

**CHLITINA HOLDING LIMITED AND  
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT**

**SEPTEMBER 30, 2023 AND 2022**

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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.

## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chlitina Holding Limited

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Chlitina Holding Limited and its subsidiaries (the "Group") as at September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of review***

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

## ***Conclusion***

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2023 and 2022, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

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Wang, Sung-Tse

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Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

November 9, 2023

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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.

**CHLITINA HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of dollars)

Asset	Notes	September 30, 2023			(adjusted) December 31, 2022			(adjusted) September 30, 2022			(adjusted) January 1, 2022		
		CNY	TWD	%	CNY	TWD	%	CNY	TWD	%	CNY	TWD	%
		<b>Current Assets</b>											
1100 Cash and cash equivalents	6(1)	\$ 1,266,435	\$ 5,591,311	57	\$ 1,280,472	\$ 5,644,321	65	\$ 1,271,476	\$ 5,687,312	63	\$ 1,375,044	\$ 5,973,191	60
1136 Financial assets at amortized cost - current	6(1)(3)and 8	278,454	1,229,374	13	-	-	-	32,000	143,136	2	241,962	1,051,083	10
1150 Notes receivable, net		-	-	-	1	4	-	2	9	-	5	22	-
1170 Accounts receivable, net	6(4)	1,406	6,207	-	477	2,103	-	331	1,481	-	723	3,141	-
1180 Accounts receivable - related parties, net	6(4)and 7	-	-	-	-	-	-	3	13	-	115	500	-
1200 Other receivables		24,330	107,417	1	17,458	76,955	1	14,768	66,057	1	15,136	65,751	1
1210 Other receivables - related parties	7	298	1,316	-	263	1,163	-	210	939	-	455	1,977	-
130X Inventories	6(5)	91,659	404,674	4	110,326	486,317	6	117,639	526,199	5	104,711	454,865	4
1410 Prepayments		25,503	112,596	1	16,337	72,009	1	19,642	87,860	1	23,402	101,655	1
1470 Other current assets		-	-	-	-	-	-	-	-	-	2	10	-
11XX <b>Total current assets</b>		<u>1,688,085</u>	<u>7,452,895</u>	<u>76</u>	<u>1,425,334</u>	<u>6,282,872</u>	<u>73</u>	<u>1,456,071</u>	<u>6,513,006</u>	<u>72</u>	<u>1,761,555</u>	<u>7,652,195</u>	<u>76</u>
<b>Non-current assets</b>													
1510 Financial assets at fair value through profit or loss - non-current	6(2)	53,438	235,929	2	50,064	220,682	3	53,002	237,078	3	21,046	91,424	1
1550 Investments accounted for using equity method	6(6)	61,741	272,587	3	48,355	213,149	2	48,454	216,735	2	49,636	215,619	2
1600 Property, plant and equipment, net	6(7)	266,961	1,178,633	12	278,969	1,229,695	14	284,245	1,271,428	14	303,842	1,319,890	13
1755 Right-of-use assets	6(8)and 7	87,890	388,034	4	93,075	410,275	5	101,278	453,016	5	112,940	490,611	5
1760 Investment property, net		14,997	66,212	1	15,743	69,395	1	15,991	71,528	1	16,737	72,706	1
1780 Intangible assets, net	6(9)and 7	19,412	85,704	1	21,060	92,832	1	20,936	93,647	1	15,104	65,612	1
1840 Deferred income tax assets		24,572	108,485	1	26,332	116,071	1	28,196	126,120	1	36,386	158,061	-
1900 Other non-current assets		8,704	38,428	-	9,589	42,268	-	10,397	46,505	1	15,021	65,250	1
15XX <b>Total non-current assets</b>		<u>537,715</u>	<u>2,374,012</u>	<u>24</u>	<u>543,187</u>	<u>2,394,367</u>	<u>27</u>	<u>562,499</u>	<u>2,516,057</u>	<u>28</u>	<u>570,712</u>	<u>2,479,173</u>	<u>24</u>
1XXX <b>Total assets</b>		<u>\$ 2,225,800</u>	<u>\$ 9,826,907</u>	<u>100</u>	<u>\$ 1,968,521</u>	<u>\$ 8,677,239</u>	<u>100</u>	<u>\$ 2,018,570</u>	<u>\$ 9,029,063</u>	<u>100</u>	<u>\$ 2,332,267</u>	<u>\$ 10,131,368</u>	<u>100</u>

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**CHLITINA HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of dollars)

Liabilities and Equity	Notes	September 30, 2023			(adjusted) December 31, 2022			(adjusted) September 30, 2022			(adjusted) January 1, 2022		
		CNY	TWD	%	CNY	TWD	%	CNY	TWD	%	CNY	TWD	%
		<b>Current liabilities</b>											
2100 Short-term loans	6(10)	\$ 222,378	\$ 981,799	10	\$ 104,503	\$ 460,649	5	\$ 106,472	\$ 476,249	5	\$ 252,969	\$ 1,098,897	11
2130 Current contract liabilities	6(18)	101,348	447,451	5	80,664	355,567	4	104,289	466,485	5	96,496	419,179	4
2170 Accounts payable		13,761	60,755	1	14,297	63,021	1	19,319	86,414	1	15,577	67,666	1
2180 Accounts payable - related parties	7	5,449	24,057	-	4,089	18,024	-	3,633	16,251	-	7,169	31,144	-
2200 Other payables	6(11)	102,436	452,255	5	101,202	446,098	5	90,006	402,597	5	184,516	801,538	8
2220 Other payables - related parties	7	998	4,407	-	759	3,346	-	1,005	4,495	-	468	2,033	-
2230 Current income tax liabilities		25,401	112,145	1	20,559	90,624	1	26,133	116,893	1	58,475	254,015	2
2280 Lease liabilities - current	7	24,688	108,998	1	27,726	122,216	1	30,667	137,173	2	31,393	136,371	1
2320 Long-term borrowings - current portion	6(12)	263,130	1,161,719	10	-	-	-	-	-	-	63,720	276,800	3
2645 Guarantee deposits		87,220	385,076	4	81,129	357,619	4	83,905	375,307	4	86,194	374,425	4
21XX <b>Total current liabilities</b>		<u>846,809</u>	<u>3,738,662</u>	<u>37</u>	<u>434,928</u>	<u>1,917,164</u>	<u>21</u>	<u>465,429</u>	<u>2,081,864</u>	<u>23</u>	<u>796,977</u>	<u>3,462,068</u>	<u>34</u>
<b>Non-current liabilities</b>													
2540 Long-term borrowings	6(12)	146,183	645,398	7	390,145	1,719,759	21	376,202	1,682,752	19	259,978	1,129,345	12
2570 Deferred income tax liabilities		20,779	91,739	1	21,018	92,647	1	47,268	211,431	2	40,411	175,545	1
2580 Lease liabilities - non-current	7	62,451	275,721	3	66,116	291,439	3	71,893	321,577	4	84,311	366,245	4
2640 Net defined benefit liabilities		619	2,733	-	620	2,733	-	687	3,073	-	707	3,073	-
25XX <b>Total non-current liabilities</b>		<u>230,032</u>	<u>1,015,591</u>	<u>11</u>	<u>477,899</u>	<u>2,106,578</u>	<u>25</u>	<u>496,050</u>	<u>2,218,833</u>	<u>25</u>	<u>385,407</u>	<u>1,674,208</u>	<u>17</u>
2XXX <b>Total liabilities</b>		<u>1,076,841</u>	<u>4,754,253</u>	<u>48</u>	<u>912,827</u>	<u>4,023,742</u>	<u>46</u>	<u>961,479</u>	<u>4,300,697</u>	<u>48</u>	<u>1,182,384</u>	<u>5,136,276</u>	<u>51</u>
<b>Equity attributable to shareholders of the parent</b>													
<b>Share capital</b>	6(15)												
3110 Common stock		161,772	794,924	8	161,772	794,924	9	161,772	794,924	9	161,772	794,924	8
<b>Capital surplus</b>	6(16)												
3200 Capital surplus		280,133	1,388,422	14	276,621	1,372,879	16	276,621	1,372,879	15	276,621	1,372,879	13
<b>Retained earnings</b>	6(17)												
3310 Legal reserve		174,681	794,924	8	174,681	794,924	9	174,681	794,924	9	173,010	787,546	8
3320 Special reserve		122,010	545,935	6	126,475	565,174	7	126,475	565,174	6	105,661	473,279	5
3350 Unappropriated retained earnings		395,650	1,964,779	20	353,318	1,768,678	20	306,907	1,564,253	17	435,769	2,131,638	21
<b>Other equity</b>													
3410 Financial statements translation differences of foreign operations		14,269	( 418,265)	( 4)	( 15,696)	( 548,385)	( 6)	10,067	( 366,269)	( 4)	( 3,379)	( 567,040)	( 6)
3420 Unrealised gains (losses) from financial assets at fair value through other comprehensive income		444	1,935	-	568	2,479	-	568	2,481	-	429	1,866	-
<b>Treasury stocks</b>													
3500 Treasury stocks	6(15)	-	-	-	( 22,045)	( 97,176)	( 1)	-	-	-	-	-	-
3XXX <b>Total equity</b>		<u>1,148,959</u>	<u>5,072,654</u>	<u>52</u>	<u>1,055,694</u>	<u>4,653,497</u>	<u>54</u>	<u>1,057,091</u>	<u>4,728,366</u>	<u>52</u>	<u>1,149,883</u>	<u>4,995,092</u>	<u>49</u>
<b>Significant contingent liabilities and unrecognised contract commitments</b>	9												
3X2X <b>Total liabilities and equity</b>		<u>\$ 2,225,800</u>	<u>\$ 9,826,907</u>	<u>100</u>	<u>\$ 1,968,521</u>	<u>\$ 8,677,239</u>	<u>100</u>	<u>\$ 2,018,570</u>	<u>\$ 9,029,063</u>	<u>100</u>	<u>\$ 2,332,267</u>	<u>\$ 10,131,368</u>	<u>100</u>

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

**CHLITINA HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of dollars, except earnings per share data)

Items	Notes	(adjusted)									(adjusted)		
		Three months ended September 30, 2023			Three months ended September 30, 2022			Nine months ended September 30, 2023			Nine months ended September 30, 2022		
		CNY	TWD	%	CNY	TWD	%	CNY	TWD	%	CNY	TWD	%
4000		\$ 281,726	\$ 1,231,078	100	\$ 274,868	\$ 1,217,739	100	\$ 752,807	\$ 3,305,577	100	\$ 680,783	\$ 3,014,847	100
5000	6(18) and 7	( 44,042)	( 192,322)	( 16)	( 44,015)	( 195,006)	( 16)	( 128,038)	( 562,215)	( 17)	( 116,183)	( 514,516)	( 17)
5900		237,684	1,038,756	84	230,853	1,022,733	84	624,769	2,743,362	83	564,600	2,500,331	83
		<b>Operating expenses</b>											
6100	6(23) and 7	( 108,713)	( 475,167)	( 39)	( 72,018)	( 319,126)	( 26)	( 281,317)	( 1,235,263)	( 37)	( 233,625)	( 1,034,608)	( 34)
6200		( 39,748)	( 173,573)	( 14)	( 41,115)	( 182,157)	( 15)	( 115,313)	( 506,339)	( 15)	( 106,835)	( 473,119)	( 16)
6300		( 1,075)	( 4,692)	-	( 1,547)	( 6,855)	( 1)	( 3,310)	( 14,534)	( 1)	( 5,520)	( 24,445)	( 1)
6000		( 149,536)	( 653,432)	( 53)	( 114,680)	( 508,138)	( 42)	( 399,940)	( 1,756,136)	( 53)	( 345,980)	( 1,532,172)	( 51)
6900		88,148	385,324	31	116,173	514,595	42	224,829	987,226	30	218,620	968,159	32
		<b>Non-operating income and expenses</b>											
7101	6(3)(19)	10,381	45,383	4	4,251	18,839	2	26,131	114,741	3	15,005	66,450	2
7010	6(20)	( 2,945)	( 13,522)	( 1)	2,971	13,184	1	43,537	191,171	6	25,527	113,046	4
7020	6(21)	( 13,767)	( 60,409)	( 5)	( 26,429)	( 117,073)	( 10)	( 17,038)	( 74,814)	( 2)	( 53,293)	( 236,008)	( 7)
7050	6(22) and 7	( 10,193)	( 44,561)	( 4)	( 3,537)	( 15,670)	( 1)	( 25,671)	( 112,721)	( 3)	( 8,914)	( 39,476)	( 1)
7060	6(6)	( 5,242)	( 22,961)	( 2)	( 591)	( 2,617)	-	( 9,696)	( 42,575)	( 1)	33	146	-
7000		( 21,766)	( 96,070)	( 8)	( 23,335)	( 103,337)	( 8)	17,263	75,802	3	( 21,642)	( 95,842)	( 2)
7900		66,382	289,254	23	92,838	411,258	34	242,092	1,063,028	33	196,978	872,317	30
7950	6(24)	( 25,362)	( 110,733)	( 9)	( 59,881)	( 265,201)	( 22)	( 75,090)	( 329,720)	( 10)	( 87,294)	( 386,521)	( 13)
8200		\$ 41,020	\$ 178,521	14	\$ 32,957	\$ 146,057	12	\$ 167,002	\$ 733,308	23	\$ 109,684	\$ 485,796	17
		<b>Other comprehensive income (loss)</b>											
		<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>											
8320	6(6)	\$ -	\$ 2	-	\$ -	\$ -	-	(\$ 124)	(\$ 544)	-	\$ 139	\$ 615	-
8310		-	2	-	-	-	-	( 124)	( 544)	-	139	615	-
		<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>											
8361		19,446	233,091	19	5,799	61,922	5	27,729	120,303	4	13,402	200,576	7
8370	6(6)	1,180	5,169	-	101	446	-	2,236	9,817	-	44	195	-
8360		20,626	238,260	19	5,900	62,368	5	29,965	130,120	4	13,446	200,771	7
8500		\$ 61,646	\$ 416,783	33	\$ 38,857	\$ 208,425	17	\$ 196,843	\$ 862,884	27	\$ 123,269	\$ 687,182	24
		<b>Earnings per share (in dollars)</b>											
9750	6(25)	\$ 0.52	\$ 2.25		\$ 0.41	\$ 1.84		\$ 2.11	\$ 9.25		\$ 1.38	\$ 6.11	
9850		\$ 0.52	\$ 2.24		\$ 0.41	\$ 1.84		\$ 2.10	\$ 9.24		\$ 1.38	\$ 6.10	

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

**CHLITINA HOLDING LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in thousands of dollars)

Notes	Equity attributable to shareholders of the parent																																					
	Retained earnings								Other equity																													
	Common stock		Capital surplus		Legal reserve		Special reserve		Unappropriated retained earnings		Financial statements translation differences of foreign operations		Unrealised gains (losses) from financial assets at fair value through other comprehensive income		Treasury stocks		Total equity																					
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD																				
<b>Nine months ended September 30, 2022</b>																																						
Balance at January 1, 2022	\$	161,772	\$	794,924	\$	276,621	\$	1,372,879	\$	173,010	\$	787,546	\$	105,661	\$	473,279	\$	435,294	\$	2,129,574	(\$	3,379)	(\$	567,040)	\$	429	\$	1,866	\$	-	\$	-	\$	1,149,408	\$	4,993,028		
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	-	-	-	475	2,064	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	475	2,064				
Balance at January 1 after adjustments	161,772	794,924	276,621	1,372,879	173,010	787,546	105,661	473,279	435,769	2,131,638	(	3,379)	(	567,040)	429	1,866	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,149,883	4,995,092				
Profit for the period	-	-	-	-	-	-	-	-	109,684	485,796	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	109,684	485,796				
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	13,446	200,771	139	615	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,585	201,386				
Total comprehensive income for the period	-	-	-	-	-	-	-	-	109,684	485,796	13,446	200,771	139	615	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	123,269	687,182			
Appropriations of 2021 earnings	6(17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Legal reserve		-	-	-	-	1,671	7,378	-	-	(	1,671)	(	7,378)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Special reserve		-	-	-	-	-	-	20,814	91,895	(	20,814)	(	91,895)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Cash dividends		-	-	-	-	-	-	-	-	(	216,061)	(	953,908)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(	216,061)	(	953,908)
Balance at September 30, 2022		\$	161,772	\$	794,924	\$	276,621	\$	1,372,879	\$	174,681	\$	794,924	\$	126,475	\$	565,174	\$	306,907	\$	1,564,253	\$	10,067	(\$	366,269)	\$	568	\$	2,481	\$	-	\$	-	\$	1,057,091	\$	4,728,366	
<b>Nine months ended September 30, 2023</b>																																						
Balance at January 1, 2023		\$	161,772	\$	794,924	\$	276,621	\$	1,372,879	\$	174,681	\$	794,924	\$	126,475	\$	565,174	\$	353,318	\$	1,768,678	(\$	15,696)	(\$	548,385)	\$	568	\$	2,479	(\$	22,045)	(\$	97,176)	\$	1,055,694	\$	4,653,497	
Profit for the period		-	-	-	-	-	-	-	-	167,002	733,308	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167,002	733,308			
Other comprehensive income (loss) for the period		-	-	-	-	-	-	-	-	-	-	29,965	130,120	(	124)	(	544)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,841	129,576			
Total comprehensive income (loss) for the period		-	-	-	-	-	-	-	-	167,002	733,308	29,965	130,120	(	124)	(	544)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	196,843	862,884			
Appropriations of 2022 earnings	6(17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Special reserve		-	-	-	-	-	-	(	4,465)	(	19,239)	4,465	19,239	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cash dividends		-	-	-	-	-	-	-	-	(	129,135)	(	556,446)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(	129,135)	(	556,446)
Purchase of treasury stocks	6(15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(	334)	(	1,984)	(	334)	(	1,984)	-	-		
Share-based payment	6(14)(16)	-	-	3,512	15,543	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,512	15,543			
Exercise of employee share options	6(15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,379	99,160	22,379	99,160	-	-	-	-				
Balance at September 30, 2023		\$	161,772	\$	794,924	\$	280,133	\$	1,388,422	\$	174,681	\$	794,924	\$	122,010	\$	545,935	\$	395,650	\$	1,964,779	\$	14,269	(\$	418,265)	\$	444	\$	1,935	\$	-	\$	-	\$	1,148,959	\$	5,072,654	

