

**CHLITINA HOLDING LIMITED AND  
SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 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' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chlitina Holding Limited

### ***Opinion***

We have audited the accompanying consolidated balance sheets of Chlitina Holding Limited and its subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

### ***Basis for opinion***

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

## ***Key audit matters***

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

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

### **Accuracy of sales discounts and allowances calculation and recognition**

#### Description

Refer to Note 4(28) for accounting policy on sales discounts and allowances.

The Group offers sales discounts and allowances to customers based on mutual agreement which is recorded as deduction to operating revenue. Given its mathematical complexity, large volume and its significance in determining the Group's operating performance and financial condition for the investors and key management, we considered the accuracy of sales discounts and allowances calculation and recognition as one of the key audit matters.

#### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Tested whether the internal controls over sales and collection process (including manual and system controls) are effectively designed and performed.
- B. Obtained documentation reviewed and approved by key management to verify whether the calculations of sales discounts and allowances were accurate.
- C. Selected samples of sales discounts and allowances transactions and checked against supporting documentation to ascertain whether they were accurate.

## **Accounting estimates on inventory valuation**

### Description

Refer to Note 4(12) for accounting policy on inventory valuation, Note 5 for accounting estimates and assumption uncertainty in relation to inventory valuation and Note 6(5) for details of inventories.

The Group is primarily engaged in the research and development, manufacturing and sales of skincare products. Due to the short expiration dates of its products, the Group is exposed to higher risks of inventory valuation loss or overdue loss when purchase orders are modified or sales deteriorates unexpectedly. The Group evaluates inventories stated at the lower of cost and net realisable value and recognises provision based on the length of time to the products' expiration date.

Since the amount of inventories is significant, the inventory items are numerous, the evaluation of inventories is subject to management's judgement and the accounting estimations have a significant influence on the inventory values, we considered the valuation of inventories as one of the key audit matters.

### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Assessed whether the valuation policy is consistently applied and reasonable based on our understanding of the Group's operations and industry.
- B. Obtained the calculation table of gross margin of the Group's each product category and assessed whether the net realisable value used by management is appropriate.
- C. Obtained the detailed listings of products' expiration date, inspected the related supporting documents to ascertain the accuracy of expiration date and assessed whether the allowance for valuation loss provided by the Group based on the length of time to the expiration date is consistent with the actual historical sales and clearance trends of inventories.



### ***Responsibilities of management and those charged with governance for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

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

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

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

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

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Wang, Sung-Tse

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Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 1, 2024

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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        | December 31, 2023 |              |    | (As amended)<br>December 31, 2022 |     |    | (As amended)<br>January 1, 2022 |     |              |     |    |              |    |               |     |
|---------------------------|---|--------------|-------------------|--------------|----|-----------------------------------|-----|----|---------------------------------|-----|--------------|-----|----|--------------|----|---------------|-----|
|                           |   |              | CNY               | TWD          | %  | CNY                               | TWD | %  | CNY                             | TWD | %            |     |    |              |    |               |     |
|                           |   |              |                   |              |    |                                   |     |    |                                 |     |              |     |    |              |    |               |     |
| <b>Current Assets</b>     |   |              |                   |              |    |                                   |     |    |                                 |     |              |     |    |              |    |               |     |
| 1100                      | Cash and cash equivalents   | 6(1)         | \$                | 1,069,155    | \$ | 4,626,234                         | 52  | \$ | 1,280,472                       | \$  | 5,644,321    | 65  | \$ | 1,375,044    | \$ | 5,973,191     | 60  |
| 1136                      | Financial assets at amortized cost - current                        | 6(1)(3)and 8 |                   | 268,901      |    | 1,163,535                         | 13  |    | -                               |     | -            | -   |    | 241,962      |    | 1,051,083     | 10  |
| 1150                      | Notes receivable, net   |              |                   | -            |    | -                                 | -   |    | 1                               |     | 4            | -   |    | 5            |    | 22            |     |
| 1170                      | Accounts receivable, net  | 6(4)         |                   | 752          |    | 3,254                             | -   |    | 477                             |     | 2,103        | -   |    | 723          |    | 3,141         | -   |
| 1180                      | Accounts receivable - related parties, net                          | 6(4)and 7    |                   | 208          |    | 899                               | -   |    | -                               |     | -            | -   |    | 115          |    | 500           | -   |
| 1200                      | Other receivables   |              |                   | 26,373       |    | 114,116                           | 1   |    | 17,458                          |     | 76,955       | 1   |    | 15,136       |    | 65,751        | 1   |
| 1210                      | Other receivables - related parties                                 | 7            |                   | 320          |    | 1,389                             | -   |    | 263                             |     | 1,163        | -   |    | 455          |    | 1,977         | -   |
| 130X                      | Inventories   | 6(5)         |                   | 89,711       |    | 388,179                           | 4   |    | 110,326                         |     | 486,317      | 6   |    | 104,711      |    | 454,865       | 4   |
| 1410                      | Prepayments   |              |                   | 29,533       |    | 127,789                           | 1   |    | 16,337                          |     | 72,009       | 1   |    | 23,402       |    | 101,655       | 1   |
| 1470                      | Other current assets  |              |                   | -            |    | -                                 | -   |    | -                               |     | -            | -   |    | 2            |    | 10            | -   |
| 11XX                      | <b>Total current assets</b>   |              |                   | 1,484,953    |    | 6,425,395                         | 71  |    | 1,425,334                       |     | 6,282,872    | 73  |    | 1,761,555    |    | 7,652,195     | 76  |
| <b>Non-current assets</b> |   |              |                   |              |    |                                   |     |    |                                 |     |              |     |    |              |    |               |     |
| 1510                      | Financial assets at fair value through profit or loss - non-current | 6(2)         |                   | 65,291       |    | 282,514                           | 3   |    | 50,064                          |     | 220,682      | 3   |    | 21,046       |    | 91,424        | 1   |
| 1550                      | Investments accounted for using equity method                       | 6(6)         |                   | 61,725       |    | 267,084                           | 3   |    | 48,355                          |     | 213,149      | 2   |    | 49,636       |    | 215,619       | 2   |
| 1600                      | Property, plant and equipment, net                                  | 6(7)         |                   | 263,407      |    | 1,139,762                         | 14  |    | 278,969                         |     | 1,229,695    | 14  |    | 303,842      |    | 1,319,890     | 13  |
| 1755                      | Right-of-use assets   | 6(8)and 7    |                   | 80,945       |    | 350,249                           | 4   |    | 93,075                          |     | 410,275      | 5   |    | 112,940      |    | 490,611       | 5   |
| 1760                      | Investment property, net  |              |                   | 14,749       |    | 63,819                            | 1   |    | 15,743                          |     | 69,395       | 1   |    | 16,737       |    | 72,706        | 1   |
| 1780                      | Intangible assets, net  | 6(9)and 7    |                   | 18,671       |    | 80,789                            | 1   |    | 21,060                          |     | 92,832       | 1   |    | 15,104       |    | 65,612        | 1   |
| 1840                      | Deferred income tax assets  | 6(24)        |                   | 22,855       |    | 98,894                            | 1   |    | 26,332                          |     | 116,071      | 1   |    | 36,386       |    | 158,061       | -   |
| 1900                      | Other non-current assets  | 6(7)         |                   | 45,415       |    | 196,504                           | 2   |    | 9,589                           |     | 42,268       | -   |    | 15,021       |    | 65,250        | 1   |
| 15XX                      | <b>Total non-current assets</b>                                     |              |                   | 573,058      |    | 2,479,615                         | 29  |    | 543,187                         |     | 2,394,367    | 27  |    | 570,712      |    | 2,479,173     | 24  |
| XXXX                      | <b>Total assets</b>   |              |                   | \$ 2,058,011 |    | \$ 8,905,010                      | 100 |    | \$ 1,968,521                    |     | \$ 8,677,239 | 100 |    | \$ 2,332,267 |    | \$ 10,131,368 | 100 |

