Ltd. ("Syngen"), filed for an initial public offering with Taipei Exchange. As part of the public trading process, the Company allowed its underwriter to exercise the overallotment option, which decreased the Company's ownership percentage in Syngen to below 50%. However, the Company did not lose control over Syngen.

Note 3: The company participated in the cash captial increase of SYN-TECH CHEM. & PHARM. CO., LTD., which results in becoming SYN-TECH's single largest corporate shareholder and having substantial control over it.

Note 4: Not required to disclose income (loss) recognised.

Note 5: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2023 as follows: USD: NTD 1:30.71.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

For the year ended December 31, 2023

Table 5

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income (loss) of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised for the year ended December 31, 2023	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Jiangsu Standard Biotech Pharmaceutical Co., Ltd.	Research and development, technical consulting and technical services of medicine	$ 276,390	(Note 1)	$ 276,084	$ -	$ -	$ 276,084	($ 3,278)	100.00	($ 3,278)	$ 48,240	$ -	(Note 4)
Jiangsu Standard-Dia Biopharma Co., Ltd.	Research and development, manufacturing and sale of various medicine	183,444	(Note 2)	-	-	-	-	(9,265)	55.00	(4,962)	(11,326)	-	(Note 4)
Shanghai Standard Pharmaceuticals Co., Ltd.	Sale of various medicine and dietary supplement	4,512	(Note 3)	4,512	-	-	4,512	(1,958)	100.00	(1,958)	1,285	-	(Note 4)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 5)
Standard Chem & Pharm. Co., Ltd.	$ 280,596	$ 280,901	$ 4,882,402

Note 1: Indirect investment in Mainland China through an existing company (Standard Pharmaceutical Co., Ltd.) located in the third area.
Note 2: Indirect investment in Mainland China through an existing company (Jiangsu Standard Biotech Pharmaceutical Co., Ltd.) located in Mainland China.
Note 3: Direct investment in Mainland China from Taiwan.
Note 4: Recognition is based on investees' financial statements audited and attested by independent accountants.
Note 5: Ceiling is the higher of net assets or 60% of consolidated equity.
Note 6: Foreign currencies were translated into New Taiwan Dollars with exchange rate as of December 31, 2023 as follows: USD: NTD 1:30.71 and RMB: NTD 1:4.327.

STANDARD CHEM. & PHARM. CO., LTD. AND SUBSIDIARIES

Major Shareholders Information

December 31, 2023

Table 6

Major Shareholder's Name	Shares	
	Number of shares	Percentage
Chin-Tsai, Fan	20,636,813	12%
Tzu-Pin, Fan	19,518,084	11%
Mei-Rong, Fan Hung	14,584,781	8%
Tzu-Tin, Fan	11,766,604	7%
Sen-Hao, Cheng	9,185,888	5%
Tsuey-Wen, Yeh	9,124,669	5%

Note 1: The information of major shareholders in this table is calculated by TDCC on the last business day at the end of each quarter to calculate that the shareholder-holding company has completed the book-entry delivery (including treasury stocks) of common stocks and special stocks totaling more than 5%. As for the share capital recorded in the company’s financial report and the company’s actual number of shares registered and delivered may be different due to the calculation bases.

Note 2: If shareholder has his/hers shares been entrusted, it shall disclosed in the trustee's individual accounts. As for shareholder's declareation of shares held by insiders with more than 10%, for shareholding that includes shares on hand and those have been entrusted, and the right to their entrust property, etc., please refer to MOPS's website.