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in thousands of dollars)

	Notes	Nine months ended September 30, 2023		Nine months ended September 30, 2022	
		CNY	TWD	CNY	TWD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		\$ 242,092	\$ 1,063,028	\$ 196,978	\$ 872,317
Adjustments					
Adjustment to reconcile profit (loss)					
Depreciation	6(7)(8)(21)(23)	52,880	232,197	56,243	249,072
Amortization	6(9)(23)	2,664	11,698	2,605	11,537
Net gain on financial assets at fair value through profit or loss	6(2)(21)	( 2,516)	( 11,048)	( 688)	( 3,048)
Interest expense	6(8)(9)(22)	25,671	112,721	8,914	39,476
Interest income	6(19)	( 26,131)	( 114,741)	( 15,005)	( 66,450)
Compensation cost of share-based payments	6(14)(16)	3,512	15,543	-	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	6(6)	9,696	42,575	( 33)	( 146)
Loss on disposal of property, plant and equipment	6(7)(21)	173	760	283	1,253
Impairment loss on intangible assets	6(9)(20)	-	-	5,623	24,903
Impairment loss recognised in profit or loss, investments accounted for using equity method	6(6)(21)	-	-	1,337	5,921
Changes in operating assets and liabilities relating to operating activities					
Changes in operating assets					
Financial assets at fair value through profit or loss		418	1,835	976	4,323
Notes receivable		1	4	3	13
Accounts receivable		( 929)	( 4,079)	392	1,736
Accounts receivable - related parties		-	-	112	496
Other receivables		( 4,887)	( 21,459)	( 2,021)	( 8,950)
Other receivables - related parties		( 35)	( 154)	245	1,085
Inventories		19,783	86,867	( 12,928)	( 57,252)
Prepayments		( 9,166)	( 40,248)	3,760	16,651
Changes in operating liabilities					
Contract liabilities		20,684	90,823	7,793	34,511
Accounts payable		( 536)	( 2,354)	3,742	16,571
Accounts payable - related parties		1,360	5,972	( 3,536)	( 15,659)
Other payables		602	2,643	( 94,842)	( 420,008)
Other payables - related parties		239	1,049	537	2,378
Guarantee deposits		6,091	26,746	( 2,289)	( 10,137)
Cash provided by operating activities		341,666	1,500,378	158,201	700,593
Interest paid		( 25,039)	( 109,946)	( 8,582)	( 38,005)
Income tax paid		( 69,843)	( 306,681)	( 104,589)	( 463,172)
Net cash provided by operating activities		246,784	1,083,751	45,030	199,416

- Continued -



CHLITINA HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in thousands of dollars)

	Notes	Nine months ended September 30, 2023		Nine months ended September 30, 2022	
		CNY	TWD	CNY	TWD
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Acquisition of financial assets at amortised cost		(\$ 481,575)	(\$ 2,114,596)	\$ -	\$ -
Proceeds from disposal of financial assets at amortised cost		203,121	885,222	209,962	929,817
Acquisition of financial assets at fair value through profit or loss		-	-	( 30,000)	( 134,190)
Increase in other current assets		-	-	2	9
Increase in investments accounted for using equity method		( 20,342)	( 90,000)	-	-
Acquisition of property, plant and equipment	6(7)	( 13,223)	( 58,063)	( 8,738)	( 38,696)
Acquisition of intangible assets	6(9)	-	-	( 14,044)	( 62,194)
Decrease in other non-current assets		885	3,886	6,397	28,329
Interest received		24,146	106,025	17,394	77,029
Net cash (used in) provided by investing activities		<u>( 286,988)</u>	<u>( 1,267,526)</u>	<u>180,973</u>	<u>800,104</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
Repayment of the principal portion of lease liabilities	6(26)	( 29,634)	( 130,123)	( 30,041)	( 133,035)
Increase (decrease) in short-term borrowings	6(26)	118,327	519,574	( 147,186)	( 651,812)
Proceeds from long-term borrowings	6(26)	35,527	155,997	492,582	2,181,400
Repayments of long-term borrowings	6(26)	( 34,969)	( 153,550)	( 459,544)	( 2,035,090)
Purchase of treasury stocks	6(15)	( 334)	( 1,984)	-	-
Exercise of employee share options	6(15)	22,379	99,160	-	-
Payment of cash dividends	6(17)	( 129,135)	( 556,446)	( 216,061)	( 953,908)
Net cash flows used in financing activities		<u>( 17,839)</u>	<u>( 67,372)</u>	<u>( 360,250)</u>	<u>( 1,592,445)</u>
Effects due to changes in exchange rates		44,006	198,137	30,679	307,046
Decrease in cash and cash equivalents		( 14,037)	( 53,010)	( 103,568)	( 285,879)
Cash and cash equivalents at beginning of period		1,280,472	5,644,321	1,375,044	5,973,191
Cash and cash equivalents at end of period		<u>\$ 1,266,435</u>	<u>\$ 5,591,311</u>	<u>\$ 1,271,476</u>	<u>\$ 5,687,312</u>

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

CHLITINA HOLDING LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022  
(Expressed in thousands of dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Chlitina Holding Limited (the “Company”) was incorporated in the Cayman Islands on July 3, 2012, as a company limited by shares in accordance with Article 22 of the Company Act of the Cayman Islands. In order to issue the Company’s common stock in the Taiwan Stock Exchange, the subsidiaries were reorganised by share exchange. The Company is a holding company which is not subject to corporate income tax under the local laws and has limited liability. The Company and its subsidiaries (collectively referred herein as the “Group”) are mainly engaged in the development, manufacture and sales of cosmetics. On November 27, 2013, the Company was approved and listed on the Taiwan Stock Exchange.

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

These consolidated financial statements were reported to the Board of Directors on November 9, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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

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.

Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’

The amendments require an entity to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Upon adoption, the Group recognised a deferred tax asset and liability for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities retrospectively as of January 1, 2022. These amendments resulted to an increase in deferred tax assets by CNY \$18,819 (TWD \$83,086), CNY \$22,174 (TWD \$96,324), CNY \$20,099 (TWD \$89,902) and CNY \$18,434 (TWD \$81,257) and deferred tax liabilities by CNY \$18,001 (TWD \$79,476), CNY \$21,699 (TWD \$94,260), CNY \$19,577 (TWD \$87,569) and CNY \$17,935 (TWD \$79,057) as of September 30, 2023, January 1, 2022, September 30, 2022 and December 31, 2022, respectively, an increase in retained earnings by CNY \$475 (TWD \$2,064) as of January 1, 2022 as well as a decrease in income tax expense by CNY \$319 (TWD \$1,398) and CNY \$47 (TWD \$269) and an increase in earnings per share by CNY \$0.00 (TWD \$0.01) and CNY \$0.00 (TWD \$0.00) for the third quarters in 2023 and 2022, respectively.

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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) IFRSs issued by IASB but not yet endorsed by the FSC

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 International Accounting Standards Board
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

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 and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

##### (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 and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) 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 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") 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.

##### (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 (including structured 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. That 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 investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
The Company	Chlitina Group Limited (Chlitina Group)	Investing	100.00	100.00	100.00	
Chlitina Group	Chlitina International Limited (Chlitina International)	Investing	100.00	100.00	100.00	
Chlitina Group	Chlitina Intelligence Limited (Chlitina Intelligence)	Investing and research and development	100.00	100.00	100.00	Note 1
Chlitina Group	W-Amber International Limited (W-Amber International)	Investing	100.00	100.00	100.00	
Chlitina Group	W-Champion International Limited (W-Champion International)	Investing	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
Chlitina Group	C-Asia International Limited (C-Asia International)	Investing	100.00	100.00	100.00	
Chlitina International	Hong Kong Chlitina International Limited (Hong Kong Chlitina)	Investing and trading of skincare products	100.00	100.00	100.00	
Chlitina International	Chlitina Marketing Limited (Chlitina Marketing)	Investing and trading of skincare products	100.00	100.00	100.00	Note 2
Chlitina International	K&S Biomedical Ltd. (K&S Biomedical)	Trading of skincare products and daily necessities	100.00	100.00	100.00	
Chlitina International	Centre de Recherche et de Developpement de CHLITINA FRANCE EURL (Chlitina France EURL)	Research and development center	100.00	100.00	100.00	
Hong Kong Chlitina	Chlitina (China) Trade Limited (Chlitina China)	Dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Hong Kong Chlitina	Yong Li Trading Company Limited (Yong Li)	Dealer of skincare products	100.00	100.00	100.00	
Hong Kong Chlitina	Hong Kong W-Amber International Limited (Hong Kong W-Amber)	Investing	100.00	100.00	100.00	
Hong Kong Chlitina	Hong Kong W-Champion International Limited (Hong Kong W-Champion)	Investing	100.00	100.00	100.00	
Hong Kong Chlitina	Hong Kong Crystal Asia International Limited (Hong Kong Crystal Asia)	Investing	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
Hong Kong Chlitina	Hua Pao Sdn. Bhd. (Hua Pao)	Dealer of skincare products	100.00	100.00	100.00	
Hong Kong Chlitina	PT PINING BEAUTY INDONESIA (PINING)	Importing trade goods and management consulting	100.00	100.00	100.00	
Hong Kong Chlitina	Hong Kong Jing Tai International Investment Limited (Hong Kong Jing Tai)	Investment consulting and general trade	100.00	100.00	100.00	
Hong Kong W-Amber	Weihu (Shanghai) Health Management Consulting Co.,Ltd (Weihu Shanghai)	Investing, dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Hong Kong W-Amber	Crystal Asia (Shanghai) Limited (Crystal Asia Shanghai)	Dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Hong Kong W-Amber	Hainan Shoumao Investment Limited (Hainan Shoumao)	Enterprise management consulting and investing	100.00	100.00	100.00	
Hong Kong Crystal Asia	Cui Jie (Shanghai) Trading Co. Ltd. (Cui Jie Shanghai)	Dealer of health food and daily necessities	-	100.00	100.00	Note 5
Hong Kong W-Champion	Wuguan (Shanghai) Trade Limited (Wuguan Shanghai)	Dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Chlitina China	Weishuo (Shanghai) Daily Product Limited (Weishuo)	Production and trading of skincare products	100.00	100.00	100.00	
Chlitina China	Shanghai Zhe Mei Technology Training Co., Ltd. (Shanghai Zhe Mei)	Cosmetology training services	100.00	100.00	100.00	
Chlitina China	Shanghai Yongxiang Trading Co., Ltd. (Shanghai Yongxiang)	Retail of cosmetics and manicure service	100.00	100.00	100.00	
Chlitina China	Shanghai Jiekan Trading Co., Ltd. (Shanghai Jiekan)	Dealer of skincare products and supplementary health care products	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
Chlitina China	Hong Kong Crystal International Services Limited (Hong Kong Crystal International)	Investing, dealer of skincare products and supplementary health care products	100.00	100.00	100.00	Note 4
Shanghai Li Shuo	Shanghai Hedeng Clinic Co., Ltd. (Shanghai Hedeng) (formerly He Deng Clinic (Shanghai) Co., Ltd.)	Dealer of general practice	100.00	100.00	100.00	
Weihu Shanghai	Shanghai Yuanshuo Management Consulting Limited (Shanghai Yuanshuo)	Enterprise management consulting and investing	100.00	100.00	100.00	
Shanghai Yuanshuo	Beijing YaPulide Medical Beauty Treatment Clinic Co., Ltd. (Beijing YaPulide)	Medical cosmetology services	100.00	100.00	100.00	
Shanghai Yuanshuo	Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd. (Shanghai Yapu)	Medical cosmetology services	100.00	100.00	100.00	
Shanghai Yuanshuo	Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd. (Nanjing Yapu Lide)	Medical cosmetology services	100.00	100.00	100.00	
Shanghai Yuanshuo	Shanghai Lunxin Medical Beauty Clinic Co., Ltd. (Shanghai Lunxin)	Medical cosmetology services	100.00	100.00	100.00	
Shanghai Yuanshuo	Jinghe Clinic (Nanjing) Co., Ltd. (Nanjing Jinghe)	Dealer of general practice and foods	100.00	100.00	100.00	
W-Amber International	W-Amber Marketing Limited (W-Amber Marketing)	Investing	100.00	100.00	100.00	
Crystal Asia Shanghai	Li Shuo Biotechnology (Shanghai) Co., Ltd. (Shanghai Li Shuo)	Enterprise management consulting and investing	100.00	100.00	100.00	



Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2023	December 31, 2022	September 30, 2022	
W-Champion International	W-Champion Marketing Limited (W-Champion Marketing)	Investing	100.00	100.00	100.00	
Yong Li	Vinh Le Company Limited (Vinh Le)	Dealer of skincare products	100.00	100.00	100.00	Note 3
Hong Kong Jing Tai	WAN JU International Investment Limited (WAN JU International)	Investing	100.00	100.00	100.00	

Note 1: Chlitina Intelligence established British Virgin Is. Chlitina Intelligence Limited Taiwan Branch (Chlitina Intelligence Taiwan Branch) which is primarily engaged in the management of intellectual property and functions as a research and development center.

Note 2: Chlitina Marketing established British Virgin Is. Chlitina Marketing Limited Taiwan Branch (Chlitina Marketing Taiwan Branch) which is primarily engaged in the trading of skincare products.

Note 3: Yong Li holds a 100% equity interest in Vinh Le through the name of other individuals due to the restriction of local regulations, and has 100% substantial control over the investee.

Note 4: On June 14, 2022, Chlitina China acquired 100% equity interest in Hong Kong Crystal International held by Hong Kong W-Amber through cash.

Note 5: Cui Jie (Shanghai) Trading Co. Ltd. had completed the liquidation and dissolution in September 2023.

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: None.

#### (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"). Both of the Company's functional and presentation currency are TWD, however, the functional currency of the significant operating components of the Group is CNY, thus the consolidated financial statements are presented in CNY.

#### 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 retranslated 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 foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

#### B. Translation of foreign operations

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:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - (c) All resulting exchange differences are recognised in other comprehensive income.
- C. On September 30, 2023 and 2022, the spot exchange rates of CNY to TWD were CNY \$1=TWD \$4.4150 and CNY \$1=TWD \$4.4730, respectively, and for the nine months ended September 30, 2023 and 2022, the average exchange rates of CNY to TWD were CNY \$1=TWD \$4.3910 and CNY \$1=TWD \$4.4285, respectively. Additionally, on December 31, 2022, the spot exchange rate of CYN to TWD was CNY \$1=TWD \$4.4080.

#### (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 twelve 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 pay off 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 paid off within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be paid off within twelve 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) Cash equivalents

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. Time deposits 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) Financial assets at fair value through profit or loss

- 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) Financial assets at amortised cost

- 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. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. 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) 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.

(10) 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.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) 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 progress 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.

(13) Investments accounted for using 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 using 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 change in ownership interests in 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 the 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.