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

|   | Liabilities and Equity   | Notes      | December 31, 2023 |           |    | (As amended)<br>December 31, 2022 |      |    | (As amended)<br>January 1, 2022 |     |           |      |    |           |    |            |      |
|---|--|------------|-------------------|-----------|----|-----------------------------------|------|----|---------------------------------|-----|-----------|------|----|-----------|----|------------|------|
|   |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
|   |  |            | CNY               | TWD       | %  | CNY                               | TWD  | %  | CNY                             | TWD | %         |      |    |           |    |            |      |
| <b>Current liabilities</b>  |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
| 2100  | Short-term loans   | 6(10)and 8 | \$                | 457,701   | \$ | 1,980,472                         | 22   | \$ | 104,503                         | \$  | 460,649   | 5    | \$ | 252,969   | \$ | 1,098,897  | 11   |
| 2130  | Current contract liabilities   | 6(18)      |                   | 81,870    |    | 354,251                           | 4    |    | 80,664                          |     | 355,567   | 4    |    | 96,496    |    | 419,179    | 4    |
| 2170  | Accounts payable   |            |                   | 14,157    |    | 61,257                            | 1    |    | 14,297                          |     | 63,021    | 1    |    | 15,577    |    | 67,666     | 1    |
| 2180  | Accounts payable - related parties   | 7          |                   | 5,938     |    | 25,693                            | -    |    | 4,089                           |     | 18,024    | -    |    | 7,169     |    | 31,144     | -    |
| 2200  | Other payables   | 6(11)      |                   | 96,900    |    | 419,289                           | 5    |    | 101,202                         |     | 446,098   | 5    |    | 184,516   |    | 801,538    | 8    |
| 2220  | Other payables - related parties   | 7          |                   | 1,081     |    | 4,677                             | -    |    | 759                             |     | 3,346     | -    |    | 468       |    | 2,033      | -    |
| 2230  | Current income tax liabilities   |            |                   | 16,875    |    | 73,018                            | 1    |    | 20,559                          |     | 90,624    | 1    |    | 58,475    |    | 254,015    | 2    |
| 2280  | Lease liabilities - current  |            |                   | 28,726    |    | 124,297                           | 1    |    | 27,726                          |     | 122,216   | 1    |    | 31,393    |    | 136,371    | 1    |
| 2320  | Long-term borrowings - current portion   | 6(12)      |                   | -         |    | -                                 | -    |    | -                               |     | -         | -    |    | 63,720    |    | 276,800    | 3    |
| 2645  | Guarantee deposits   |            |                   | 90,664    |    | 392,303                           | 4    |    | 81,129                          |     | 357,619   | 4    |    | 86,194    |    | 374,425    | 4    |
| 21XX  | <b>Total current liabilities</b>   |            |                   | 793,912   |    | 3,435,257                         | 38   |    | 434,928                         |     | 1,917,164 | 21   |    | 796,977   |    | 3,462,068  | 34   |
| <b>Non-current liabilities</b>  |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
| 2540  | Long-term borrowings   | 6(12)      |                   | -         |    | -                                 | -    |    | 390,145                         |     | 1,719,759 | 21   |    | 259,978   |    | 1,129,345  | 12   |
| 2570  | Deferred income tax liabilities  | 6(24)      |                   | 19,685    |    | 85,177                            | 1    |    | 21,018                          |     | 92,647    | 1    |    | 40,411    |    | 175,545    | 1    |
| 2580  | Lease liabilities - non-current  | 7          |                   | 53,872    |    | 233,104                           | 3    |    | 66,116                          |     | 291,439   | 3    |    | 84,311    |    | 366,245    | 4    |
| 2640  | Net defined benefit liabilities  | 6(13)      |                   | 620       |    | 2,683                             | -    |    | 620                             |     | 2,733     | -    |    | 707       |    | 3,073      | -    |
| 25XX  | <b>Total non-current liabilities</b>   |            |                   | 74,177    |    | 320,964                           | 4    |    | 477,899                         |     | 2,106,578 | 25   |    | 385,407   |    | 1,674,208  | 17   |
| 2XXX  | <b>Total liabilities</b>   |            |                   | 868,089   |    | 3,756,221                         | 42   |    | 912,827                         |     | 4,023,742 | 46   |    | 1,182,384 |    | 5,136,276  | 51   |
| <b>Equity attributable to shareholders of the parent</b>                        |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
| <b>Share capital</b>  |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
| 3110  | Common stock   | 6(15)      |                   | 161,772   |    | 794,924                           | 9    |    | 161,772                         |     | 794,924   | 9    |    | 161,772   |    | 794,924    | 8    |
| <b>Capital surplus</b>  |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
| 3200  | Capital surplus  | 6(16)      |                   | 280,133   |    | 1,388,422                         | 16   |    | 276,621                         |     | 1,372,879 | 16   |    | 276,621   |    | 1,372,879  | 13   |
| <b>Retained earnings</b>  |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
| 3310  | Legal reserve  | 6(17)      |                   | 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    |    | 105,661   |    | 473,279    | 5    |
| 3350  | Unappropriated retained earnings   |            |                   | 463,926   |    | 2,265,122                         | 25   |    | 353,318                         |     | 1,768,678 | 20   |    | 435,769   |    | 2,131,638  | 21   |
| <b>Other equity</b>   |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
| 3410  | Financial statements translation differences of foreign operations                               |            | (                 | 13,065)   | (  | 642,564)                          | ( 7) | (  | 15,696)                         | (   | 548,385)  | ( 6) | (  | 3,379)    | (  | 567,040)   | ( 6) |
| 3420  | Unrealised gains (losses) from financial assets at fair value through other comprehensive income |            |                   | 465       |    | 2,026                             | -    |    | 568                             |     | 2,479     | -    |    | 429       |    | 1,866      | -    |
| <b>Treasury stocks</b>  |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
| 3500  | Treasury stocks  | 6(15)      |                   | -         |    | -                                 | -    | (  | 22,045)                         | (   | 97,176)   | ( 1) |    | -         |    | -          | -    |
| 3XXX  | <b>Total equity</b>  |            |                   | 1,189,922 |    | 5,148,789                         | 58   |    | 1,055,694                       |     | 4,653,497 | 54   |    | 1,149,883 |    | 4,995,092  | 49   |
| <b>Significant contingent liabilities and unrecognised contract commitments</b> |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
| 9   |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
| <b>Significant events after the balance sheet date</b>                          |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
| 11  |  |            |                   |           |    |                                   |      |    |                                 |     |           |      |    |           |    |            |      |
| 3XX   | <b>Total liabilities and equity</b>  |            | \$                | 2,058,011 | \$ | 8,905,010                         | 100  | \$ | 1,968,521                       | \$  | 8,677,239 | 100  | \$ | 2,332,267 | \$ | 10,131,368 | 100  |