(14) Property, plant and equipment

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

Buildings and structures	18 ~ 20 years
Transportation equipment	2 ~ 10 years
Machinery equipment	3 ~ 10 years
Office and other equipment	2 ~ 10 years

(15) 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 incentives 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 initial direct costs incurred by the lessee.

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 to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 years.

(17) Intangible assets

A. Trademarks and licences

Separately acquired trademarks and licences are stated at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 10 to 15 years.

B. Computer software

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

## C. Goodwill

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

### (18) 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. 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 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 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.

### (19) 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.

### (20) 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.

### (21) Derecognition of financial liabilities

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



(22) Non-hedging and embedded derivatives

- A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.
- B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognised as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.
- C. Under the non-financial assets, whether the hybrid contracts embedded with derivatives are accounted for separately at initial recognition is based on whether the economic characteristics and risks of an embedded derivative are closely related in the host contract. When they are closely related, the entire hybrid instrument is accounted for by its nature in accordance with the applicable standard. When they are not closely related, the derivative is accounted for differently from the host contract as derivative while the host contract is accounted for by its nature in accordance with the applicable standard. Alternatively, the entire hybrid instrument is designated as financial liabilities at fair value through profit or loss upon initial recognition.

(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 plans

For defined contribution plans, 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 plans

- 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 plans 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 (at the balance sheet date) 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.
- iii. Past service costs are recognised immediately in profit or loss.
- iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation 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 employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(24) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(25) 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 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.
- 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 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 and does not give rise to equal taxable and deductible temporary differences. 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. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(26) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Group repurchases the Group's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Group's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's equity holders.

(27) Dividends

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

(28) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells skincare products, health care products and other products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customers has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' 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 customers, and either the customers have accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) The skincare products and health care products are often sold with volume discounts based on aggregate sales over a 1-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and sales discounts and allowances. The Group calculates sales discounts and allowances based on the actual sales in current month. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur, and is settled at each reporting date. The sales usually are made with a credit term of advance receipts before goods are shipped to customers, which is consistent with market practice. 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. The Group manages franchises and provides beautician training services. Revenue from providing services is recognised in the accounting period in which the services are rendered. Franchise contract include multiple deliverables that shall be rendered by the Group, such as store equipment, beautician training and others. In most cases, the beautician training can be provided by another party, therefore beautician training is accounted for us a separate performance obligation. The transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the sales of store equipment, revenue for the store equipment is recognised at a point in time when the store equipment is delivered, the legal title has passed and the customer has accepted the store equipment.

(29) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. 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.

(30) 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.

(31) 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. The Group's Chief Operating Decision-Maker has been identified as the Board of Directors that makes strategic decisions.

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

Evaluation of inventories

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 short expiration dates of its products, the Group evaluates the amounts of expired products or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value.

As of September 30, 2023, the carrying amount of inventories was CNY \$91,659 (TWD \$404,674).

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	September 30, 2023		December 31, 2022		September 30, 2022	
	CNY	TWD	CNY	TWD	CNY	TWD
Cash on hand	\$ 358	\$ 1,581	\$ 346	\$ 1,525	\$ 352	\$ 1,574
Check deposits and demand deposits	757,129	3,342,725	332,438	1,465,388	668,216	2,988,931
Time deposits	362,338	1,599,722	713,361	3,144,495	272,810	1,220,279
Cash equivalents	146,610	647,283	234,327	1,032,913	330,098	1,476,528
	<u>\$ 1,266,435</u>	<u>\$ 5,591,311</u>	<u>\$ 1,280,472</u>	<u>\$ 5,644,321</u>	<u>\$ 1,271,476</u>	<u>\$ 5,687,312</u>

- A. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group's cash equivalents pertain to fixed rate financial instruments registered with the Shanghai Stock Exchange with maturities of 14 to 28 days.
- B. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group's time deposits with maturity term of over three months amounted to CNY \$278,454 (TWD \$1,229,374), CNY \$0 (TWD \$0) and CNY \$32,000 (TWD \$143,136), respectively, which were reclassified as financial assets at amortized cost. Refer to Note 6(3) for details.
- C. 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.
- D. The Group has no cash and cash equivalents pledged to others.

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

Items	September 30, 2023		December 31, 2022		September 30, 2022	
	CNY	TWD	CNY	TWD	CNY	TWD
Non-current items:						
Financial assets mandatorily measured at fair value through profit or loss						
Unlisted stocks	\$ 30,448	\$ 134,428	\$ 23,014	\$ 101,446	\$ 23,290	\$ 104,176
Hybrid instruments	22,990	101,501	27,050	119,236	29,712	132,902
	<u>\$ 53,438</u>	<u>\$ 235,929</u>	<u>\$ 50,064</u>	<u>\$ 220,682</u>	<u>\$ 53,002</u>	<u>\$ 237,078</u>

- A. The hybrid instrument pertains to the hybrid contracts of Yingyi Stem Cell Biotechnology (Hainan) Co., Ltd. (Yingyi Biotechnology) which comprise equity interests and embedded options. The option gives the Group rights to ask Yingyi Biotechnology, the original shareholders or its founder to repurchase some or all of the equity interest at the unfixed price specified in the agreement. The relevant fair value is provided in Note 12.
- B. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss for the three months and nine months ended September 30, 2023 and 2022 are listed below:

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Financial assets mandatorily measured at fair value through profit or loss				
Beneficiary certificates	\$ 170	\$ 743	\$ 578	\$ 2,561
Equity instruments	( 588)	( 2,615)	-	-
Hybrid instruments	-	-	( 288)	( 1,275)
	<u>(\$ 418)</u>	<u>(\$ 1,872)</u>	<u>\$ 290</u>	<u>\$ 1,286</u>
	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Financial assets mandatorily measured at fair value through profit or loss				
Beneficiary certificates	\$ 418	\$ 1,835	\$ 976	\$ 4,323
Equity instruments	6,158	27,040	-	-
Hybrid instruments	( 4,060)	( 17,827)	( 288)	( 1,275)
	<u>\$ 2,516</u>	<u>\$ 11,048</u>	<u>\$ 688</u>	<u>\$ 3,048</u>

- C. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.



(3) Financial assets at amortised cost

Items	September 30, 2023		December 31, 2022		September 30, 2022	
	CNY	TWD	CNY	TWD	CNY	TWD
Current items:						
Time deposits with maturity term of over three months	\$ 59,179	\$ 261,274	\$ -	\$ -	\$ 32,000	\$ 143,136
Pledged time deposits with maturity term of over three months	219,275	968,100	-	-	-	-
	<u>\$ 278,454</u>	<u>\$ 1,229,374</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,000</u>	<u>\$ 143,136</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Interest income	<u>\$ 4,593</u>	<u>\$ 20,049</u>	<u>\$ 255</u>	<u>\$ 1,131</u>

  

	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Interest income	<u>\$ 13,951</u>	<u>\$ 61,259</u>	<u>\$ 2,008</u>	<u>\$ 8,892</u>

B. As at September 30, 2023, December 31, 2022 and September 30, 2022, 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 amortised cost held by the Group were CNY \$278,454 (TWD \$1,229,374), CNY \$0 (TWD \$0) and CNY \$32,000 (TWD \$143,136), respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Accounts receivable

	<u>September 30, 2023</u>		<u>December 31, 2022</u>		<u>September 30, 2022</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
Accounts receivable	\$ 1,406	\$ 6,207	\$ 477	\$ 2,103	\$ 331	\$ 1,481
Accounts receivable - related parties	-	-	-	-	3	13
	<u>\$ 1,406</u>	<u>\$ 6,207</u>	<u>\$ 477</u>	<u>\$ 2,103</u>	<u>\$ 334</u>	<u>\$ 1,494</u>

- A. As of September 30, 2023, December 31, 2022 and September 30, 2022, all the Group's accounts receivable arose from contracts with customers. In addition, on January 1, 2022, accounts receivable arising from contracts with customers amounted to CNY \$838 (TWD \$3,641).
- B. The Group does not hold any collateral as security and has no accounts receivable pledged to others.
- C. As at September 30, 2023, December 31, 2022 and September 30, 2022, 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 accounts receivable was CNY \$1,406 (TWD \$6,207), CNY \$477 (TWD \$2,103) and CNY \$334 (TWD \$1,494), respectively.
- D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

September 30, 2023

	Cost		Allowance for inventory valuation losses		Book value	
	CNY	TWD	CNY	TWD	CNY	TWD
	Finished goods	\$ 51,377	\$ 226,829	(\$ 161)	(\$ 711)	\$ 51,216
Work in progress	5,816	25,678	( 247)	( 1,091)	5,569	24,587
Raw materials	35,480	156,644	( 606)	( 2,675)	34,874	153,969
	<u>\$ 92,673</u>	<u>\$ 409,151</u>	<u>(\$ 1,014)</u>	<u>(\$ 4,477)</u>	<u>\$ 91,659</u>	<u>\$ 404,674</u>

December 31, 2022

	Cost		Allowance for inventory valuation losses		Book value	
	CNY	TWD	CNY	TWD	CNY	TWD
	Finished goods	\$ 61,000	\$ 268,888	(\$ 218)	(\$ 961)	\$ 60,782
Work in progress	9,465	41,722	( 1,949)	( 8,591)	7,516	33,131
Raw materials	45,530	200,696	( 3,502)	( 15,437)	42,028	185,259
	<u>\$ 115,995</u>	<u>\$ 511,306</u>	<u>(\$ 5,669)</u>	<u>(\$ 24,989)</u>	<u>\$ 110,326</u>	<u>\$ 486,317</u>

September 30, 2022

	Cost		Allowance for inventory valuation losses		Book value	
	CNY	TWD	CNY	TWD	CNY	TWD
	Finished goods	\$ 58,468	\$ 261,527	(\$ 1,142)	(\$ 5,108)	\$ 57,326
Work in progress	13,552	60,618	( 1,706)	( 7,631)	11,846	52,987
Raw materials	51,388	229,859	( 2,921)	( 13,066)	48,467	216,793
	<u>\$ 123,408</u>	<u>\$ 552,004</u>	<u>(\$ 5,769)</u>	<u>(\$ 25,805)</u>	<u>\$ 117,639</u>	<u>\$ 526,199</u>

A. For the three months and nine months ended September 30, 2023 and 2022, the cost of inventories recognised as expenses are as follows:

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Cost of goods sold	\$ 43,130	\$ 188,357	\$ 42,253	\$ 187,195
Loss on decline in market value	912	3,965	1,762	7,811
	<u>\$ 44,042</u>	<u>\$ 192,322</u>	<u>\$ 44,015</u>	<u>\$ 195,006</u>
	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Cost of goods sold	\$ 124,068	\$ 544,783	\$ 108,317	\$ 479,681
Loss on decline in market value	3,970	17,432	7,866	34,835
	<u>\$ 128,038</u>	<u>\$ 562,215</u>	<u>\$ 116,183</u>	<u>\$ 514,516</u>

B. The Group has no inventories pledged to others.

(6) Investments accounted for using equity method

	September 30, 2023		December 31, 2022		September 30, 2022	
	CNY	TWD	CNY	TWD	CNY	TWD
Associates						
General Biologicals	\$ 41,399	\$ 182,777	\$ 48,355	\$ 213,149	\$ 48,454	\$ 216,735
U-NEURON						
BIOMEDICAL INC.	20,342	89,810	-	-	-	-
Shanghai Zhongye						
Trade Co., Ltd.	-	-	-	-	-	-
	<u>\$ 61,741</u>	<u>\$ 272,587</u>	<u>\$ 48,355</u>	<u>\$ 213,149</u>	<u>\$ 48,454</u>	<u>\$ 216,735</u>

- A. Associates using the equity method are all individually immaterial and the Group's share of the operating results are summarised below:

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Loss for the period	(\$ 5,242)	(\$ 22,961)	(\$ 591)	(\$ 2,617)
Other comprehensive income	1,180	5,171	101	446
Total comprehensive loss for the period	<u>(\$ 4,062)</u>	<u>(\$ 17,790)</u>	<u>(\$ 490)</u>	<u>(\$ 2,171)</u>
	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
(Loss) profit for the period	(\$ 9,696)	(\$ 42,575)	\$ 33	\$ 146
Other comprehensive income	2,112	9,273	183	810
Total comprehensive (loss) income for the period	<u>(\$ 7,584)</u>	<u>(\$ 33,302)</u>	<u>\$ 216</u>	<u>\$ 956</u>

- B. The Group has no investments accounted for using the equity method pledged to others.
- C. The Group held 10.15% equity interest in U-Neuron Biomedical Inc. and was a director of the company, thus the Group evaluated U-Neuron Biomedical Inc. by using equity method.
- D. The Group's associate, General Biologicals Corp., has quoted market prices. As of September 30, 2023, December 31, 2022 and September 30, 2022, the fair value was CNY \$60,697 (TWD \$267,978), CNY \$72,042 (TWD \$317,560), and CNY \$53,048 (TWD \$237,285), respectively.
- E. The Group is the single largest shareholder of General Biologicals Corp. with a 19.73% equity interest. Given the participation extent of other shareholders in the previous shareholders' meeting and the record of voting shares on significant issues, which indicates that the Group has no current ability to direct the relevant activities of General Biologicals Corp., the Group has no control, but only has significant influence, over the investee.
- F. Because the recoverable amount of the Group's investment in Shanghai Zhongye Trade Co., Ltd. was lower than carrying amount, thus the Group recognised an impairment loss of CNY \$25 (TWD \$112) and CNY \$1,337 (TWD \$5,921) for the three months and nine months ended September 30, 2022, respectively.

(7) Property, plant and equipment

(In thousands of CNY)

	2023						
	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 23,979	\$ 294,166	\$ 8,207	\$ 20,869	\$ 153,841	\$ 5,420	\$ 506,482
Accumulated depreciation and impairment	-	( 109,432)	( 5,869)	( 10,915)	( 101,297)	-	( 227,513)
	<u>\$ 23,979</u>	<u>\$ 184,734</u>	<u>\$ 2,338</u>	<u>\$ 9,954</u>	<u>\$ 52,544</u>	<u>\$ 5,420</u>	<u>\$ 278,969</u>
Balance at January 1	\$ 23,979	\$ 184,734	\$ 2,338	\$ 9,954	\$ 52,544	\$ 5,420	\$ 278,969
Additions	-	-	800	168	4,683	7,572	13,223
Disposals	-	-	( 35)	-	( 138)	-	( 173)
Reclassifications	-	-	-	-	4,477	( 5,459)	( 982)
Depreciation charge	-	( 9,839)	( 588)	( 1,017)	( 12,581)	-	( 24,025)
Net exchange differences	( 39)	-	8	( 45)	20	5	( 51)
Balance at September 30	<u>\$ 23,940</u>	<u>\$ 174,895</u>	<u>\$ 2,523</u>	<u>\$ 9,060</u>	<u>\$ 49,005</u>	<u>\$ 7,538</u>	<u>\$ 266,961</u>
<u>At September 30</u>							
Cost	\$ 23,940	\$ 294,166	\$ 8,653	\$ 21,036	\$ 158,870	\$ 7,538	\$ 514,203
Accumulated depreciation and impairment	-	( 119,271)	( 6,130)	( 11,976)	( 109,865)	-	( 247,242)
	<u>\$ 23,940</u>	<u>\$ 174,895</u>	<u>\$ 2,523</u>	<u>\$ 9,060</u>	<u>\$ 49,005</u>	<u>\$ 7,538</u>	<u>\$ 266,961</u>

(In thousands of CNY)

2022

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 24,332	\$ 294,166	\$ 8,148	\$ 16,414	\$ 140,893	\$ 16,177	\$ 500,130
Accumulated depreciation and impairment	-	( 96,313)	( 5,067)	( 10,216)	( 84,692)	-	( 196,288)
	<u>\$ 24,332</u>	<u>\$ 197,853</u>	<u>\$ 3,081</u>	<u>\$ 6,198</u>	<u>\$ 56,201</u>	<u>\$ 16,177</u>	<u>\$ 303,842</u>
Balance at January 1	\$ 24,332	\$ 197,853	\$ 3,081	\$ 6,198	\$ 56,201	\$ 16,177	\$ 303,842
Additions	-	-	-	446	2,060	6,232	8,738
Disposals	-	-	-	( 7)	( 276)	-	( 283)
Reclassifications	-	-	-	4,078	11,669	( 17,436)	( 1,689)
Depreciation charge	-	( 9,839)	( 575)	( 851)	( 14,182)	-	( 25,447)
Net exchange differences	( 702)	-	31	-	( 245)	-	( 916)
Balance at September 30	<u>\$ 23,630</u>	<u>\$ 188,014</u>	<u>\$ 2,537</u>	<u>\$ 9,864</u>	<u>\$ 55,227</u>	<u>\$ 4,973</u>	<u>\$ 284,245</u>
<u>At September 30</u>							
Cost	\$ 23,630	\$ 294,166	\$ 8,197	\$ 20,867	\$ 151,832	\$ 4,973	\$ 503,665
Accumulated depreciation and impairment	-	( 106,152)	( 5,660)	( 11,003)	( 96,605)	-	( 219,420)
	<u>\$ 23,630</u>	<u>\$ 188,014</u>	<u>\$ 2,537</u>	<u>\$ 9,864</u>	<u>\$ 55,227</u>	<u>\$ 4,973</u>	<u>\$ 284,245</u>

(In thousands of TWD)

2023

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 105,699	\$ 1,296,684	\$ 36,176	\$ 91,991	\$ 678,131	\$ 23,891	\$ 2,232,572
Accumulated depreciation and impairment	-	( 482,376)	( 25,871)	( 48,113)	( 446,517)	-	( 1,002,877)
	<u>\$ 105,699</u>	<u>\$ 814,308</u>	<u>\$ 10,305</u>	<u>\$ 43,878</u>	<u>\$ 231,614</u>	<u>\$ 23,891</u>	<u>\$ 1,229,695</u>
Balance at January 1	\$ 105,699	\$ 814,308	\$ 10,305	\$ 43,878	\$ 231,614	\$ 23,891	\$ 1,229,695
Additions	-	-	3,513	738	20,563	33,249	58,063
Disposals	-	-	( 154)	-	( 606)	-	( 760)
Reclassifications	-	-	-	-	19,659	( 23,969)	( 4,310)
Depreciation charge	-	( 43,203)	( 2,582)	( 4,466)	( 55,243)	-	( 105,494)
Net exchange differences	( 4)	1,056	58	( 150)	370	109	1,439
Balance at September 30	<u>\$ 105,695</u>	<u>\$ 772,161</u>	<u>\$ 11,140</u>	<u>\$ 40,000</u>	<u>\$ 216,357</u>	<u>\$ 33,280</u>	<u>\$ 1,178,633</u>
<u>At September 30</u>							
Cost	\$ 105,695	\$ 1,298,743	\$ 38,203	\$ 92,874	\$ 701,411	\$ 33,280	\$ 2,270,206
Accumulated depreciation and impairment	-	( 526,582)	( 27,063)	( 52,874)	( 485,054)	-	( 1,091,573)
	<u>\$ 105,695</u>	<u>\$ 772,161</u>	<u>\$ 11,140</u>	<u>\$ 40,000</u>	<u>\$ 216,357</u>	<u>\$ 33,280</u>	<u>\$ 1,178,633</u>



(In thousands of TWD)

	2022						
	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 105,698	\$ 1,277,857	\$ 35,395	\$ 71,302	\$ 612,039	\$ 70,273	\$ 2,172,564
Accumulated depreciation and impairment	-	( 418,384)	( 22,011)	( 44,378)	( 367,901)	-	( 852,674)
	<u>\$ 105,698</u>	<u>\$ 859,473</u>	<u>\$ 13,384</u>	<u>\$ 26,924</u>	<u>\$ 244,138</u>	<u>\$ 70,273</u>	<u>\$ 1,319,890</u>
Balance at January 1	\$ 105,698	\$ 859,473	\$ 13,384	\$ 26,924	\$ 244,138	\$ 70,273	\$ 1,319,890
Additions	-	-	-	1,975	9,123	27,598	38,696
Disposals	-	-	-	( 31)	( 1,222)	-	( 1,253)
Reclassifications	-	-	-	18,059	51,676	( 77,214)	( 7,479)
Depreciation charge	-	( 43,572)	( 2,546)	( 3,769)	( 62,805)	-	( 112,692)
Net exchange differences	( 1)	25,086	510	964	6,120	1,587	34,266
Balance at September 30	<u>\$ 105,697</u>	<u>\$ 840,987</u>	<u>\$ 11,348</u>	<u>\$ 44,122</u>	<u>\$ 247,030</u>	<u>\$ 22,244</u>	<u>\$ 1,271,428</u>
<u>At September 30</u>							
Cost	\$ 105,697	\$ 1,315,805	\$ 36,665	\$ 93,338	\$ 679,145	\$ 22,244	\$ 2,252,894
Accumulated depreciation and impairment	-	( 474,818)	( 25,317)	( 49,216)	( 432,115)	-	( 981,466)
	<u>\$ 105,697</u>	<u>\$ 840,987</u>	<u>\$ 11,348</u>	<u>\$ 44,122</u>	<u>\$ 247,030</u>	<u>\$ 22,244</u>	<u>\$ 1,271,428</u>

A. The aforementioned property, plant and equipment are all for the Group's own use.

B. The Group has no property, plant and equipment pledged to others.

(8) Leasing arrangements - lessee

A. The Group leases various assets including buildings and office equipment. Rental contracts are typically made for periods of 1 to 14 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, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise parking lots. Low-value assets comprise copying machines.

C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2023</u>		<u>December 31, 2022</u>		<u>September 30, 2022</u>	
	<u>Carrying amount</u>		<u>Carrying amount</u>		<u>Carrying amount</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
Buildings	\$ 87,890	\$ 388,034	\$ 93,075	\$ 410,275	\$ 101,277	\$ 453,012
Office equipment	-	-	-	-	1	4
	<u>\$ 87,890</u>	<u>\$ 388,034</u>	<u>\$ 93,075</u>	<u>\$ 410,275</u>	<u>\$ 101,278</u>	<u>\$ 453,016</u>

	<u>Three months ended September 30</u>			
	<u>2023</u>		<u>2022</u>	
	<u>Depreciation charge</u>		<u>Depreciation charge</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
Buildings	\$ 9,306	\$ 40,624	\$ 10,125	\$ 44,863
Office equipment	-	-	2	8
	<u>\$ 9,306</u>	<u>\$ 40,624</u>	<u>\$ 10,127</u>	<u>\$ 44,871</u>

	<u>Nine months ended September 30</u>			
	<u>2023</u>		<u>2022</u>	
	<u>Depreciation charge</u>		<u>Depreciation charge</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
Buildings	\$ 28,109	\$ 123,427	\$ 30,046	\$ 133,059
Office equipment	-	-	4	17
	<u>\$ 28,109</u>	<u>\$ 123,427</u>	<u>\$ 30,050</u>	<u>\$ 133,076</u>

D. For the nine months ended September 30, 2023 and 2022, the additions to right-of-use assets were CNY \$22,886 (TWD \$100,492) and CNY \$18,765 (TWD \$83,101), respectively.

E. Information on income and expense relating to lease contracts is as follows:

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
<u>Items affecting profit or loss</u>				
Interest expense on lease liabilities	\$ 955	\$ 4,171	\$ 1,024	\$ 4,537
Expense on short-term lease contracts	224	979	325	1,440
Expense on leases of low-value assets	1	5	1	5
	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
<u>Items affecting profit or loss</u>				
Interest expense on lease liabilities	\$ 2,719	\$ 11,939	\$ 3,244	\$ 14,366
Expense on short-term lease contracts	611	2,683	1,029	4,557
Expense on leases of low-value assets	4	18	4	18

F. For the nine months ended September 30, 2023 and 2022, the Group's total cash outflow for leases were CNY \$32,968 (TWD \$144,763) and CNY \$34,318 (TWD \$151,976), respectively.

G. As of September 30, 2023, the Group has a committed lease contract that has not yet been signed for leasing part of the plant of General Biologicals Corporation in Artificial Intelligence Area Park in Hsinchu. The total expected amount of the lease payment (tax included) was CNY \$25,800 (TWD \$113,906).

## (9) Intangible assets

		2023							
		Goodwill		Licences and trademarks		Software and others		Total	
		CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1									
Cost		\$ 3,213	\$ 14,163	\$ 22,426	\$ 98,852	\$ 41,271	\$ 181,922	\$ 66,910	\$ 294,937
Accumulated amortisation and impairment		( 1,684)	( 7,423)	( 7,827)	( 34,500)	( 36,339)	( 160,182)	( 45,850)	( 202,105)
		<u>\$ 1,529</u>	<u>\$ 6,740</u>	<u>\$ 14,599</u>	<u>\$ 64,352</u>	<u>\$ 4,932</u>	<u>\$ 21,740</u>	<u>\$ 21,060</u>	<u>\$ 92,832</u>
Balance at January 1		\$ 1,529	\$ 6,740	\$ 14,599	\$ 64,352	\$ 4,932	\$ 21,740	\$ 21,060	\$ 92,832
Reclassifications		-	-	-	-	982	4,311	982	4,311
Amortisation charge		-	-	( 1,156)	( 5,076)	( 1,508)	( 6,622)	( 2,664)	( 11,698)
Net exchange differences		-	10	( 1)	71	35	178	34	259
Balance at September 30		<u>\$ 1,529</u>	<u>\$ 6,750</u>	<u>\$ 13,442</u>	<u>\$ 59,347</u>	<u>\$ 4,441</u>	<u>\$ 19,607</u>	<u>\$ 19,412</u>	<u>\$ 85,704</u>
At September 30									
Cost		\$ 3,213	\$ 14,185	\$ 22,426	\$ 99,011	\$ 41,961	\$ 185,258	\$ 67,600	\$ 298,454
Accumulated amortisation and impairment		( 1,684)	( 7,435)	( 8,984)	( 39,664)	( 37,520)	( 165,651)	( 48,188)	( 212,750)
		<u>\$ 1,529</u>	<u>\$ 6,750</u>	<u>\$ 13,442</u>	<u>\$ 59,347</u>	<u>\$ 4,441</u>	<u>\$ 19,607</u>	<u>\$ 19,412</u>	<u>\$ 85,704</u>
		2022							
		Goodwill		Licences and trademarks		Software and others		Total	
		CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1									
Cost		\$ 3,213	\$ 13,957	\$ 10,162	\$ 44,144	\$ 38,537	\$ 167,405	\$ 51,912	\$ 225,506
Accumulated amortisation and impairment		-	-	( 2,655)	( 11,534)	( 34,153)	( 148,360)	( 36,808)	( 159,894)
		<u>\$ 3,213</u>	<u>\$ 13,957</u>	<u>\$ 7,507</u>	<u>\$ 32,610</u>	<u>\$ 4,384</u>	<u>\$ 19,045</u>	<u>\$ 15,104</u>	<u>\$ 65,612</u>
Balance at January 1		\$ 3,213	\$ 13,957	\$ 7,507	\$ 32,610	\$ 4,384	\$ 19,045	\$ 15,104	\$ 65,612
Additions - acquired separately		-	-	12,264	54,311	1,780	7,883	14,044	62,194
Disposal		-	-	-	-	( 53)	( 235)	( 53)	( 235)
Amortisation charge		-	-	( 849)	( 3,760)	( 1,756)	( 7,777)	( 2,605)	( 11,537)
Impairment loss		( 1,684)	( 7,459)	( 3,939)	( 17,444)	-	-	( 5,623)	( 24,903)
Net exchange differences		-	341	-	1,302	69	873	69	2,516
Balance at September 30		<u>\$ 1,529</u>	<u>\$ 6,839</u>	<u>\$ 14,983</u>	<u>\$ 67,019</u>	<u>\$ 4,424</u>	<u>\$ 19,789</u>	<u>\$ 20,936</u>	<u>\$ 93,647</u>
At September 30									
Cost		\$ 3,213	\$ 14,372	\$ 22,426	\$ 100,311	\$ 40,291	\$ 180,222	\$ 65,930	\$ 294,905
Accumulated amortisation and impairment		( 1,684)	( 7,533)	( 7,443)	( 33,292)	( 35,867)	( 160,433)	( 44,994)	( 201,258)
		<u>\$ 1,529</u>	<u>\$ 6,839</u>	<u>\$ 14,983</u>	<u>\$ 67,019</u>	<u>\$ 4,424</u>	<u>\$ 19,789</u>	<u>\$ 20,936</u>	<u>\$ 93,647</u>

- A. Goodwill is allocated to the Group's cash-generating units 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 pre-tax cash flow projections based on financial budgets approved by the management.
- B. Management determined budgeted gross margin based on past performance and its expectations 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 risk relating to the relevant operating segments.

(10) Short-term borrowings

Type of borrowings	September 30, 2023		Interest rate range	Collateral
	CNY	TWD		
Bank borrowings				
Secured borrowings	\$ 211,414	\$ 933,394	5.92%~6.07%	Note
Unsecured borrowings	10,964	48,405	6.12%~6.28%	-
	<u>\$ 222,378</u>	<u>\$ 981,799</u>		
Type of borrowings	December 31, 2022		Interest rate range	Collateral
	CNY	TWD		
Bank borrowings				
Unsecured borrowings	<u>\$ 104,503</u>	<u>\$ 460,649</u>	4.93%~5.05%	-
Type of borrowings	September 30, 2022		Interest rate range	Collateral
	CNY	TWD		
Bank borrowings				
Unsecured borrowings	<u>\$ 106,472</u>	<u>\$ 476,249</u>	3.85%~3.95%	-

Note: Collateral were time deposits with maturity term of over three months (shown as current financial assets at amortised cost).

- A. The Group recognised interest expense in profit or loss for the three months and nine months ended September 30, 2023 and 2022, from long-term and short-term borrowings, amounting to CNY \$9,238 (TWD \$40,390), CNY \$2,513 (TWD \$11,133), CNY \$22,952 (TWD \$100,782), and CNY \$5,670 (TWD \$25,110), respectively.
- B. The bank borrowing agreement specifies that the consolidated financial statements of the Group need to meet the criteria as agreed. During the period of the borrowings, the loan needs to be reviewed and maintained quarterly and semiannually and the bank will audit the covenants at any time when necessary. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group has not violated any of the loan covenants in the borrowing agreement.

(11) Other payables

	September 30, 2023		December 31, 2022		September 30, 2022	
	CNY	TWD	CNY	TWD	CNY	TWD
Tax payable	\$ 21,790	\$ 96,203	\$ 9,953	\$ 43,873	\$ 14,152	\$ 63,302
Wages and salaries payable	10,350	45,695	21,995	96,954	3,921	17,539
Social insurance fee payable	4,064	17,943	4,038	17,800	3,490	15,611
Others	66,232	292,414	65,216	287,471	68,443	306,145
	<u>\$ 102,436</u>	<u>\$ 452,255</u>	<u>\$ 101,202</u>	<u>\$ 446,098</u>	<u>\$ 90,006</u>	<u>\$ 402,597</u>

(12) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	September 30, 2023	
				CNY	TWD
Unsecured borrowings					
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 16, 2021 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	6.28%	None	\$ 47,509	\$ 209,753
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from July 13, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	6.28%	None	18,273	80,675

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	September 30, 2023	
				CNY	TWD
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 17, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	6.28%	None	\$ 14,618	\$ 64,538
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 24, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	6.28%	None	14,618	64,538
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from November 14, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	6.28%	None	21,928	96,812
Cathay United Bank	Borrowing period is from August 17, 2022 to August 17, 2024; interest is payable monthly; principal is payable at maturity.	6.21%	None	109,638	484,052
Cathay United Bank	Borrowing period is from August 24, 2022 to August 17, 2024; interest is payable monthly; principal is payable at maturity.	6.24%	None	36,546	161,351

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	September 30, 2023	
				CNY	TWD
Fubon Bank	Borrowing period is from August 10, 2023 to August 10, 2025; interest is payable monthly; principal is payable at maturity.	6.12%	None	\$ 36,546	\$ 161,351
Fubon Bank	Borrowing period is from August 24, 2022 to August 10, 2025; interest is payable monthly; principal is payable at maturity.	6.12%	None	14,618	64,538
Fubon Bank	Borrowing period is from August 24, 2022 to August 10, 2025; interest is payable monthly; principal is payable at maturity.	6.12%	None	95,019	419,509
Less: Current portion				( 263,130)	( 1,161,719)
				<u>\$ 146,183</u>	<u>\$ 645,398</u>



Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2022	
				CNY	TWD
Unsecured borrowings					
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 16, 2021 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	5.75%	None	\$ 45,285	\$ 199,617
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from July 13, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	5.75%	None	17,417	76,774
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 17, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	5.75%	None	13,934	61,421
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 24, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	5.75%	None	13,934	61,421
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from November 14, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	5.75%	None	20,901	92,132

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2022	
				CNY	TWD
Fubon Bank	Borrowing period is from August 24, 2022 to February 25, 2024; interest is payable monthly; principal is payable at maturity.	5.05%	None	\$ 104,503	\$ 460,649
Fubon Bank	Borrowing period is from December 20, 2022 to June 22, 2024; interest is payable monthly; principal is payable at maturity.	5.06%	None	34,834	153,548
Cathay United Bank	Borrowing period is from August 17, 2022 to August 17, 2024; interest is payable monthly; principal is payable at maturity.	5.00%	None	104,503	460,649
Cathay United Bank	Borrowing period is from August 24, 2022 to August 17, 2024; interest is payable monthly; principal is payable at maturity.	5.07%	None	34,834	153,548
Less: Current portion				-	-
				<u>\$ 390,145</u>	<u>\$ 1,719,759</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	September 30, 2022	
				CNY	TWD
Unsecured borrowings					
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 16, 2021 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	1.00%~3.58%	None	\$ 81,630	\$ 365,132
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from July 13, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	3.58%	None	17,745	79,373
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 17, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	3.62%	None	14,196	63,499
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 24, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	3.70%	None	14,196	63,499
Fubon Bank	Borrowing period is from August 24, 2022 to February 25, 2024; interest is payable monthly; principal is payable at maturity.	3.93%	None	106,472	476,249

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	September 30, 2022	
				CNY	TWD
Cathay United Bank	Borrowing period is from August 17, 2022 to August 17, 2024; interest is payable monthly; principal is payable at maturity.	3.85%	None	\$ 106,472	\$ 476,249
Cathay United Bank	Borrowing period is from August 24, 2022 to August 17, 2024; interest is payable monthly; principal is payable at maturity.	3.95%	None	35,491	158,751
Less: Current portion				-	-
				<u>\$ 376,202</u>	<u>\$ 1,682,752</u>

The bank borrowing agreement specifies that the Group is required to meet certain criteria based on its consolidated financial statements. During the period of the borrowings, the loans need to be reviewed and maintained quarterly and semiannually and the bank will audit the covenants at any time when necessary. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group has not violated any of the loan covenants in the borrowing agreement.