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

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

| Items  | Notes         | For the year ended December 31, 2023 |              |       | (As amended)<br>For the year ended December 31, 2022 |              |       |
|--|---------------|--------------------------------------|--------------|-------|--|--------------|-------|
|  |               | CNY                                  | TWD          | %     | CNY  | TWD          | %     |
|  |               |                                      |              |       |  |              |       |
| 4000 <b>Operating revenue</b>  | 6(18)and 7    | \$ 1,032,202                         | \$ 4,534,771 | 100   | \$ 920,261   | \$ 4,069,210 | 100   |
| 5000 <b>Operating costs</b>  | 6(5)(23)and 7 | ( 170,285)                           | ( 748,113)   | ( 16) | ( 160,867)   | ( 711,322)   | ( 17) |
| 5900 <b>Gross profit</b>   |               | 861,917                              | 3,786,658    | 84    | 759,394  | 3,357,888    | 83    |
| <b>Operating expenses</b>  | 6(23)and 7    |                                      |              |       |  |              |       |
| 6100 Selling expenses  |               | ( 417,531)                           | ( 1,834,334) | ( 41) | ( 330,536)   | ( 1,461,564) | ( 36) |
| 6200 Administrative expenses   |               | ( 167,259)                           | ( 734,819)   | ( 16) | ( 154,989)   | ( 685,330)   | ( 17) |
| 6300 Research and development expenses   |               | ( 4,465)                             | ( 19,616)    | -     | ( 7,014)   | ( 31,015)    | ( 1)  |
| 6000 <b>Total operating expenses</b>   |               | ( 589,255)                           | ( 2,588,769) | ( 57) | ( 492,539)   | ( 2,177,909) | ( 54) |
| 6900 <b>Operating profit</b>   |               | 272,662                              | 1,197,889    | 27    | 266,855  | 1,179,979    | 29    |
| <b>Non-operating income and expenses</b>   |               |                                      |              |       |  |              |       |
| 7101 Interest income   | 6(3)(19)      | 36,337                               | 159,639      | 4     | 22,349   | 98,823       | 2     |
| 7010 Other income  | 6(20)         | 49,216                               | 216,221      | 5     | 33,520   | 148,219      | 4     |
| 7020 Other gains and losses  | 6(21)         | 15,860                               | 69,678       | 2     | ( 45,915)  | ( 203,027)   | ( 4)  |
| 7050 Finance costs   | 6(22)and 7    | ( 35,256)                            | ( 154,890)   | ( 4)  | ( 15,131)  | ( 66,906)    | ( 2)  |
| 7060 Share of profit or loss of associates and joint ventures accounted for using equity method                    | 6(6)          | ( 9,815)                             | ( 43,120)    | ( 1)  | 33   | 146          | -     |
| 7000 <b>Total non-operating income and expenses</b>  |               | 56,342                               | 247,528      | 6     | ( 5,144)   | ( 22,745)    | -     |
| 7900 <b>Profit before tax</b>  |               | 329,004                              | 1,445,417    | 33    | 261,711  | 1,157,234    | 29    |
| 7950 Income tax expense  | 6(24)         | ( 93,748)                            | ( 411,863)   | ( 9)  | ( 105,698)   | ( 467,376)   | ( 11) |
| 8200 <b>Profit for the year</b>  |               | \$ 235,256                           | \$ 1,033,554 | 24    | \$ 156,013   | \$ 689,858   | 18    |
| <b>Other comprehensive income (loss)</b>   |               |                                      |              |       |  |              |       |
| <b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>             |               |                                      |              |       |  |              |       |
| 8311 Losses on remeasurements of defined benefit plans   | 6(13)         | \$ 22                                | \$ 97        | -     | \$ 82  | \$ 363       | -     |
| 8320 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method | 6(6)          | ( 103)                               | ( 453)       | -     | 139  | 613          | -     |
| 8310 <b>Total other comprehensive income (loss) that will not be reclassified to profit or loss</b>                |               | ( 81)                                | ( 356)       | -     | 221  | 976          | -     |
| <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>                 |               |                                      |              |       |  |              |       |
| 8361 Financial statements translation differences of foreign operations  |               | 5,211                                | ( 82,843)    | ( 2)  | ( 12,361)  | 18,461       | -     |
| 8370 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method | 6(6)          | ( 2,580)                             | ( 11,336)    | -     | 44   | 194          | -     |
| 8360 <b>Total other comprehensive income (loss) that will be reclassified to profit or loss</b>                    |               | 2,631                                | ( 94,179)    | ( 2)  | ( 12,317)  | 18,655       | -     |
| <b>Other comprehensive income (loss) for the year</b>  |               | 2,550                                | ( 94,535)    | ( 2)  | ( 12,096)  | 19,631       | -     |
| 8500 <b>Total comprehensive income for the year</b>  |               | \$ 237,806                           | \$ 939,019   | 22    | \$ 143,917   | \$ 709,489   | 18    |
| <b>Earnings per share (in dollars)</b>   | 6(25)         |                                      |              |       |  |              |       |
| 9750 Basic earnings per share  |               | \$ 2.97                              | \$ 13.03     |       | \$ 1.96  | \$ 8.68      |       |
| 9850 Diluted earnings per share  |               | \$ 2.96                              | \$ 13.01     |       | \$ 1.96  | \$ 8.67      |       |