### (13) Pensions

#### A. Defined benefit plans

Taiwan branches have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor 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. For employees eligible under the Labor Standards Law, 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.

- B. (a) Effective July 1, 2005, Taiwan branches established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, Taiwan branches contribute monthly an amount based on not less than 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The subsidiaries in Mainland China have a 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 the employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. The details of the defined contribution plans are as follows:

<u>Administration</u>	<u>Beneficiary</u>	<u>Pension appropriation</u>
Each municipal government in Mainland China	Employees of all subsidiaries in Mainland China	16%

- (c) The subsidiary-Hong Kong Chlitina established a compulsory pension program, which allocates a fixed amount of money for pension benefit, and is managed by an independent trustee based on Hong Kong Employee Act. In addition, according to the regulations of that program, both the employer and the employee have to contribute 5% of the employees’ salary. From June 2014, the maximum relevant salary per month increased from HKD \$25,000 to HKD \$30,000. Other than the monthly contributions, the Group has no further obligations.
- (d) The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2023 and 2022 were CNY \$4,793 (TWD \$20,934), CNY \$4,350 (TWD \$19,273), CNY \$13,653 (TWD \$59,951), and CNY \$12,292 (TWD \$54,435), respectively.

(14) Share-based payments

- A. The Group’s share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u> (shares in thousands)	<u>Vesting conditions</u>
Treasury stock transferred to employees	2023.03.09	503	Vested immediately

For the nine months ended September 30, 2022: None.

B. Details of the share-based payment arrangements are as follows:

	Nine months ended September 30, 2023	
	No. of options (in thousands)	Weighted-average exercise price (in TWD dollars)
Options outstanding at January 1	-	\$ -
Options granted	503	197.14
Options exercised	(503)	(197.14)
Options outstanding at September 30	-	-
Options exercisable at September 30	-	-

For the nine months ended September 30, 2022: None.

C. The fair value of stock options granted on March 9, 2023 is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Unit: TWD dollars/year

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Treasury stock transferred to employees	2023.03.09	\$221.00	\$197.14	47.52%	0.164	-	0.98%	\$30.90

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

D. Expenses incurred on share-based payment transactions are shown below:

	Three months ended September 30, 2023		Nine months ended September 30, 2023	
	CNY	TWD	CNY	TWD
Equity-settled	\$ -	\$ -	\$ 3,512	\$ 15,543

For the three months and nine months ended September 30, 2022: None.

(15) Share capital

A. As of September 30, 2023, the Company's authorized capital was TWD \$2,000,000, and the paid-in capital was CNY \$161,772 (TWD \$794,924), consisting of 79,492 thousand shares of ordinary stock, with a par value of TWD \$10 (in dollars) per share. All proceeds from shares issued have been collected.

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

	<u>2023</u>	<u>2022</u>
At January 1	78,999	79,492
Purchase of treasury shares	( 10)	-
Exercise of employee share options	503	-
At September 30	<u>79,492</u>	<u>79,492</u>

C. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		<u>December 31, 2022</u>		
Name of company holding the shares	Reason for reacquisition	Number of shares (in thousands)	CNY	TWD
The Company	To be reissued to employees	<u>493</u>	<u>\$ 22,045</u>	<u>\$ 97,176</u>

September 30, 2023 and 2022: None.

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

## (16) Capital surplus

A summary of the Company's capital surplus is as follows:

	2023											
	Share premium		Employee stock options		Stock options		Others		Net change in equity of associates		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1	\$ 263,560	\$ 1,288,068	\$ 809	\$ 3,924	\$ 15	\$ 78	\$ 9,941	\$ 70,759	\$ 2,296	\$ 10,050	\$ 276,621	\$ 1,372,879
Share -based payments	-	-	3,512	15,543	-	-	-	-	-	-	3,512	15,543
Exercise of employee share options	-	-	( 3,512)	( 15,543)	-	-	3,512	15,543	-	-	-	-
At September 30	<u>\$ 263,560</u>	<u>\$ 1,288,068</u>	<u>\$ 809</u>	<u>\$ 3,924</u>	<u>\$ 15</u>	<u>\$ 78</u>	<u>\$ 13,453</u>	<u>\$ 86,302</u>	<u>\$ 2,296</u>	<u>\$ 10,050</u>	<u>\$ 280,133</u>	<u>\$ 1,388,422</u>

  

	2022											
	Share premium		Employee stock options		Stock options		Others		Net change in equity of associates		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1 (September 30)	<u>\$ 263,560</u>	<u>\$ 1,288,068</u>	<u>\$ 809</u>	<u>\$ 3,924</u>	<u>\$ 15</u>	<u>\$ 78</u>	<u>\$ 9,941</u>	<u>\$ 70,759</u>	<u>\$ 2,296</u>	<u>\$ 10,050</u>	<u>\$ 276,621</u>	<u>\$ 1,372,879</u>

## (17) Retained earnings

- A. The Company's Articles of Incorporation require that the Company's net earnings from the current year shall be used to offset prior years' deficit, pay income tax, provide 10% as legal reserve, and provide or reverse a special reserve in accordance with applicable laws. After the abovementioned appropriations, the distribution of the remaining earnings, if any, shall be proposed by the Board of Directors and is subject to the stockholders' approval.
- B. The Company's business cycle is in the constant growth stage. In consideration of the Company's future capital requirements, its long-term financial plan and shareholders' satisfaction as to cash inflow, the Company's Articles of Incorporation stipulate that the Board of Directors may propose 10% or more of the distributable earnings as dividends, of which at least 10% should be distributed as cash dividends. However, such distribution depends on the current earnings and the capital condition, and is subject to the approval of stockholders.
- 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.



D. On June 6, 2023 and June 8, 2022, the appropriations of 2022 and 2021 earnings resolved by the shareholders were as follows:

	2022		Dividends per share (New Taiwan dollars)	2021		Dividends per share (New Taiwan dollars)
	CNY	TWD		CNY	TWD	
Special reserve	Note	Note		\$ 20,814	\$ 91,895	
Legal reserve	\$ -	\$ -		1,671	7,378	
Cash dividends	<u>129,135</u>	<u>556,446</u>	\$ 7.00	<u>216,061</u>	<u>953,908</u>	\$ 12.00
	<u>\$ 129,135</u>	<u>\$ 556,446</u>		<u>\$ 238,546</u>	<u>\$ 1,053,181</u>	

Note: On June 6, 2023, the Company's shareholders resolved to reverse special reserve of CNY \$4,465 (TWD \$19,239).

Information about the appropriation of earnings as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

E. For the information relating to employees' compensation and directors' remuneration, refer to Note 6(23).

(18) Operating revenue

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Revenue from contracts with customers	<u>\$ 281,726</u>	<u>\$ 1,231,078</u>	<u>\$ 274,868</u>	<u>\$ 1,217,739</u>
	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Revenue from contracts with customers	<u>\$ 752,807</u>	<u>\$ 3,305,577</u>	<u>\$ 680,783</u>	<u>\$ 3,014,847</u>

A. Disaggregation of revenue from contracts with customers

The Group's revenue is disaggregated in the following major product lines:

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Net sales of goods	\$ 265,414	\$ 1,159,861	\$ 258,445	\$ 1,144,988
Special affiliate income	2,230	9,720	1,872	8,297
Skincare service from company-operated salon and other income	14,082	61,497	14,551	64,454
	<u>\$ 281,726</u>	<u>\$ 1,231,078</u>	<u>\$ 274,868</u>	<u>\$ 1,217,739</u>
	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Net sales of goods	\$ 704,281	\$ 3,092,499	\$ 645,280	\$ 2,857,622
Special affiliate income	7,893	34,658	7,841	34,724
Skincare service from company-operated salon and other income	40,633	178,420	27,662	122,501
	<u>\$ 752,807</u>	<u>\$ 3,305,577</u>	<u>\$ 680,783</u>	<u>\$ 3,014,847</u>

The Group derives revenue from the transfer of goods at a point in time.

B. Contract liabilities

(a) The Group has recognised the following revenue-related contract liabilities:

	September 30, 2023		December 31, 2022	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers	<u>\$ 101,348</u>	<u>\$ 447,451</u>	<u>\$ 80,664</u>	<u>\$ 355,567</u>
	September 30, 2022		January 1, 2022	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers	<u>\$ 104,289</u>	<u>\$ 466,485</u>	<u>\$ 96,496</u>	<u>\$ 419,179</u>

(b) Revenue recognized that was included in the contract liability balance at the beginning of the period:

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers at the beginning of the period	\$ 4,040	\$ 16,964	\$ 7,670	\$ 35,258
	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers at the beginning of the period	\$ 65,114	\$ 285,916	\$ 77,470	\$ 343,076

(19) Interest income

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Interest income from bank deposits	\$ 5,204	\$ 22,784	\$ 2,793	\$ 12,378
Interest income from financial assets measured at amortised cost	4,593	20,049	255	1,131
Other interest income	584	2,550	1,203	5,330
	<u>\$ 10,381</u>	<u>\$ 45,383</u>	<u>\$ 4,251</u>	<u>\$ 18,839</u>
	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Interest income from bank deposits	\$ 10,422	\$ 45,763	\$ 9,319	\$ 41,269
Interest income from financial assets measured at amortised cost	13,951	61,259	2,008	8,892
Other interest income	1,758	7,719	3,678	16,289
	<u>\$ 26,131</u>	<u>\$ 114,741</u>	<u>\$ 15,005</u>	<u>\$ 66,450</u>

(20) Other income

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Government grants revenue	(\$ 1,800)	(\$ 8,457)	\$ -	\$ 25
Others	( 1,145)	( 5,065)	2,971	13,159
	<u>(\$ 2,945)</u>	<u>(\$ 13,522)</u>	<u>\$ 2,971</u>	<u>\$ 13,184</u>

  

	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Government grants revenue	\$ 41,751	\$ 183,329	\$ 21,340	\$ 94,504
Others	1,786	7,842	4,187	18,542
	<u>\$ 43,537</u>	<u>\$ 191,171</u>	<u>\$ 25,527</u>	<u>\$ 113,046</u>

(21) Other gains and losses

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Losses on disposal of property, plant and equipment	(\$ 57)	(\$ 249)	(\$ 115)	(\$ 509)
Foreign exchange losses	( 12,805)	( 56,171)	( 26,039)	( 115,337)
Net (losses) gains on financial assets at fair value through profit or loss	( 418)	( 1,872)	290	1,286
Depreciation expense - investment property- buildings	( 249)	( 1,087)	( 249)	( 1,104)
Impairment losses on intangible assets	-	-	-	( 8)
Impairment losses on investments accounted for using equity method	-	-	( 25)	( 112)
Other losses	( 238)	( 1,030)	( 291)	( 1,289)
	<u>(\$ 13,767)</u>	<u>(\$ 60,409)</u>	<u>(\$ 26,429)</u>	<u>(\$ 117,073)</u>
	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Losses on disposal of property, plant and equipment	(\$ 173)	(\$ 760)	(\$ 283)	(\$ 1,253)
Foreign exchange losses	( 17,169)	( 75,389)	( 45,348)	( 200,824)
Net gains on financial assets at fair value through profit or loss	2,516	11,048	688	3,048
Depreciation expense - investment property- buildings	( 746)	( 3,276)	( 746)	( 3,304)
Impairment losses on intangible assets	-	-	( 5,623)	( 24,903)
Impairment losses on investments accounted for using equity method	-	-	( 1,337)	( 5,921)
Other losses	( 1,466)	( 6,437)	( 644)	( 2,851)
	<u>(\$ 17,038)</u>	<u>(\$ 74,814)</u>	<u>(\$ 53,293)</u>	<u>(\$ 236,008)</u>

(22) Finance cost

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Interest expense - Bank borrowings	\$ 9,238	\$ 40,390	\$ 2,513	\$ 11,133
Interest expense - Lease liability	955	4,171	1,024	4,537
	<u>\$ 10,193</u>	<u>\$ 44,561</u>	<u>\$ 3,537</u>	<u>\$ 15,670</u>

  

	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Interest expense - Bank borrowings	\$ 22,952	\$ 100,782	\$ 5,670	\$ 25,110
Interest expense - Lease liability	2,719	11,939	3,244	14,366
	<u>\$ 25,671</u>	<u>\$ 112,721</u>	<u>\$ 8,914</u>	<u>\$ 39,476</u>

(23) Employee benefit expense, depreciation and amortisation

	Three months ended September 30, 2023					
	Operating costs		Operating expenses		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefit expense						
Wages and salaries	\$ 3,770	\$ 16,484	\$ 41,853	\$ 182,879	\$ 45,623	\$ 199,363
Labour and health insurance fees	157	685	3,443	15,041	3,600	15,726
Pension costs	227	992	4,566	19,942	4,793	20,934
Other employee benefit expense	94	411	2,820	12,317	2,914	12,728
Depreciation	901	3,935	16,357	71,403	17,258	75,338
Amortisation	20	87	858	3,746	878	3,833

Three months ended September 30, 2022						
	Operating costs		Operating expenses		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefit expense						
Wages and salaries	\$ 2,843	\$ 12,596	\$ 32,206	\$ 142,701	\$ 35,049	\$ 155,297
Labour and health insurance fees	152	673	3,128	13,859	3,280	14,532
Pension costs	200	886	4,150	18,387	4,350	19,273
Other employee benefit expense	85	377	3,635	16,105	3,720	16,482
Depreciation	583	2,583	18,043	79,946	18,626	82,529
Amortisation	20	89	921	4,081	941	4,170

Nine months ended September 30, 2023						
	Operating costs		Operating expenses		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefit expense						
Wages and salaries	\$ 9,297	\$ 40,823	\$ 112,565	\$ 494,273	\$ 121,862	\$ 535,096
Labour and health insurance fees	468	2,055	9,512	41,767	9,980	43,822
Pension costs	631	2,771	13,022	57,180	13,653	59,951
Other employee benefit expense	265	1,164	7,975	35,018	8,240	36,182
Depreciation	2,693	11,826	49,441	217,095	52,134	228,921
Amortisation	61	268	2,603	11,430	2,664	11,698

Nine months ended September 30, 2022						
	Operating costs		Operating expenses		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefit expense						
Wages and salaries	\$ 7,080	\$ 31,354	\$ 96,086	\$ 425,517	\$ 103,166	\$ 456,871
Labour and health insurance fees	435	1,926	8,670	38,395	9,105	40,321
Pension costs	564	2,498	11,728	51,937	12,292	54,435
Other employee benefit expense	247	1,094	9,379	41,535	9,626	42,629
Depreciation	1,606	7,112	53,891	238,686	55,497	245,768
Amortisation	263	1,165	2,342	10,372	2,605	11,537

- A. In accordance with the Company's Articles of Incorporation, the Company should distribute 1%~5% of the profit as employees' compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficit, the profit should be reserved to offset the deficit. Employees entitled to receive the abovementioned employees' compensation, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements.
- B. For the three months and nine months ended September 30, 2023 and 2022, employees' compensation was accrued at CNY \$940 (TWD \$4,094), CNY \$1,402 (TWD \$6,211), CNY \$3,590 (TWD \$15,764) and CNY \$2,975 (TWD \$13,175), respectively; directors' remuneration was accrued at CNY \$470 (TWD \$2,047), CNY \$702 (TWD \$3,110), CNY \$1,795 (TWD \$7,882) and CNY \$1,488 (TWD \$6,590), respectively. These were estimated based on the net income before tax less employees' compensation and directors' remuneration and then multiplied by the distribution ratio as regulated in the Company's Articles of Incorporation, and recognised as salary expenses.