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

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

|   | Equity attributable to shareholders of the parent |         |                 |         |               |         |                 |           |                                  |         |  |         |                 |          |              |           |    |            |    |            |         |           |    |            |    |           |           |           |    |            |    |            |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---------|-----------------|---------|---------------|---------|-----------------|-----------|----------------------------------|---------|--|---------|-----------------|----------|--------------|-----------|----|------------|----|------------|---------|-----------|----|------------|----|-----------|-----------|-----------|----|------------|----|------------|----------|---|----|-----|---|----|-------|---|----|-----------|---|---------|-----------|---------|-----------|-----------|---|----|-----------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
|   | Retained earnings                                 |         |                 |         |               |         |                 |           |                                  |         | Other equity   |         |                 |          |              |           |    |            |    |            |         |           |    |            |    |           |           |           |    |            |    |            |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|   |   |         |                 |         |               |         |                 |           |                                  |         | Unrealised gains (losses) from financial assets at fair value through other comprehensive income |         |                 |          |              |           |    |            |    |            |         |           |    |            |    |           |           |           |    |            |    |            |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|   | Common stock                                      |         | Capital surplus |         | Legal reserve |         | Special reserve |           | Unappropriated retained earnings |         | Financial statements translation differences of foreign operations                               |         | Treasury stocks |          | Total equity |           |    |            |    |            |         |           |    |            |    |           |           |           |    |            |    |            |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Notes   | CNY   | TWD     | CNY             | TWD     | CNY           | TWD     | CNY             | TWD       | CNY                              | TWD     | CNY  | TWD     | CNY             | TWD      | CNY          | TWD       |    |            |    |            |         |           |    |            |    |           |           |           |    |            |    |            |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| For the year ended December 31, 2022                              |   |         |                 |         |               |         |                 |           |                                  |         |  |         |                 |          |              |           |    |            |    |            |         |           |    |            |    |           |           |           |    |            |    |            |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 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  | \$      | 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 year   |   | -       |                 | -       |               | -       |                 | -         |                                  | -       |  | -       |                 | -        |              | -         |    | 156,013    |    | 689,858    |         | -         |    | -          |    | -         |           | -         |    | 156,013    |    | 689,858    |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Other comprehensive income (loss) for the year                    |   | -       |                 | -       |               | -       |                 | -         |                                  | -       |  | -       |                 | -        |              | -         |    | 82         |    | 363        |         | ( 12,317) |    | 18,655     |    | 139       |           | 613       |    | ( 12,096)  |    | 19,631     |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Total comprehensive income (loss) for the year                    |   | -       |                 | -       |               | -       |                 | -         |                                  | -       |  | -       |                 | -        |              | -         |    | 156,095    |    | 690,221    |         | ( 12,317) |    | 18,655     |    | 139       |           | 613       |    | 143,917    |    | 709,489    |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Appropriations of 2021 earnings                                   |   |         |                 |         |               |         |                 |           |                                  |         |  |         |                 |          |              |           |    |            |    |            |         |           |    |            |    |           |           |           |    |            |    |            |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 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) |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Purchase of treasury stocks                                       |   | -       |                 | -       |               | -       |                 | -         |                                  | -       |  | -       |                 | -        |              | -         |    | -          |    | -          |         | -         |    | -          |    | ( 22,045) |           | ( 97,176) |    | ( 22,045)  |    | ( 97,176)  |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Balance at December 31, 2022                                      |   | \$      | 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 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| For the year ended December 31, 2023                              |   |         |                 |         |               |         |                 |           |                                  |         |  |         |                 |          |              |           |    |            |    |            |         |           |    |            |    |           |           |           |    |            |    |            |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 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 year   |   | -       |                 | -       |               | -       |                 | -         |                                  | -       |  | -       |                 | -        |              | -         |    | -          |    | 235,256    |         | 1,033,554 |    | -          |    | -         |           | -         |    | -          |    | -          | -        | - | -  | -   | - | -  | -     | - | -  | -         | - | -       | 235,256   |         | 1,033,554 |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Other comprehensive income (loss) for the year                    |   | -       |                 | -       |               | -       |                 | -         |                                  | -       |  | -       |                 | -        |              | -         |    | 22         |    | 97         |         | 2,631     |    | ( 94,179)  |    | ( 103)    |           | ( 453)    |    | -          |    | -          | -        | - | -  | -   | - | -  | -     | - | -  | -         | - | -       | 2,550     |         | ( 94,535) |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Total comprehensive income (loss) for the year                    |   | -       |                 | -       |               | -       |                 | -         |                                  | -       |  | -       |                 | -        |              | -         |    | 235,278    |    | 1,033,651  |         | 2,631     |    | ( 94,179)  |    | ( 103)    |           | ( 453)    |    | -          |    | -          | -        | - | -  | -   | - | -  | -     | - | -  | -         | - | 237,806 |           | 939,019 |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Appropriations of 2022 earnings                                   |   |         |                 |         |               |         |                 |           |                                  |         |  |         |                 |          |              |           |    |            |    |            |         |           |    |            |    |           |           |           |    |            |    |            |          |   |    |     |   |    |       |   |    |           |   |         |           |         |           |           |   |    |           |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Special reserve   |   | -       |                 | -       |               | -       |                 | -         |                                  | -       |  | -       |                 | ( 4,465) |              | ( 19,239) |    | 4,465      |    | 19,239     |         | -         |    | -          |    | -         |           | -         |    | -          | -  | -          | -        | - | -  | -   | - | -  | -     | - | -  | -         | - | -       | -         | -       | -         | -         | - | -  | -         | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

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)

|  |                 | For the year ended<br>December 31, 2023 |              | For the year ended<br>December 31, 2022 |              |
|--|-----------------|---|--------------|---|--------------|
|  | Notes           | CNY                                     | TWD          | CNY                                     | TWD          |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>  |                 |   |              |   |              |
| Profit before tax  |                 | \$ 329,004                              | \$ 1,445,417 | \$ 261,711                              | \$ 1,157,234 |
| Adjustments  |                 |   |              |   |              |
| Adjustment to reconcile profit (loss)  |                 |   |              |   |              |
| Depreciation   | 6(7)(8)(21)(23) | 70,444                                  | 309,482      | 74,250                                  | 328,320      |
| Amortization   | 6(9)(23)        | 3,616                                   | 15,886       | 3,498                                   | 15,467       |
| Net (gain) loss on financial assets at fair value<br>through profit or loss                    | 6(2)(21)        | ( 15,448)                               | ( 67,868)    | 1,974                                   | 8,729        |
| Interest expense   | 6(8)(9)(22)     | 35,256                                  | 154,890      | 15,131                                  | 66,906       |
| Interest income  | 6(19)           | ( 36,337)                               | ( 159,639)   | ( 22,349)                               | ( 98,823)    |
| Compensation cost of share-based payments  | 6(14)           | 3,512                                   | 15,543       | -                                       | -            |
| Share of (profit) loss of associates and joint venture<br>accounted for using equity method    | 6(6)            | 9,815                                   | 43,120       | ( 33)                                   | ( 146)       |
| Loss on disposal of property,<br>plant and equipment   | 6(7)(21)        | 661                                     | 2,905        | 588                                     | 2,600        |
| Impairment loss on intangible assets   | 6(9)(21)        | -                                       | -            | 5,623                                   | 24,863       |
| Impairment loss recognised in profit or loss,<br>investments accounted for using equity method | 6(9)(21)        | -                                       | -            | 1,363                                   | 6,027        |
| Gain from lease modifications  | 6(8)(21)        | ( 17)                                   | ( 75)        | -                                       | -            |
| Changes in operating assets and liabilities<br>relating to operating activities                |                 |   |              |   |              |
| Changes in operating assets  |                 |   |              |   |              |
| Financial assets at fair value through profit or loss  |                 | 614                                     | 2,697        | 976                                     | 4,317        |
| Notes receivable   |                 | 1                                       | 4            | 4                                       | 18           |
| Accounts receivable  | (               | 275)                                    | ( 1,208)     | 246                                     | 1,088        |
| Accounts receivable - related parties  | (               | 208)                                    | ( 914)       | 115                                     | 509          |
| Other receivables  | (               | 5,981)                                  | ( 26,276)    | ( 5,613)                                | ( 24,820)    |
| Other receivables - related parties  | (               | 57)                                     | ( 250)       | 192                                     | 849          |
| Inventories  |                 | 20,615                                  | 90,568       | ( 5,615)                                | ( 24,828)    |
| Prepayments  | (               | 13,196)                                 | ( 57,974)    | 7,065                                   | 31,240       |
| Changes in operating liabilities   |                 |   |              |   |              |
| Contract liabilities   |                 | 1,206                                   | 5,298        | ( 15,832)                               | ( 70,006)    |
| Accounts payable   | (               | 140)                                    | ( 615)       | ( 1,280)                                | ( 5,660)     |
| Accounts payable - related parties   |                 | 1,849                                   | 8,123        | ( 3,080)                                | ( 13,619)    |
| Other payables   | (               | 4,789)                                  | ( 21,040)    | ( 83,987)                               | ( 371,374)   |
| Other payables - related parties   |                 | 322                                     | 1,415        | 291                                     | 1,287        |
| Net defined benefit liabilities  |                 | 22                                      | 97           | 5                                       | 22           |
| Guarantee deposits   |                 | 9,535                                   | 41,890       | ( 5,065)                                | ( 22,396)    |
| Cash provided by operating activities  |                 | 410,024                                 | 1,801,476    | 230,178                                 | 1,017,804    |
| Interest paid  | (               | 34,769)                                 | ( 152,751)   | ( 14,458)                               | ( 63,930)    |
| Income tax paid  | (               | 95,288)                                 | ( 418,629)   | ( 152,953)                              | ( 676,328)   |
| Net cash provided by (used in) operating activities  |                 | 279,967                                 | 1,230,096    | 62,767                                  | 277,546      |