The employees' compensation and directors' remuneration for 2022 as approved by the Board of Directors on March 9, 2023 amounted to CNY \$3,954 (TWD \$17,484) and CNY \$1,977 (TWD \$8,742), respectively, which were in agreement with the amounts recognised in the financial statements for the year ended December 31, 2022. Aforementioned employees' compensation will be distributed in cash.

- C. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.



(24) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Current tax:				
Current tax on profits for the period	\$ 25,081	\$ 109,515	\$ 26,136	\$ 115,798
Prior year income tax underestimation	-	-	( 48)	( 213)
Deferred tax:				
Origination and reversal of temporary differences	281	1,218	33,793	149,616
Income tax expense	<u>\$ 25,362</u>	<u>\$ 110,733</u>	<u>\$ 59,881</u>	<u>\$ 265,201</u>

	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Current tax:				
Current tax on profits for the period	\$ 73,603	\$ 323,191	\$ 72,599	\$ 321,504
Prior year income tax underestimation	( 30)	( 132)	( 324)	( 1,434)
Deferred tax:				
Origination and reversal of temporary differences	1,517	6,661	15,019	66,451
Income tax expense	<u>\$ 75,090</u>	<u>\$ 329,720</u>	<u>\$ 87,294</u>	<u>\$ 386,521</u>

B. Chlitina Marketing Taiwan Branch's and Chlitina Intelligence Taiwan Branch's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(25) Earnings per share

Three months ended September 30, 2023					
	Amount after tax		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share	
	(In thousands of CNY)	(In thousands of TWD)		(CNY dollars)	(TWD dollars)
<u>Basic earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 41,020	\$ 178,521	79,492	\$ 0.52	\$ 2.25
<u>Diluted earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 41,020	\$ 178,521	79,492		
Assumed conversion of all dilutive potential ordinary shares					
Employees' compensation	-	-	84		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 41,020	\$ 178,521	\$ 79,576	\$ 0.52	\$ 2.24
Three months ended September 30, 2022					
	Amount after tax		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share	
	(In thousands of CNY)	(In thousands of TWD)		(CNY dollars)	(TWD dollars)
<u>Basic earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 32,957	\$ 146,057	79,492	\$ 0.41	\$ 1.84
<u>Diluted earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 32,957	\$ 146,057	79,492		
Assumed conversion of all dilutive potential ordinary shares					
Employees' compensation	-	-	85		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 32,957	\$ 146,057	\$ 79,577	\$ 0.41	\$ 1.84

Nine months ended September 30, 2023					
	Amount after tax		Weighted average	Earnings per share	
	(In thousands of CNY)	(In thousands of TWD)	number of ordinary shares outstanding (shares in thousands)	(CNY dollars)	(TWD dollars)
<u>Basic earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 167,002	\$ 733,308	79,284	\$ 2.11	\$ 9.25
<u>Diluted earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 167,002	\$ 733,308	79,284		
Assumed conversion of all dilutive potential ordinary shares					
Employees' compensation	-	-	103		
Employee stock options	-	-	8		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 167,002	\$ 733,308	\$ 79,395	\$ 2.10	\$ 9.24
Nine months ended September 30, 2022					
	Amount after tax		Weighted average	Earnings per share	
	(In thousands of CNY)	(In thousands of TWD)	number of ordinary shares outstanding (shares in thousands)	(CNY dollars)	(TWD dollars)
<u>Basic earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 109,684	\$ 485,796	79,492	\$ 1.38	\$ 6.11
<u>Diluted earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 109,684	\$ 485,796	79,492		
Assumed conversion of all dilutive potential ordinary shares					
Employees' compensation	-	-	124		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 109,684	\$ 485,796	\$ 79,616	\$ 1.38	\$ 6.10

(26) Changes in liabilities from financing activities

	2023					
	Short-term borrowings		Lease liabilities		Long-term borrowings	
	CNY	TWD	CNY	TWD	CNY	TWD
At January 1	\$ 104,503	\$ 460,649	\$ 93,842	\$ 413,655	\$ 390,145	\$ 1,719,759
Changes in cash flow from financing activities	118,327	519,574	( 29,634)	( 130,123)	-	-
Proceeds from long-term borrowings	-	-	-	-	35,527	155,997
Repayments of long-term borrowings	-	-	-	-	( 34,969)	( 153,550)
Increase in lease liabilities	-	-	22,886	100,492	-	-
Impact of changes in foreign exchange rate	( 452)	1,576	45	695	18,610	84,911
At September 30	<u>\$ 222,378</u>	<u>\$ 981,799</u>	<u>\$ 87,139</u>	<u>\$ 384,719</u>	<u>\$ 409,313</u>	<u>\$ 1,807,117</u>
	2022					
	Short-term borrowings		Lease liabilities		Long-term borrowings	
	CNY	TWD	CNY	TWD	CNY	TWD
At January 1	\$ 252,969	\$ 1,098,897	\$ 115,704	\$ 502,618	\$ 323,698	\$ 1,406,145
Changes in cash flow from financing activities	( 147,186)	( 651,812)	( 30,041)	( 133,035)	-	-
Proceeds from long-term borrowings	-	-	-	-	492,582	2,181,400
Repayments of long-term borrowings	-	-	-	-	( 459,544)	( 2,035,090)
Increase in lease liabilities	-	-	18,765	83,101	-	-
Impact of changes in foreign exchange rate	689	29,164	( 1,868)	6,066	19,466	130,297
At September 30	<u>\$ 106,472</u>	<u>\$ 476,249</u>	<u>\$ 102,560</u>	<u>\$ 458,750</u>	<u>\$ 376,202</u>	<u>\$ 1,682,752</u>

## 7. RELATED PARTY TRANSACTIONS

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

Names of related parties	Relationship with the Group
Kelti International Trading Corp. (Kelti International)	Other related party
Kelti (China) Daily Product Co., Ltd. (Kelti China)	Other related party
Healthmate Biotech Co., Ltd. (Healthmate Biotech)	Other related party
Charming Biotech Corp., Ltd. (Charming Biotech)	Other related party
Sagittarius Life Science Corp. (Sagittarius Life)	Other related party
Modern Pearl Holdings Limited (Modern Pearl)	Other related party
Jing Yung Gi Co., Ltd. (Jing Yung Gi)	Other related party
Mc. Reese Co., Ltd. (Mc. Reese) (Note)	Other related party
Kelti International (HK) Limited Taiwan Branch (Kelti International (HK))	Other related party
Chen, Wu-Kang	Other related party
Zhaocang (Shanghai) Trading Co., Ltd. (Zhaocang Trading)	Other related party
Long Chuang (Guangzhou) Daily Product Co., Ltd. (Long Chuang Daily )	Other related party
Max Exchange Corp. (Max Exchange)	Other related party
BIODYNASTY CO., LTD. (Biodynasty)	Other related party
Jinyan (Shanghai) Biotechnology Co., Ltd.	Other related party
Shanghai Guangqiao Biosciences Co., Ltd. (Guangqiao Biosciences)	Other related party
General Biologicals Corp. (General Biologicals)	Associate
Dongguan Gb Biotech Corporation (Dongguan Gb)	Associate
GB GENES CORP. (GB GENES)	Associate
SHANGHAI ZHONGYE TRADE CO., LTD. (Shanghai Zhongye)	Associate
U-NEURON BIOMEDICAL INC. (U-NEURON BIOMEDICAL)	Associate
Others (for insignificant related party transactions)	Other related party

Note: Mc. Reese Co., Ltd. was disposed of by Gem Fortune Group on April 2, 2022; therefore, Mc. Reese was not a related party of the Group starting from that date.

(2) Significant related party transactions and balances

A. Operating revenue

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Sales of goods and OEM income:				
Associate	\$ -	\$ -	(\$ 359)	(\$ 1,588)
Other related parties	<u>28</u>	<u>123</u>	<u>31</u>	<u>137</u>
	<u>\$ 28</u>	<u>\$ 123</u>	<u>(\$ 328)</u>	<u>(\$ 1,451)</u>
	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Sales of goods and OEM income:				
Associate	\$ -	\$ -	(\$ 274)	(\$ 1,213)
Other related parties	<u>65</u>	<u>286</u>	<u>77</u>	<u>340</u>
	<u>\$ 65</u>	<u>\$ 286</u>	<u>(\$ 197)</u>	<u>(\$ 873)</u>

There were no significant differences in the price between related parties and other customers. The collection term for related parties is two months. For other customers, advance payment is required.

B. Purchases

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Purchases of goods				
Associate	\$ 286	\$ 1,247	\$ 1,919	\$ 8,496
Other related parties	<u>3,057</u>	<u>13,331</u>	<u>2,296</u>	<u>10,178</u>
Processing fees				
Other related parties	<u>114</u>	<u>499</u>	<u>44</u>	<u>195</u>
	<u>\$ 3,457</u>	<u>\$ 15,077</u>	<u>\$ 4,259</u>	<u>\$ 18,869</u>
	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Purchases of goods				
Associate	\$ 972	\$ 4,266	\$ 2,153	\$ 9,533
Other related parties	<u>10,334</u>	<u>45,379</u>	<u>10,679</u>	<u>47,290</u>
Processing fees				
Other related parties	<u>296</u>	<u>1,300</u>	<u>229</u>	<u>1,014</u>
	<u>\$ 11,602</u>	<u>\$ 50,945</u>	<u>\$ 13,061</u>	<u>\$ 57,837</u>

The purchase price from related parties was based on mutual agreement, and the credit term was 60 days after monthly billings. There was no significant difference when compared to transactions with non-related parties.

C. Receivables from related parties

	<u>September 30, 2023</u>		<u>December 31, 2022</u>		<u>September 30, 2022</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
Accounts receivable:						
Other related parties	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 13</u>
Other receivables:						
Other related parties	<u>\$ 298</u>	<u>\$ 1,316</u>	<u>\$ 263</u>	<u>\$ 1,163</u>	<u>\$ 210</u>	<u>\$ 939</u>

The receivables from related parties are unsecured in nature, bear no interest, and there are no allowances for receivables.

D. Payables to related parties

	<u>September 30, 2023</u>		<u>December 31, 2022</u>		<u>September 30, 2022</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
Accounts payable:						
Associate	\$ 478	\$ 2,112	\$ -	\$ -	\$ -	\$ -
Other related parties						
Kelti China	2,122	9,371	1,998	8,808	2,012	9,001
Others	<u>2,849</u>	<u>12,574</u>	<u>2,091</u>	<u>9,216</u>	<u>1,621</u>	<u>7,250</u>
	<u>\$ 5,449</u>	<u>\$ 24,057</u>	<u>\$ 4,089</u>	<u>\$ 18,024</u>	<u>\$ 3,633</u>	<u>\$ 16,251</u>
Other payables:						
Associate	\$ 2	\$ 9	\$ 19	\$ 84	\$ -	\$ -
Other related parties	<u>996</u>	<u>4,398</u>	<u>740</u>	<u>3,262</u>	<u>1,005</u>	<u>4,495</u>
	<u>\$ 998</u>	<u>\$ 4,407</u>	<u>\$ 759</u>	<u>\$ 3,346</u>	<u>\$ 1,005</u>	<u>\$ 4,495</u>

The payables to related parties have no collateral and bear no interest.

E. Services expense

	<u>Three months ended September 30</u>			
	<u>2023</u>		<u>2022</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
Other related parties				
Kelti China	\$ 474	\$ 2,105	\$ 509	\$ 2,255
Others	<u>-</u>	<u>-</u>	<u>18</u>	<u>79</u>
	<u>\$ 474</u>	<u>\$ 2,105</u>	<u>\$ 527</u>	<u>\$ 2,334</u>

	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Other related parties				
Kelti China	\$ 1,505	\$ 6,645	\$ 1,078	\$ 4,774
Others	-	-	22	97
	<u>\$ 1,505</u>	<u>\$ 6,645</u>	<u>\$ 1,100</u>	<u>\$ 4,871</u>

For the services provided by the related parties, prices and terms were determined in accordance with mutual agreements.

#### F. Property transactions - acquisition of intangible assets

	Accounts	Nine months ended September			
		2023		2022	
		Consideration		Consideration	
		CNY	TWD	CNY	TWD
Associate	Trademarks	\$ -	\$ -	\$ 12,264	\$ 54,311

#### G. Leasing arrangements - lessee

(a) The Group leases directly operated stores, offices and plant from related parties for periods of 2 to 10 years and rents are payable at the beginning of each month.

(b) Acquisition of right-of-use assets

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Kelti China	\$ 10,979	\$ 47,603	\$ -	\$ -

  

	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Kelti China	\$ 10,979	\$ 47,603	\$ -	\$ -



(c) Lease liability

i. Balance at end of the financial reporting period

	September 30, 2023		December 31, 2022		September 30, 2022	
	CNY	TWD	CNY	TWD	CNY	TWD
Chen, Wu-Kang	\$ 12,221	\$ 53,956	\$ 13,508	\$ 59,543	\$ 13,715	\$ 61,347
Kelti China	11,091	48,967	4,521	19,929	6,053	27,075
Other related parties	3,101	13,691	6,281	27,687	6,126	27,402
	<u>\$ 26,413</u>	<u>\$ 116,614</u>	<u>\$ 24,310</u>	<u>\$ 107,159</u>	<u>\$ 25,894</u>	<u>\$ 115,824</u>

ii. Interest expense

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Other related parties	<u>\$ 246</u>	<u>\$ 1,077</u>	<u>\$ 148</u>	<u>\$ 657</u>

  

	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Other related parties	<u>\$ 497</u>	<u>\$ 2,182</u>	<u>\$ 727</u>	<u>\$ 3,220</u>

(d) The Group has a lease commitment with its associate, General Biologicals, but that has not yet been contracted for as of September 30, 2023. Refer to Note 6(8)G for details.

(3) Key management compensation

	Three months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Short-term employee benefits	\$ 1,520	\$ 6,625	\$ 2,218	\$ 9,784
Post-employment benefits	74	324	35	154
	<u>\$ 1,594</u>	<u>\$ 6,949</u>	<u>\$ 2,253</u>	<u>\$ 9,938</u>

  

	Nine months ended September 30			
	2023		2022	
	CNY	TWD	CNY	TWD
Short-term employee benefits	\$ 5,439	\$ 23,883	\$ 5,798	\$ 25,676
Post-employment benefits	189	830	99	438
Share-based payments	2,337	10,350	-	-
	<u>\$ 7,965</u>	<u>\$ 35,063</u>	<u>\$ 5,897</u>	<u>\$ 26,114</u>

## 8. PLEDGED ASSETS

Pledged asset	Book value						Purpose
	September 30, 2023		December 31, 2022		September 30, 2022		
	CNY	TWD	CNY	TWD	CNY	TWD	
Time deposits with maturity over three months (shown as financial assets at amortised cost-current)	\$ 219,275	\$ 968,100	\$ -	\$ -	\$ -	\$ -	Bank borrowings and bank credit facilities

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Contingencies

None.

### (2) Commitments

#### A. Capital expenditures

	September 30, 2023		December 31, 2022		September 30, 2022	
	CNY	TWD	CNY	TWD	CNY	TWD
Contract signed	\$ 10,501	\$ 46,362	\$ 7,763	\$ 34,219	\$ 8,308	\$ 37,162

B. In June 2017, the Group had signed a donation agreement with Shanghai Tongji University Education Development Foundation, committing to donate CNY \$2,000 every year to reach the total amount of CNY \$10,000 from 2017 to 2021. This donation will be used to help to establish Shanghai Tongji University and Chlitina Holding Limited Education Foundation to support the School of Medicine's recruitment and the School of Economics and Management's development of scientific research. As of September 30, 2023, the Group has paid the aforementioned payment amounting to CNY \$2,000. As of November 9, 2023, the Group is still negotiating the subsequent aforementioned agreement with the relevant departments of Tongji University.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS 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 and the confidence of investors, creditors and market, to return compensation on shareholders. 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. The Group monitors capital on the basis of the liability ratio. This ratio is calculated as total liability divided by total assets.

During 2023, the Group's strategy was to maintain the liability ratio within reasonable range, which was unchanged from 2022. The liability ratios at September 30, 2023, December 31, 2022 and September 30, 2022 were as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Liability ratio	<u>48%</u>	<u>46%</u>	<u>48%</u>

(2) Financial instruments

A. Financial instruments by category

	September 30, 2023		December 31, 2022		September 30, 2022	
	CNY	TWD	CNY	TWD	CNY	TWD
<u>Financial assets</u>						
Financial assets at amortised cost						
Cash and cash equivalents	\$ 1,266,435	\$ 5,591,311	\$ 1,280,472	\$ 5,644,321	\$ 1,271,476	\$ 5,687,312
Financial assets at amortised cost (including current and non-current)	278,454	1,229,374	-	-	32,000	143,136
Notes receivable	-	-	1	4	2	9
Accounts receivable (including related parties)	1,406	6,207	477	2,103	334	1,494
Other receivables (including related parties)	24,628	108,733	17,721	78,118	14,978	66,996
	<u>\$ 1,570,923</u>	<u>\$ 6,935,625</u>	<u>\$ 1,298,671</u>	<u>\$ 5,724,546</u>	<u>\$ 1,318,790</u>	<u>\$ 5,898,947</u>
Financial assets at fair value through profit or loss						
Financial assets at fair value through profit or loss-non-current	<u>\$ 53,438</u>	<u>\$ 235,929</u>	<u>\$ 50,064</u>	<u>\$ 220,682</u>	<u>\$ 53,002</u>	<u>\$ 237,078</u>

	September 30, 2023		December 31, 2022		September 30, 2022	
	CNY	TWD	CNY	TWD	CNY	TWD
<u>Financial liabilities</u>						
Financial liabilities at amortised cost						
Short-term borrowings	\$ 222,378	\$ 981,799	\$ 104,503	\$ 460,649	\$ 106,472	\$ 476,249
Accounts payable (including related parties)	19,210	84,812	18,386	81,045	22,952	102,665
Other payables (including related parties)	103,434	456,662	101,961	449,444	91,011	407,092
Guarantee deposits received	87,220	385,076	81,129	357,619	83,905	375,307
Long-term borrowings (including current portion)	409,313	1,807,117	390,145	1,719,759	376,202	1,682,752
	<u>\$ 841,555</u>	<u>\$ 3,715,466</u>	<u>\$ 696,124</u>	<u>\$ 3,068,516</u>	<u>\$ 680,542</u>	<u>\$ 3,044,065</u>
Lease liabilities (including current and non-current)	<u>\$ 87,139</u>	<u>\$ 384,719</u>	<u>\$ 93,842</u>	<u>\$ 413,655</u>	<u>\$ 102,560</u>	<u>\$ 458,750</u>

## B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (the Group's 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, and investment of excess liquidity.

## C. Significant financial risks and degrees of financial risks

### (a) Market risk

#### Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and CNY. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group's treasury. Exchange rate risk is measured through a forecast of highly probable USD and CNY expenditures. Natural hedging are adopted to minimise the volatility of the exchange rate affecting cost of held foreign assets or liabilities.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: TWD; other certain subsidiaries' functional currency: CNY, USD and HKD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency) September 30, 2023	Foreign currency amount (In thousands)	Exchange rate	CNY	TWD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:TWD	\$ 8,369	32.27	\$ 61,171	\$ 270,070
USD:HKD	65,631	7.8268	479,710	2,117,920
CNY:HKD	15,141	1.0708	15,141	66,848
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:CNY	\$ 1,842	7.3092	\$ 13,464	\$ 59,444
USD:TWD	87,500	32.27	631,691	2,788,916

(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	CNY	TWD
December 31, 2022				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:TWD	\$ 7,665	30.7100	\$ 53,401	\$ 235,392
USD:HKD	68,309	7.7984	475,902	2,097,776
CNY:HKD	17,358	1.1193	17,358	76,514
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:CNY	\$ 964	6.9669	\$ 6,716	\$ 29,604
USD:TWD	71,000	30.7100	494,648	2,180,408

(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	CNY	TWD
September 30, 2022				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : CNY	\$ 79	7.0981	\$ 561	\$ 2,509
USD : TWD	8,293	31.7500	58,865	263,303
USD : HKD	3,688	7.8511	26,178	117,094
CNY : TWD	995	4.4730	995	4,451
CNY : HKD	18,237	1.1061	18,237	81,574
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : CNY	\$ 1,973	7.0981	\$ 14,005	\$ 62,644
USD : TWD	68,000	31.7500	482,674	2,159,001
USD : HKD	84	7.8511	596	2,666

- iv. The total exchange gains (losses), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2023 and 2022, amounted to a loss of CNY \$12,805 (TWD \$56,171), a loss of CNY \$26,039 (TWD \$115,337), a loss of CNY \$17,169 (TWD \$75,389) and a loss of CNY \$45,348 (TWD \$200,824), respectively.

- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Nine months ended September 30, 2023					
Sensitivity analysis					
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
		CNY	TWD	CNY	TWD
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : TWD	3%	\$ 1,835	\$ 8,102	\$ -	\$ -
USD : HKD	3%	14,391	63,538	-	-
CNY : HKD	3%	454	2,005	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : CNY	3%	\$ 404	\$ 1,783	\$ -	\$ -
USD : TWD	3%	19,187	84,709	-	-

  

Nine months ended September 30, 2022					
Sensitivity analysis					
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
		CNY	TWD	CNY	TWD
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : CNY	3%	\$ 17	\$ 75	\$ -	\$ -
USD : TWD	3%	1,766	7,899	-	-
USD : HKD	3%	785	3,513	-	-
CNY : TWD	3%	30	134	-	-
CNY : HKD	3%	547	2,477	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : CNY	3%	\$ 420	\$ 1,879	\$ -	\$ -
USD : TWD	3%	14,480	64,770	-	-
USD : HKD	3%	18	80	-	-

#### 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. 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 issued by 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 nine months ended September 30, 2023 and 2022 would have increased/decreased by CNY \$534 (TWD \$2,359) and CNY \$530 (TWD \$2,371), respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

#### Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term borrowings and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group's borrowings at variable rate were mainly denominated in US Dollars.
- ii. If the borrowing interest rate of USD had increased/decreased by 1% with all other variables held constant, profit, net of tax for the nine months ended September 30, 2023 and 2022 would have decreased/increased by CNY \$230 (TWD \$1,008) and CNY \$57 (TWD \$251), respectively. The main factor is that changes in interest expense result from 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, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Group manages its credit risk taking into consideration the entire group'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. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments;
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On September 30, 2023, December 31, 2022 and September 30, 2022, the Group has no written-off financial assets that are still under recourse procedures.
- viii. The Group's accounts receivable are with customers who have optimal credit rating, and the expected credit loss rate is 0.03%. As of September 30, 2023, December 31, 2022 and September 30, 2022, the carrying amount of accounts receivable (including related parties) amounted to CNY \$1,406 (TWD \$6, 207), CNY \$477 (TWD \$2,103) and CNY \$334 (TWD \$1,494), respectively. Because the Group expects that the impairment from expected credit loss is insignificant, no loss allowance was recognised.
- ix. For investments in debt instruments at amortised cost, the credit rating levels are presented below:

	September 30, 2023							
			Lifetime					
	12 months		Significant increase in credit risk		Impairment of credit		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Financial assets at amortised cost	\$ 278,454	\$ 1,229,374	\$ -	\$ -	\$ -	\$ -	\$ 278,454	\$ 1,229,374

September 30, 2022									
		Lifetime							
		12 months		Significant increase in credit risk		Impairment of credit		Total	
		CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Financial assets at amortised cost		\$ 32,000	\$ 143,136	\$ -	\$ -	\$ -	\$ -	\$ 32,000	\$ 143,136

December 31, 2022: None.

The financial assets at amortised cost held by the Group are the time deposits with maturity term of over three months and the pledged time deposits with maturity term of over three months, and there were no material issues with respect to credit rating levels.

(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 on its mature liabilities on general and stressful conditions so that the Group approach the risk target that does not occur the unacceptable losses or breach their reputation.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are invested in interest bearing demand deposits, 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 table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>Non-derivative</u>	(In thousands of CNY)		
<u>financial liabilities:</u>		Between 1	
September 30, 2023	Less than 1 year	and 2 years	Over 2 years
Short-term borrowings	\$ 222,378	\$ -	\$ -
Accounts payable (including related parties)	19,210	-	-
Other payables (including related parties)	103,434	-	-
Lease liabilities	25,973	25,509	42,689
Guarantee deposits received	87,220	-	-
Long-term borrowings (including current portion)	263,130	146,183	-

<u>Non-derivative</u>		(In thousands of CNY)		
<u>financial liabilities:</u>				
December 31, 2022	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>	
Short-term borrowings	\$ 104,503	\$ -	\$ -	
Accounts payable (including related parties)	18,386	-	-	
Other payables (including related parties)	101,961	-	-	
Lease liabilities	29,250	22,507	50,500	
Guarantee deposits received	81,129	-	-	
Long-term borrowings (including current portion)	-	390,145	-	

<u>Non-derivative</u>		(In thousands of CNY)		
<u>financial liabilities:</u>				
September 30, 2022	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>	
Short-term borrowings	\$ 106,472	\$ -	\$ -	
Accounts payable (including related parties)	22,952	-	-	
Other payables (including related parties)	91,011	-	-	
Lease liabilities	32,530	24,680	54,382	
Guarantee deposits received	83,905	-	-	
Long-term borrowings (including current portion)	-	376,202	-	

<u>Non-derivative</u>		(In thousands of TWD)		
<u>financial liabilities:</u>				
September 30, 2023	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>	
Short-term borrowings	\$ 981,799	\$ -	\$ -	
Accounts payable (including related parties)	84,812	-	-	
Other payables (including related parties)	456,662	-	-	
Lease liabilities	114,671	112,622	188,472	
Guarantee deposits received	385,076	-	-	
Long-term borrowings (including current portion)	1,161,719	645,398	-	

<u>Non-derivative</u>		(In thousands of TWD)		
<u>financial liabilities:</u>				
December 31, 2022	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>	
Short-term borrowings	\$ 460,649	\$ -	\$ -	
Accounts payable (including related parties)	81,045	-	-	
Other payables (including related parties)	449,444	-	-	
Lease liabilities	128,934	99,211	222,604	
Guarantee deposits received	357,619	-	-	
Long-term borrowings (including current portion)	-	1,719,759	-	

<u>Non-derivative</u>		(In thousands of TWD)		
<u>financial liabilities:</u>				
September 30, 2022	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>	
Short-term borrowings	\$ 476,249	\$ -	\$ -	
Accounts payable (including related parties)	102,665	-	-	
Other payables (including related parties)	407,092	-	-	
Lease liabilities	145,507	110,394	243,251	
Guarantee deposits received	375,307	-	-	
Long-term borrowings (including current portion)	-	1,682,752	-	

- iv. 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 listed stocks and beneficiary certificates is included in Level 1.

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

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), financial assets at amortised cost (including current and non-current), short-term borrowings, accounts payable (including related parties), other payables (including related parties), lease liabilities (including current and non-current), guarantee deposits received and long-term borrowings (including current portion) 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 and liabilities at September 30, 2023, December 31, 2022 and September 30, 2022 is as follows:

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

	(In thousands of CNY)			
September 30, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 30,448	\$ 30,448
Hybrid instrument	-	-	22,990	22,990
<b>Total</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,438</u>	<u>\$ 53,438</u>

	(In thousands of CNY)			
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 23,014	\$ 23,014
Hybrid instrument	-	-	27,050	27,050
<b>Total</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,064</u>	<u>\$ 50,064</u>

	(In thousands of CNY)			
September 30, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 23,290	\$ 23,290
Hybrid instrument	-	-	29,712	29,712
<b>Total</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,002</u>	<u>\$ 53,002</u>

	(In thousands of TWD)			
September 30, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 134,428	\$ 134,428
Hybrid instrument	-	-	101,501	101,501
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,929</u>	<u>\$ 235,929</u>

	(In thousands of TWD)			
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 101,446	\$ 101,446
Hybrid instrument	-	-	119,236	119,236
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,682</u>	<u>\$ 220,682</u>

	(In thousands of TWD)			
September 30, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 104,176	\$ 104,176
Hybrid instrument	-	-	132,902	132,902
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,078</u>	<u>\$ 237,078</u>

D. The following chart is the movement of Level 3 for the nine months ended September 30, 2023 and 2022:

	2023		2022	
	Equity	Equity	Equity	Equity
	instrument	instrument	instrument	instrument
	CNY	TWD	CNY	TWD
At January 1	\$ 50,064	\$ 220,682	\$ 21,046	\$ 91,424
Acquired during the period	-	-	30,000	132,855
Gaings (losses) recognised in the profit or loss	2,098	9,213	( 288)	( 1,275)
Effect of foreign exchange	1,276	6,034	2,244	14,074
At September 30	<u>\$ 53,438</u>	<u>\$ 235,929</u>	<u>\$ 53,002</u>	<u>\$ 237,078</u>

E. For the nine months ended September 30, 2023 and 2022, there was no transfer into or out from Level 3.

F. Investment strategies segment is in charge of valuation procedures for fair value measurements being categorized 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.

G. 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		Fair value at		Fair value at		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
	September 30, 2023		December 31, 2022		September 30, 2022					
	CNY	TWD	CNY	TWD	CNY	TWD				
Non-derivative equity instrument:										
Unlisted shares	\$ 30,448	\$ 134,428	\$ 23,014	\$ 101,446	\$ 23,290	\$ 104,176	Market comparable companies	Price-to-book ratio and discount for lack of marketability	Not applicable	The higher the multiple and control premium, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
Hybrid instrument:										
Unlisted shares	17,972	79,347	21,516	94,842	28,976	129,610	Market comparable companies	Price-to-book ratio and discount for lack of marketability	Not applicable	The higher the multiple and control premium, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
Embedded option	5,018	22,154	5,534	24,394	736	3,292	Black-Scholes valuation model	Discount for lack of marketability	Not applicable	The higher the discount for lack of marketability, the lower the fair value

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding TWD \$300 million or 20% of the Company's paid-in capital: Refer to table 4.
- E. Acquisition of real estate reaching TWD \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching TWD \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching TWD \$100 million or 20% of paid-in capital or more: Refer to table 5.
- H. Receivables from related parties reaching TWD \$100 million or 20% of paid-in capital or more: Refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting period: Refer to Note 6(2).
- J. Significant inter-company transactions during the reporting period: Refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 7.

(4) Major shareholders information

Major shareholders information: Refer to table 10.

14. SEGMENT INFORMATION

(1) General information

The Group is engaged in the manufacture, distribution, and business operations of beauty products under the brand of Chlitina, company-operated salon business and aesthetic medicine clinic. For the nine months ended September 30, 2023 and 2022, the operating revenue, net profit and assets of the company-operated salon business and aesthetic medicine clinic were all less than 10% of their respective totals in the consolidated financial statements. In addition, management considers that the separate disclosure of company-operated salon business and aesthetic medicine clinic have no reference value. Hence, the information on assets, liabilities and capital expenditures were not disclosed.

(2) Measurement of segment information

The reportable operating segment information provided to the Chief Operating Decision-Maker are operating revenue and profit or loss before tax of the segment.

Since the Group has only one reportable segment, refer to the statement of comprehensive income.

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

Since the Group has only one reportable segment, refer to the statement of comprehensive income.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Loans to others  
Nine months ended September 30, 2023

Table 1

Expressed in thousands of TWD  
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Related party	Maximum balance for the period	Ending balance	Amount actually drawn	Interest rate	Nature of loan (Note 2)	Transaction amounts	Reason for short-term financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company	Financing company's total financing amount limits	Footnote
													Item	Value			
1	Chlitina (China) Trade Limited	Crystal Asia Shanghai Limited	Other receivables	Yes	\$ 57,603	\$ 57,395	\$ -	Lower 10% of loan market rate	2	\$ -	Operating capital	\$ -	None	\$ -	\$ 4,476,516	\$ 4,476,516	Note 4, 6
1	Chlitina (China) Trade Limited	Hong Kong Chlitina International Limited	Other receivables	Yes	2,968,770	-	-	Lower 10% of loan market rate	2	-	Operating capital	-	None	-	4,476,516	4,476,516	Note 4
2	Hong Kong Chlitina International Limited	Yong Li Trading Company Limited	Other receivables	Yes	32,270	32,270	-	Lower 10% of loan market rate	2	-	Operating capital	-	None	-	7,373,921	7,373,921	Note 4, 5
3	Yong Li Trading Company Limited	Vinh Le Company Limited	Other receivables	Yes	4,550	4,550	4,550	Lower 10% of loan market rate	2	-	Operating capital	-	None	-	31,381	31,381	Note 4, 7

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

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

Note 2: The column of 'Nature of loan' shall fill in '1' as 'Business transaction' or '2' as 'Short-term financing'.