- Continued -



CHLITINA HOLDING LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of dollars)

|  |       | For the year ended<br>December 31, 2023 |                | For the year ended<br>December 31, 2022 |              |
|--|-------|---|----------------|---|--------------|
|  | Notes | CNY                                     | TWD            | CNY                                     | TWD          |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>                   |       |   |                |   |              |
| Acquisition of financial assets at amortised cost                    |       | (\$ 481,575)                            | (\$ 2,115,703) | \$ -                                    | \$ -         |
| Proceeds from disposal of financial assets at amortised cost         |       | 212,674                                 | 934,341        | 241,962                                 | 1,069,908    |
| Acquisition of financial assets at fair value through profit or loss |       | -                                       | -              | ( 30,000)                               | ( 132,654)   |
| Decrease in other current assets                                     |       | -                                       | -              | 2                                       | 9            |
| Acquisition of property, plant and equipment                         | 6(26) | ( 56,570)                               | ( 248,740)     | ( 12,850)                               | ( 56,820)    |
| Acquisition of intangible assets                                     | 6(9)  | ( 440)                                  | ( 1,933)       | ( 15,072)                               | ( 66,645)    |
| Decrease in other non-current assets                                 |       | 1,318                                   | 5,790          | 8,036                                   | 35,534       |
| Interest received  |       | 33,403                                  | 146,749        | 25,640                                  | 113,375      |
| Net cash used in investing activities                                |       | ( 311,532)                              | ( 1,369,496)   | 217,718                                 | 962,707      |
| <b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>                   |       |   |                |   |              |
| Repayment of the principal portion of lease liabilities              | 6(27) | ( 34,881)                               | ( 153,243)     | ( 39,641)                               | ( 175,284)   |
| Increase (decrease) in short-term borrowings                         | 6(27) | 360,001                                 | 1,581,593      | ( 142,798)                              | ( 631,423)   |
| Proceeds from long-term borrowings                                   | 6(27) | 35,508                                  | 155,997        | 550,586                                 | 2,434,581    |
| Repayments of long-term borrowings                                   | 6(27) | ( 426,959)                              | ( 1,875,756)   | ( 493,200)                              | ( 2,180,831) |
| Purchase of treasury stocks  | 6(15) | ( 334)                                  | ( 1,984)       | ( 22,045)                               | ( 97,176)    |
| 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                          |       | ( 173,421)                              | ( 750,679)     | ( 363,159)                              | ( 1,604,041) |
| Effects due to changes in exchange rates                             |       | ( 6,331)                                | ( 128,008)     | ( 11,898)                               | 34,918       |
| Increase (decrease) in cash and cash equivalents                     |       | ( 211,317)                              | ( 1,018,087)   | ( 94,572)                               | ( 328,870)   |
| Cash and cash equivalents at beginning of year                       |       | 1,280,472                               | 5,644,321      | 1,375,044                               | 5,973,191    |
| Cash and cash equivalents at end of year                             |       | \$ 1,069,155                            | \$ 4,626,234   | \$ 1,280,472                            | \$ 5,644,321 |

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

CHLITINA HOLDING LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 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 authorised for issuance by the Board of Directors on March 1 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) Accounting Standards 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<br/>International Accounting<br/>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 \$16,490 (TWD \$71,354), CNY \$22,174 (TWD \$96,324) and CNY \$18,434 (TWD \$81,257) and deferred tax liabilities by CNY \$16,661 (TWD \$72,094), CNY \$21,699 (TWD \$94,260) and CNY \$17,935 (TWD \$79,057) as of December 31, 2023, January 1, 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 an increase in income tax expense by CNY \$670 (TWD \$2,944) and a decrease in tax expense by CNY \$24 (TWD \$106) and an increase in earnings per share by CNY \$0.00 (TWD \$0.00) and CNY \$0.00 (TWD \$0.00) for the years ended December 31, 2023 and 2022, respectively.

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

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

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

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

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

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

| New Standards, Interpretations and Amendments   | Effective date by<br>International Accounting<br>Standards Board   |
|---|--|
| 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<br>International Accounting<br>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”, International Financial Reporting Standards, International Accounting Standards, IFRIC<sup>®</sup> Interpretations, and SIC<sup>®</sup> Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

##### (2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
  - (a) Financial assets 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 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 |
|------------------|---|--|-------------------|-------------------|-------------|
|                  |   |  | December 31, 2023 | December 31, 2022 |             |
| The Company      | Chlitina Group Limited (Chlitina Group)               | Investing                              | 100.00            | 100.00            |             |
| Chlitina Group   | C-Asia International Limited (C-Asia International)   | Investing                              | 100.00            | 100.00            |             |
| Chlitina Group   | Chlitina Intelligence Limited (Chlitina Intelligence) | Investing and research and development | 100.00            | 100.00            | Note 1      |
| Chlitina Group   | W-Amber International Limited (W-Amber International) | Investing                              | 100.00            | 100.00            |             |

| Name of investor         | Name of subsidiary   | Main business activities                           | Ownership (%)     |                   | Description |
|--------------------------|--|--|-------------------|-------------------|-------------|
|                          |  |  | December 31, 2023 | December 31, 2022 |             |
| Chlitina Group           | W-Champion International Limited (W-Champion International)                            | Investing  | 100.00            | 100.00            |             |
| Chlitina Group           | Chlitina International Limited (Chlitina International)                                | Investing  | 100.00            | 100.00            |             |
| W-Amber International    | W-Amber Marketing Limited (W-Amber Marketing)  | Investing  | 100.00            | 100.00            |             |
| W-Champion International | W-Champion Marketing Limited (W-Champion Marketing)                                    | Investing  | 100.00            | 100.00            |             |
| Chlitina International   | Chlitina Marketing Limited (Chlitina Marketing)  | Investing and trading of skincare products         | 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            |             |
| Chlitina International   | Centre de Recherche et de Developpement de CHLITINA FRANCE EURL (Chlitina France EURL) | Research and development center                    | 100.00            | 100.00            |             |
| Chlitina International   | Hong Kong Chlitina International Limited (Hong Kong Chlitina)                          | Investing and trading of skincare products         | 100.00            | 100.00            |             |
| Hong Kong Chlitina       | Yong Li Trading Company Limited (Yong Li)  | Dealer of skincare products                        | 100.00            | 100.00            |             |
| Hong Kong Chlitina       | Hong Kong W-Champion International Limited (Hong Kong W-Champion)                      | Investing  | 100.00            | 100.00            |             |
| Hong Kong Chlitina       | Hong Kong Crystal Asia International Limited (Hong Kong Crystal Asia)                  | Investing  | 100.00            | 100.00            |             |

| Name of investor       | Name of subsidiary   | Main business activities   | Ownership (%)     |                   | Description |
|------------------------|--|--|-------------------|-------------------|-------------|
|                        |  |  | December 31, 2023 | December 31, 2022 |             |
| Hong Kong Chlitina     | Hua Pao Sdn. Bhd. (Hua Pao)  | Dealer of skincare products  | 100.00            | 100.00            |             |
| Hong Kong Chlitina     | PT PINING BEAUTY INDONESIA (PINING)                                      | Importing trade goods and management consulting                    | 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            |             |
| Hong Kong Chlitina     | Chlitina (China) Trade Limited (Chlitina China)                          | Dealer of skincare products and supplementary health care products | 100.00            | 100.00            |             |
| Hong Kong Chlitina     | Hong Kong W-Amber International Limited (Hong Kong W-Amber)              | Investing  | 100.00            | 100.00            |             |
| Yong Li                | Vinh Le Company Limited (Vinh Le)  | Dealer of skincare products  | 100.00            | 100.00            | Note 3      |
| Hong Kong W-Champion   | Wuguan (Shanghai) Trade Limited (Wuguan Shanghai)                        | Dealer of skincare products and supplementary health care products | 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            | Note 4      |
| Hong Kong Jing Tai     | WAN JU International Investment Limited (WAN JU International)           | Investing  | 100.00            | 100.00            |             |
| Chlitina China         | Weishuo (Shanghai) Daily Product Limited (Weishuo)                       | Production and trading of skincare products                        | 100.00            | 100.00            |             |
| Chlitina China         | Shanghai Zhe Mei Technology Training Co., Ltd. (Shanghai Zhe Mei)        | Cosmetology training services                                      | 100.00            | 100.00            |             |
| Chlitina China         | Shanghai Yongxiang Trading Co., Ltd. (Shanghai Yongxiang)                | Retail of cosmetics and manicure service                           | 100.00            | 100.00            |             |

| Name of investor      | Name of subsidiary   | Main business activities  | Ownership (%)     |                   | Description |
|-----------------------|--|---|-------------------|-------------------|-------------|
|                       |  |   | December 31, 2023 | December 31, 2022 |             |
| Chlitina China        | Shanghai Jiekan Trading Co., Ltd. (Shanghai Jiekan)  | Dealer of skincare products and supplementary health care products            | 100.00            | 100.00            |             |
| 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            | Note 5      |
| Hong Kong W-Amber     | Crystal Asia (Shanghai) Limited (Crystal Asia Shanghai)  | Dealer of skincare products and supplementary health care products            | 100.00            | 100.00            |             |
| Hong Kong W-Amber     | Hainan Shoumao Investment Limited (Hainan Shoumao)   | Enterprise management consulting and investing                                | 100.00            | 100.00            |             |
| Hong Kong W-Amber     | Weihsu (Shanghai) Health Management Consulting Co., Ltd (Weihsu Shanghai)                        | Investing, dealer of skincare products and supplementary health care products | 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            |             |
| Weihsu Shanghai       | Shanghai Yuanshuo Management Consulting Limited (Shanghai Yuanshuo)                              | Enterprise management consulting and investing                                | 100.00            | 100.00            |             |
| Shanghai Li Shuo      | Shanghai Hedeng Clinic Co., Ltd. (Shanghai Hedeng) (formerly He Deng Clinic (Shanghai) Co., Ltd. | Dealer of general practice  | -                 | 100.00            | Note 6      |
| Shanghai Yuanshuo     | Shanghai Hedeng Clinic Co., Ltd. (Shanghai Hedeng) (formerly He Deng Clinic (Shanghai) Co., Ltd. | Dealer of general practice  | 100.00            | -                 | Note 6      |
| Shanghai Yuanshuo     | Beijing YaPulide Medical Beauty Treatment Clinic Co., Ltd. (Beijing YaPulide)                    | Medical cosmetology services  | -                 | 100.00            | Note 7      |



| Name of investor  | Name of subsidiary  | Main business activities             | Ownership (%)     |                   | Description |
|-------------------|---|--------------------------------------|-------------------|-------------------|-------------|
|                   |   |                                      | December 31, 2023 | December 31, 2022 |             |
| Shanghai Yuanshuo | Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd. (Shanghai Yapu) | Medical cosmetology services         | 100.00            | 100.00            |             |
| Shanghai Yuanshuo | Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd. (Nanjing Yapu Lide) | Medical cosmetology services         | 100.00            | 100.00            |             |
| Shanghai Yuanshuo | Shanghai Lunxin Medical Beauty Clinic Co., Ltd. (Shanghai Lunxin)       | Medical cosmetology services         | 100.00            | 100.00            |             |
| Shanghai Yuanshuo | Jinghe Clinic (Nanjing) Co., Ltd. (Nanjing Jinghe)                      | Dealer of general practice and foods | 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: Cui Jie (Shanghai) Trading Co. Ltd. had completed the liquidation and dissolution in September 2023.

Note 5: On June 14, 2022, Chlitina China acquired 100% equity interest in Hong Kong Crystal International held by Hong Kong W-Amber through cash.

Note 6: On December 22, 2023, Shanghai Yuanshuo acquired a 100% equity interest in Shanghai Hedeng held by Shanghai Li Shuo.

Note 7: Beijing YaPulide had completed the liquidation and dissolution in December 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 December 31, 2023 and 2022, the spot exchange rates of CNY to TWD were CNY \$1=TWD \$4.3270 and CNY \$1=TWD \$4.4080, respectively, and for the years ended December 31, 2023 and 2022, the average exchange rates of CNY to TWD were CNY \$1=TWD \$4.3933 and CNY \$1=TWD \$4.4218, respectively.

(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.

## 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.

(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 December 31, 2023, the carrying amount of inventories was CNY \$89,711 (TWD \$388,179).

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

|                                    | December 31, 2023   |                     | December 31, 2022   |                     |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | CNY                 | TWD                 | CNY                 | TWD                 |
| Cash on hand                       | \$ 537              | \$ 2,324            | \$ 346              | \$ 1,525            |
| Check deposits and demand deposits | 259,070             | 1,120,996           | 332,438             | 1,465,388           |
| Time deposits                      | 387,805             | 1,678,032           | 713,361             | 3,144,495           |
| Cash equivalents                   | 421,743             | 1,824,882           | 234,327             | 1,032,913           |
|                                    | <u>\$ 1,069,155</u> | <u>\$ 4,626,234</u> | <u>\$ 1,280,472</u> | <u>\$ 5,644,321</u> |

- A. As of December 31, 2023 and 2022, the Group's cash equivalents pertain to fixed rate financial instruments registered with the Shanghai Stock Exchange with maturities of 7 to 28 days.
- B. As of December 31, 2023 and 2022, the Group's time deposits with maturity term of over three months amounted to CNY \$268,901 (TWD \$1,163,535) and CNY \$0 (TWD \$0), 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  | December 31, 2023 |                   | December 31, 2022 |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | CNY               | TWD               | CNY               | TWD               |
| Non-current items:   |                   |                   |                   |                   |
| Financial assets mandatorily measured at fair value through profit or loss |                   |                   |                   |                   |
| Unlisted stocks  | \$ 32,880         | \$ 142,272        | \$ 23,014         | \$ 101,446        |
| Hybrid instruments   | 32,411            | 140,242           | 27,050            | 119,236           |
|  | <u>\$ 65,291</u>  | <u>\$ 282,514</u> | <u>\$ 50,064</u>  | <u>\$ 220,682</u> |

- A. The hybrid instrument pertains to the hybrid contracts of Yingyi Stem Cell Biotechnology (Hainan) Co., Ltd. (Yingyi Biotechnology) which is an unlisted company and 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 years ended December 31, 2023 and 2022 are listed below:

|  | Years ended December 31 |                  |                   |                   |
|--|-------------------------|------------------|-------------------|-------------------|
|  | 2023                    |                  | 2022              |                   |
|  | CNY                     | TWD              | CNY               | TWD               |
| Financial assets mandatorily measured at fair value through profit or loss |                         |                  |                   |                   |
| Beneficiary certificates   | \$ 614                  | \$ 2,697         | \$ 976            | \$ 4,315          |
| Equity instruments   | 9,473                   | 41,618           | -                 | -                 |
| Hybrid instruments   | 5,361                   | 23,553           | ( 2,950)          | ( 13,044)         |
|  | <u>\$ 15,448</u>        | <u>\$ 67,868</u> | <u>(\$ 1,974)</u> | <u>(\$ 8,729)</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   | December 31, 2023 |                     | December 31, 2022 |             |
|---|-------------------|---------------------|-------------------|-------------|
|   | CNY               | TWD                 | CNY               | TWD         |
| Current items:  |                   |                     |                   |             |
| Time deposits with maturity term of over three months         | \$ 91,497         | \$ 395,910          | \$ -              | \$ -        |
| Pledged time deposits with maturity term of over three months | 177,404           | 767,625             | -                 | -           |
|   | <u>\$ 268,901</u> | <u>\$ 1,163,535</u> | <u>\$ -</u>       | <u>\$ -</u> |