Note 3: The limit on total financing and financing to a single entity shall not be more than 40%, except for inter-company transaction, and 20% of the Company's stockholders' equity, respectively. In addition, if the Board of Directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines to the same counter party, the limit shall not be more than 10% of the Company's net asset.

Note 4: In accordance with the lending policies and procedures, total loan amount and individual loan amount cannot exceed 100% of the lender (the creditor)'s stockholders' equity between the subsidiaries, for which the ultimate parent company directly or indirectly holds 100% of voting shares.

Note 5: The line of credit to Yong Li Trading Company Limited amounted to USD1,000.

Note 6: The line of credit to Crystal Asia Shanghai Limited amounted to CNY13,000.

Note 7: The line of credit to Vinh Le Company Limited amounted to VND3,500,000.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES  
Provision of endorsements and guarantees to others  
Nine months ended September 30, 2023

Table 2

Expressed in thousands of TWD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2023	Outstanding endorsement/ guarantee amount at September 30, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 4)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 4)	Provision of endorsements/ guarantees to the party in Mainland China (Note 4)	Footnote
									accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company					
1	Hong Kong Chlitina International Limited	Chlitina Holding Limited	3	\$ 1,474,784	\$ 968,100	\$ 968,100	\$ 968,100	\$ 968,100	19.08%	\$ 3,686,961	N	Y	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship with the Company.
- (2) The Company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorser/guarantor company owns directly and indirectly more than 50% voting shares of the Company.
- (4) The Company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company, and the limit on endorsements/guarantees provided for the endorsed/guaranteed company shall not be more than 10% of the Company's stockholders' equity. However, the endorsed/guaranteed company whose voting shares are 100% directly and indirectly owned by the Company is not subject to the limit.
- (5) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (6) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Ceiling on total amount of endorsements/guarantees provided by the Company and subsidiaries shall not be more than 50% of the stockholders' equity for that period. Limit on endorsements/guarantees provided for a single party shall not be more than 20% of the stockholders' equity for that period.

Note 4: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

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

September 30, 2023

Table 3

Expressed in thousands of TWD  
(Except as otherwise indicated)

Securities held by	Marketable securities (Note)	Relationship with the securities issuer	General ledger account	As of September 30, 2023				
				Number of shares ( in thousand shares/thousand unit )	Book value	Ownership (%)	Fair value	Footnote
Hong Kong Chlitina International Limited	Onward Therapeutics SA	None	Financial assets at fair value through profit or loss non-current	2,290	\$ 134,428	4.00%	\$ 134,428	None
Hainan Shoumao Investment Limited	Yingyi Stem Cell Biotechnology (Hainan) Co., Ltd.	None	Financial assets at fair value through profit or loss non-current	-	101,501	5.62%	101,501	None

Note: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial instruments'.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Nine months ended September 30, 2023

Table 4 Expressed in thousands of TWD  
(Except as otherwise indicated)

Investor	Marketable securities ( Note 1 )	General ledger account	Counterparty (Note 3)	Relationship with the investor (Note 3)	Beginning Balance		Acquisition (Note 4)		Disposal (Note 4)			Ending Balance		Footnote	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value (Note 2)	Gain (loss) on disposal	Number of shares		Amount
Chlitina (China) Trade Limited	ICBC Credit Suisse Monetary Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	390,000,000	\$ 1,712,490	390,000,000	\$ 1,714,325	\$ 1,712,490	\$ 1,835	-	\$ -	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: The exchange difference of translating to presentation currency was included in book value.

Note 3: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 4: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 5: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Nine months ended September 30, 2023

Table 5

Expressed in thousands of TWD

(Except as otherwise indicated)

Purchaser/ seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction			Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
				Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Chlitina (China) Trade Limited	Weishuo (Shanghai) Daily Product Limited	Subsidiary	Purchases	\$ 457,225	79%	60 days after monthly billings	-	-	(\$ 134,340)	67%	Note 1
British Virgin IS. Chlitina Intelligence Limited Taiwan Branch	Chlitina (China) Trade Limited	Subsidiary	Trademark license	170,251	100%	Note 2	-	-	59,130	100%	Note 1

Note 1: The transactions have been eliminated upon consolidation.

Note 2: The credit term is 2 months, and the payment should be settled within 60 days after the invoice date.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES  
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
 Nine months ended September 30, 2023

Table 6

Expressed in thousands of TWD  
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Weishuo (Shanghai) Daily Product Limited	Chlitina (China) Trade Limited	Subsidiary	\$ 134,340	4.93	\$ -	-	\$ 65,504	\$ -	Note

Note: The transactions were eliminated when preparing the consolidated financial statements.



CHLITINA HOLDING LIMITED AND SUBSIDIARIES  
Significant inter-company transactions during the reporting period  
Nine months ended September 30, 2023

Table 7

Expressed in thousands of TWD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	Weishuo (Shanghai) Daily Product Limited	Chlitina (China) Trade Limited	3	Sales	\$ 457,225	60 days after monthly billings	14%
1	Weishuo (Shanghai) Daily Product Limited	Chlitina (China) Trade Limited	3	Accounts receivable	134,340	60 days after monthly billings	1%
2	British Virgin IS. Chlitina Intelligence Limited Taiwan Branch	Chlitina (China) Trade Limited	3	Trademark right income	170,251	In accordance with mutual agreements	5%
2	British Virgin IS. Chlitina Intelligence Limited Taiwan Branch	Chlitina (China) Trade Limited	3	Accounts receivable	59,130	In accordance with mutual agreements	1%

Note 1: 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 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Separate amounts lower than \$20,000 are not disclosed, so is its counter transaction.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investees

Nine months ended September 30, 2023

Table 8

Expressed in thousands of TWD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as at September 30, 2023			Net profit (loss) of the investee	Share of profit (loss) of investee	Footnote
				Balance as at September 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Chlitina Holding Limited	Chlitina Group Limited	British Virgin Islands	Investing	\$ 800,147	\$ 880,147	2,728,707,348	100	\$ 7,810,011	\$ 944,443	\$ 944,443	
Chlitina Group Limited	Chlitina International Limited	British Virgin Islands	Investing	717,661	717,661	25,470,001	100	7,598,733	848,747	-	Note 1
Chlitina Group Limited	Chlitina Intelligence Limited	British Virgin Islands	Investing and researching	-	-	1	100	210,335	95,682	-	Note 1
Chlitina Group Limited	W-Amber International Limited	British Virgin Islands	Investing	50,880	50,880	1,150,000	100	76	4	-	Note 1
Chlitina Group Limited	W-Champion International Limited	British Virgin Islands	Investing	34,518	34,518	930,000	100	39	2	-	Note 1
Chlitina Group Limited	C-Asia International Limited	British Virgin Islands	Investing	920	920	20,000	100	106	5	-	Note 1
Chlitina International Limited	Hong Kong Chlitina International Limited	Hong Kong	Investing and trading of skincare products	276,221	276,221	69,850,001	100	7,373,921	893,962	-	Note 1
Chlitina International Limited	Chlitina Marketing Limited	British Virgin Islands	Investing and trading of skincare products	470,025	470,025	15,742,882	100	176,336	(16,236)	-	Note 1
Chlitina International Limited	Centre de Recherche et de Developpement de CHLITINA FRANCE EURL	France	Research and development center	188	188	500	100	-	-	-	Note 1
Chlitina International Limited	K&S Biomedical Ltd.	Taiwan	Trading of skincare products and daily necessities	70,000	70,000	-	100	32,148	(28,981)	-	Note 1

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investees

Nine months ended September 30, 2023

Table 8

Expressed in thousands of TWD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as at September 30, 2023			Net profit (loss) of the investee	Share of profit (loss) of investee	Footnote
				Balance as at September 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Hong Kong Chilitina International Limited	Hong Kong Crystal-Asia International Limited	Hong Kong	Investing	\$ 69,642	\$ 69,642	2,300,000	100	\$ 43,392	\$ (185)	\$ -	Note 1
Hong Kong Chilitina International Limited	Hong Kong W-Champion International Limited	Hong Kong	Investing	61,865	61,865	2,950,000	100	58,893	( 1,244)	-	Note 1
Hong Kong Chilitina International Limited	Hong Kong W-Amber International Limited	Hong Kong	Investing	857,939	857,939	180,603,060	100	262,266	( 82,972)	-	Note 1
Hong Kong Chilitina International Limited	Yong Li Trading Company Limited	Vietnam	Dealer of skincare products	65,731	38,218	-	100	31,381	( 8,849)	-	Note 1
Hong Kong Chilitina International Limited	HUAPAO SDN. BHD.	Malaysia	Dealer of skincare products	3,502	3,502	500,000	100	2,841	114	-	Note 1
Hong Kong Chilitina International Limited	General Biologicals Corp.	Taiwan	Manufacturing of medical appliances	177,624	177,624	11,805,203	19.73	182,777	( 139,820)	-	Note 1, 2
Hong Kong Chilitina International Limited	U-NEURON BIOMEDICAL INC.	Taiwan	Cosmetic, biotechnology services	90,000	-	3,000,000	10.15	89,810	( 69,547)	-	Note 1, 2
Hong Kong Chilitina International Limited	Hong Kong Jing Tai International Investment Limited	Hong Kong	Investment consulting and general trade	4,392	4,392	1,000,000	100	3,759	( 160)	-	Note 1
Hong Kong Chilitina International Limited	PT PINING BEAUTY INDONESIA	Indonesia	Importing trade goods and management consulting	-	-	-	100	-	-	-	Note 1

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investees

Nine months ended September 30, 2023

Table 8

Expressed in thousands of TWD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as at September 30, 2023			Net profit (loss) of the investee	Share of profit (loss) of investee	Footnote
				Balance as at September 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Yong Li Trading Company Limited	Vinh Le Company Limited	Vietnam	Dealer of skincare products	\$ 3,003	\$ 3,003	-	100	(\$ 2,871)	(\$ 976)	\$ -	Note 1, 3
Chlitina (China) Trade Limited	Hong Kong Crystal International Services Limited	Hong Kong	Investing, dealer of skincare products and supplementary health care products	2,754	2,754	100,000	100	2,640	( 8)	-	Note 1
W-Champion International Limited	W-Champion Marketing Limited	British Virgin Islands	Investing	31,783	31,783	930,000	100	39	2	-	Note 1
W-Amber International Limited	W-Amber Marketing Limited	British Virgin Islands	Investing	56,280	56,280	1,150,000	100	45	2	-	Note 1
Hong Kong Jing Tai International Investment Limited	WAN JU International Investment Limited	Taiwan	Investing	2,000	2,000	200,000	100	1,690	( 55)	-	Note 1

Note 1: The 'share of profit (loss) of investee' column should fill in the Company recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period.

Note 2: For the nine months ended September 30, 2023, the investment loss on General Biologicals Corp. and U-Neuron Biomedical Inc. was \$39,815 and \$2,760, respectively.

Note 3: Yong Li holds a 100% equity interest in Vinh Le through the name of other individuals due to the restriction of local regulations, and has 100% substantial control over the investee.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Nine months ended September 30, 2023

Table 9

Expressed in thousands of TWD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated amount of investment from Taiwan	Amount remitted from Taiwan to		Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)B)	Book value as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Chlitina (China) Trade Limited	Dealer of skincare products and health food	\$ 308,631	2	\$ -	\$ -	\$ -	\$ -	\$ 951,330	100	\$ 951,330	\$ 4,476,516	\$ -	
Shanghai Zhe Mei Technology Training Co., Ltd.	Cosmetology training services	78,302	2	-	-	-	-	11,756	100	11,756	5,614	-	
Weishuo (Shanghai) Daily Product Limited	Production and trading of skincare products	64,207	2	-	-	-	-	38,218	100	38,218	829,140	-	
Weihu (Shanghai) Health Management Consulting Co.,Ltd	Investing, dealer of skincare products and supplementary health care products	605,565	2	-	-	-	-	( 48,938)	100	( 48,938)	42,610	-	
Crystal Asia Shanghai Limited	Dealer of skincare products and supplementary health care products	87,189	2	-	-	-	-	( 7,482)	100	( 7,482)	44,998	-	

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Nine months ended September 30, 2023

Table 9

Expressed in thousands of TWD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated amount of investment from Taiwan	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the period		Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)B)	Book value as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Li Shuo Biotechnology (Shanghai) Co., Ltd.	Enterprise management consulting and investing	\$ 9,868	2	\$ -	\$ -	\$ -	\$ -	(\$ 560)	100	(\$ 560)	\$ 4,106	\$ -	
Wuguan (Shanghai) Trade Limited	Dealer of skincare products and supplementary health care products	64,193	2	-	-	-	-	( 1,307)	100	( 1,307)	27,772	-	
Shanghai Yuanshuo Management Consulting Limited	Enterprise management consulting and investing	396,516	2	-	-	-	-	( 46,576)	100	( 46,576)	15,378	-	
Beijing YaPulide Medical Beauty Treatment Clinic Co., Ltd.	Medical cosmetology services	103,346	2	-	-	-	-	( 127)	100	( 127)	-	-	
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	Medical cosmetology services	29,810	2	-	-	-	-	( 5,723)	100	( 5,723)	( 15,263)	-	
Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.	Medical cosmetology services	43,374	2	-	-	-	-	( 8,924)	100	( 8,924)	( 9,614)	-	

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Nine months ended September 30, 2023

Table 9

Expressed in thousands of TWD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated amount of investment from Taiwan	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the period		Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)B)	Book value as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	Medical cosmetology services	\$ 39,276	2	\$ -	\$ -	\$ -	\$ -	(\$ 14,603)	100	(\$ 14,603)	(\$ 12,961)	\$ -	
Jinghe Clinic (Nanjing) Co., Ltd.	Dealer of general practice and foods	2,261	2	-	-	-	-	( 2,980)	100	( 2,980)	1,578	-	
Shanghai Hedeng Clinic Co., Ltd.	Dealer of general practice	2,357	2	-	-	-	-	564	100	564	1,829	-	
Cui Jei (Shanghai) Trading Co. Ltd.	Dealer of health food and daily necessities	-	2	-	-	-	-	1,166	-	1,166	-	-	Note 5
Shanghai Zhongye Trade Co., Ltd.	Retail of cosmetics and manicure service	29,258	2	-	-	-	-	184	30	-	-	-	
Hainan Shoumao Investment Limited	Enterprise management consulting and investing	151,515	2	-	-	-	-	( 17,792)	100	( 17,792)	110,807	-	

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Nine months ended September 30, 2023

Table 9

Expressed in thousands of TWD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated amount of investment from Taiwan	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the period		Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)B)	Book value as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Jiekan Trading Co., Ltd.	Dealer of skincare products and health food	\$ 39,592	2	\$ -	\$ -	\$ -	\$ -	\$ 18	100	\$ 18	\$ 28,049	\$ -	
Shanghai Yongxiang Trading Co., Ltd.	Retail of cosmetics and manicure service	88,399	2	-	-	-	-	( 2,080)	100	( 2,080)	72,395	-	
Company name	China		Investment amount authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA)	investments in Mainland China imposed by the Investment Commission of MOEA									
Not applicable to foreign issuer.	\$ -	\$ -	Note 4										

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.( the investee in the third area is Chlitina Group Limited)
- (3) Others

Note 2: In the 'share of profit (loss)' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
  - A.The financial statements were reviewed by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
  - B.The financial statements were reviewed by R.O.C. parent company's CPA.
  - C.Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: The Company was primary listing by foreign issuer and was not restricted to the ceiling of investment of investors in Mainland China regulated by Investment Commission, Ministry of Economic Affairs.

Note 5: Cui Jie (Shanghai) Trading Co. Ltd. had completed the liquidation and dissolution in September 2023.



CHLITINA HOLDING LIMITED AND SUBSIDIARIES  
Major shareholders information  
September 30, 2023

Table 10

Name of major shareholders	Shares		Footnote
	No. of shares held	Ownership (%)	
Custody account Fu Yuan Investment Co. Ltd. entrusted under Cathay United Bank	28,056,000	35.29%	Note 1, 2

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in calculation basis.

Note 2: If the aforementioned data contains shares which were held in the trust by the shareholders, the data is disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, at the same time, the shareholder has the power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.