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

|                 | Years ended December 31 |                  |                 |                 |
|-----------------|-------------------------|------------------|-----------------|-----------------|
|                 | 2023                    |                  | 2022            |                 |
|                 | CNY                     | TWD              | CNY             | TWD             |
| Interest income | <u>\$ 17,764</u>        | <u>\$ 78,043</u> | <u>\$ 2,066</u> | <u>\$ 9,135</u> |

B. As at December 31, 2023 and 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 \$268,901 (TWD \$1,163,535) and CNY \$0 (TWD \$0), 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

|                                       | December 31, 2023 |                 | December 31, 2022 |                 |
|---------------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                       | CNY               | TWD             | CNY               | TWD             |
| Accounts receivable                   | \$ 752            | \$ 3,254        | \$ 477            | \$ 2,103        |
| Accounts receivable - related parties | 208               | 899             | -                 | -               |
|                                       | <u>\$ 960</u>     | <u>\$ 4,153</u> | <u>\$ 477</u>     | <u>\$ 2,103</u> |

A. As of December 31, 2023 and 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 December 31, 2023 and 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 \$960 (TWD \$4,153) and CNY \$477 (TWD \$2,103), respectively.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

| December 31, 2023 |                   |                   |  |                    |                   |                   |
|-------------------|-------------------|-------------------|--|--------------------|-------------------|-------------------|
|                   | Cost              |                   | Allowance for<br>inventory<br>valuation losses |                    | Book value        |                   |
|                   | CNY               | TWD               | CNY  | TWD                | CNY               | TWD               |
|                   |                   |                   |  |                    |                   |                   |
| Finished goods    | \$ 57,932         | \$ 250,671        | (\$ 1,878)                                     | (\$ 8,126)         | \$ 56,054         | \$ 242,545        |
| Work in progress  | 5,553             | 24,028            | ( 148)   | ( 640)             | 5,405             | 23,388            |
| Raw materials     | 29,667            | 128,369           | ( 1,415)                                       | ( 6,123)           | 28,252            | 122,246           |
|                   | <u>\$ 93,152</u>  | <u>\$ 403,068</u> | <u>(\$ 3,441)</u>                              | <u>(\$ 14,889)</u> | <u>\$ 89,711</u>  | <u>\$ 388,179</u> |
| December 31, 2022 |                   |                   |  |                    |                   |                   |
|                   | Cost              |                   | Allowance for<br>inventory<br>valuation losses |                    | Book value        |                   |
|                   | CNY               | TWD               | CNY  | TWD                | CNY               | TWD               |
|                   |                   |                   |  |                    |                   |                   |
| Finished goods    | \$ 61,000         | \$ 268,888        | (\$ 218)                                       | (\$ 961)           | \$ 60,782         | \$ 267,927        |
| 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> |

A. For the years ended December 31, 2023 and 2022, the cost of inventories recognised as expenses are as follows:

|                                 | Years ended December 31 |                   |                   |                   |
|---------------------------------|-------------------------|-------------------|-------------------|-------------------|
|                                 | 2023                    |                   | 2022              |                   |
|                                 | CNY                     | TWD               | CNY               | TWD               |
| Cost of goods sold              | \$ 163,418              | \$ 717,944        | \$ 149,189        | \$ 659,684        |
| Loss on decline in market value | 6,867                   | 30,169            | 11,678            | 51,638            |
|                                 | <u>\$ 170,285</u>       | <u>\$ 748,113</u> | <u>\$ 160,867</u> | <u>\$ 711,322</u> |

B. The Group has no inventories pledged to others.

(6) Investments accounted for using equity method

|                                  | December 31, 2023 |                   | December 31, 2022 |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | CNY               | TWD               | CNY               | TWD               |
| Associates                       |                   |                   |                   |                   |
| General Biologicals Corp.        | \$ 41,469         | \$ 179,436        | \$ 48,355         | \$ 213,149        |
| U-NEURON BIOMEDICAL INC.         | 20,256            | 87,648            | -                 | -                 |
| Shanghai Zhongye Trade Co., Ltd. | -                 | -                 | -                 | -                 |
|                                  | <u>\$ 61,725</u>  | <u>\$ 267,084</u> | <u>\$ 48,355</u>  | <u>\$ 213,149</u> |

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

|  | Years ended December 31 |                    |               |               |
|--|-------------------------|--------------------|---------------|---------------|
|  | 2023                    |                    | 2022          |               |
|  | CNY                     | TWD                | CNY           | TWD           |
| (Loss) profit for the year                     | (\$ 9,815)              | (\$ 43,120)        | \$ 33         | \$ 146        |
| Other comprehensive (loss) income              | ( 2,683)                | ( 11,789)          | 183           | 807           |
| Total comprehensive (loss) income for the year | <u>(\$ 12,498)</u>      | <u>(\$ 54,909)</u> | <u>\$ 216</u> | <u>\$ 953</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 December 31, 2023 and 2022, the fair value was CNY \$73,663 (TWD \$318,740) and CNY \$72,042 (TWD \$317,560), 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 \$1,363 (TWD \$6,027) for the year ended December 31, 2022.

(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             |
| At January 1                            |                  |                          |                          |                     |                            |  |                   |
| 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                               | -                | -                        | 829                      | 168                 | 7,054                      | 11,375   | 19,426            |
| Disposals                               | -                | -                        | ( 129)                   | ( 70)               | ( 462)                     | -  | ( 661)            |
| Reclassifications                       | -                | 2,976                    | -                        | -                   | 6,881                      | ( 11,103)  | ( 1,246)          |
| Depreciation charge                     | -                | ( 13,119)                | ( 790)                   | ( 1,727)            | ( 18,046)                  | -  | ( 33,682)         |
| Net exchange differences                | 448              | -                        | ( 20)                    | -                   | 169                        | 4  | 601               |
| Balance at December 31                  | <u>\$ 24,427</u> | <u>\$ 174,591</u>        | <u>\$ 2,228</u>          | <u>\$ 8,325</u>     | <u>\$ 48,140</u>           | <u>\$ 5,696</u>  | <u>\$ 263,407</u> |
| At December 31                          |                  |                          |                          |                     |                            |  |                   |
| Cost                                    | \$ 24,427        | \$ 297,785               | \$ 7,676                 | \$ 20,959           | \$ 164,057                 | \$ 5,696   | \$ 520,600        |
| Accumulated depreciation and impairment | -                | ( 123,194)               | ( 5,448)                 | ( 12,634)           | ( 115,917)                 | -  | ( 257,193)        |
|   | <u>\$ 24,427</u> | <u>\$ 174,591</u>        | <u>\$ 2,228</u>          | <u>\$ 8,325</u>     | <u>\$ 48,140</u>           | <u>\$ 5,696</u>  | <u>\$ 263,407</u> |

(In thousands of CNY)

2022

|  | Land             | Buildings<br>and structures | Transportation<br>equipment | Machinery<br>equipment | Office<br>and other<br>equipment | Construction<br>in progress and<br>equipment<br>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<br>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                                  | -                | -                           | -                           | 806                    | 3,075                            | 8,969   | 12,850            |
| Disposals                                  | -                | -                           | -                           | ( 55)                  | ( 533)                           | -   | ( 588)            |
| Reclassifications                          | -                | -                           | -                           | 4,199                  | 12,928                           | ( 19,732)   | ( 2,605)          |
| Depreciation charge                        | -                | ( 13,119)                   | ( 796)                      | ( 1,194)               | ( 18,998)                        | -   | ( 34,107)         |
| Net exchange differences                   | ( 353)           | -                           | 53                          | -                      | ( 129)                           | 6   | ( 423)            |
| Balance at December 31                     | <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> |
| <u>At December 31</u>                      |                  |                             |                             |                        |                                  |   |                   |
| Cost                                       | \$ 23,979        | \$ 294,166                  | \$ 8,207                    | \$ 20,869              | \$ 153,841                       | \$ 5,420  | \$ 506,482        |
| Accumulated depreciation<br>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> |

(In thousands of TWD)

2023

|  | Land              | Buildings<br>and structures | Transportation<br>equipment | Machinery<br>equipment | Office<br>and other<br>equipment | Construction<br>in progress and<br>equipment<br>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<br>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                                  | -                 | -                           | 3,642                       | 738                    | 30,990                           | 49,974  | 85,344              |
| Disposals                                  | -                 | -                           | ( 567)                      | ( 308)                 | ( 2,030)                         | -   | ( 2,905)            |
| Reclassifications                          | -                 | 13,074                      | -                           | -                      | 30,230                           | ( 48,778)   | ( 5,474)            |
| Depreciation charge                        | -                 | ( 57,636)                   | ( 3,471)                    | ( 7,587)               | ( 79,281)                        | -   | ( 147,975)          |
| Net exchange differences                   | ( 3)              | ( 14,291)                   | ( 268)                      | ( 699)                 | ( 3,222)                         | ( 440)  | ( 18,923)           |
| Balance at December 31                     | <u>\$ 105,696</u> | <u>\$ 755,455</u>           | <u>\$ 9,641</u>             | <u>\$ 36,022</u>       | <u>\$ 208,301</u>                | <u>\$ 24,647</u>  | <u>\$ 1,139,762</u> |
| <u>At December 31</u>                      |                   |                             |                             |                        |                                  |   |                     |
| Cost                                       | \$ 105,696        | \$ 1,288,516                | \$ 33,214                   | \$ 90,690              | \$ 709,875                       | \$ 24,647   | \$ 2,252,638        |
| Accumulated depreciation<br>and impairment | -                 | ( 533,061)                  | ( 23,573)                   | ( 54,668)              | ( 501,574)                       | -   | ( 1,112,876)        |
|  | <u>\$ 105,696</u> | <u>\$ 755,455</u>           | <u>\$ 9,641</u>             | <u>\$ 36,022</u>       | <u>\$ 208,301</u>                | <u>\$ 24,647</u>  | <u>\$ 1,139,762</u> |

|   | 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                               | -                 | -                        | -                        | 3,564               | 13,597                     | 39,659   | 56,820              |
| Disposals                               | -                 | -                        | -                        | ( 243)              | ( 2,357)                   | -  | ( 2,600)            |
| Reclassifications                       | -                 | -                        | -                        | 18,567              | 57,165                     | ( 87,251)  | ( 11,519)           |
| Depreciation charge                     | -                 | ( 58,010)                | ( 3,520)                 | ( 5,280)            | ( 84,005)                  | -  | ( 150,815)          |
| Net exchange differences                | 1                 | 12,845                   | 441                      | 346                 | 3,076                      | 1,210  | 17,919              |
| Balance at December 31                  | <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> |
| <u>At December 31</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> |

- 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.
- C. On November 23, 2023, the Group purchased a building and parking space at Huaihai West Road, Changning District, Shanghai from a non-related party, Haikou Intermediate People's Court, Hainan Province, for an estimated total contract price of CNY \$39,000 (TWD \$171,561), and the Group has paid the acquisition cost amounting to CNY \$37,144 (TWD \$163,396), which is shown as other non-current assets as the transfer procedures have not yet been completed.

(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:

|                         | December 31, 2023   |            | December 31, 2022   |            |
|-------------------------|---------------------|------------|---------------------|------------|
|                         | Carrying amount     |            | Carrying amount     |            |
|                         | CNY                 | TWD        | CNY                 | TWD        |
| Buildings               | \$ 80,945           | \$ 350,249 | \$ 93,075           | \$ 410,275 |
| Years ended December 31 |                     |            |                     |            |
|                         | 2023                |            | 2022                |            |
|                         | Depreciation charge |            | Depreciation charge |            |
|                         | CNY                 | TWD        | CNY                 | TWD        |
| Buildings               | \$ 35,768           | \$ 157,140 | \$ 39,145           | \$ 173,091 |
| Office equipment        | -                   | -          | 4                   | 18         |
|                         | \$ 35,768           | \$ 157,140 | \$ 39,149           | \$ 173,109 |

- D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were CNY \$29,481 (TWD \$129,519) and CNY \$19,359 (TWD \$85,602), respectively.
- E. Information on income and expense relating to lease contracts is as follows:

|  | Years ended December 31 |           |          |           |
|--|-------------------------|-----------|----------|-----------|
|  | 2023                    |           | 2022     |           |
|  | CNY                     | TWD       | CNY      | TWD       |
| <u>Items affecting profit or loss</u>  |                         |           |          |           |
| Interest expense on lease liabilities  | \$ 3,643                | \$ 16,005 | \$ 4,109 | \$ 18,169 |
| Expense on short-term lease contracts  | 897                     | 3,941     | 1,184    | 5,235     |
| Expense on leases of low-value assets  | 17                      | 75        | 5        | 22        |
| Gains arising from lease modifications | 17                      | 75        | -        | -         |

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were CNY \$39,438 (TWD \$173,264) and CNY \$44,939 (TWD \$198,710), respectively.

G. As of December 31, 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 \$26,324 (TWD \$113,906).

#### (9) Intangible assets

|   | 2023            |                 |                            |                  |                     |                  |                  |                  |
|---|-----------------|-----------------|----------------------------|------------------|---------------------|------------------|------------------|------------------|
|   | Goodwill        |                 | Licences<br>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<br>amortisation<br>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                             | -               | -               | -                          | -                | 1,246               | 5,474            | 1,246            | 5,474            |
| Disposals                                     | -               | -               | -                          | -                | ( 473)              | ( 2,078)         | ( 473)           | ( 2,078)         |
| Additions—acquired<br>separately              | -               | -               | -                          | -                | 440                 | 1,933            | 440              | 1,933            |
| Amortisation charge                           | -               | -               | ( 1,542)                   | ( 6,774)         | ( 2,074)            | ( 9,112)         | ( 3,616)         | ( 15,886)        |
| Net exchange<br>differences                   | -               | ( 124)          | -                          | ( 1,081)         | 14                  | ( 281)           | 14               | ( 1,486)         |
| Balance at<br>December 31                     | <u>\$ 1,529</u> | <u>\$ 6,616</u> | <u>\$ 13,057</u>           | <u>\$ 56,497</u> | <u>\$ 4,085</u>     | <u>\$ 17,676</u> | <u>\$ 18,671</u> | <u>\$ 80,789</u> |
| At December 31                                |                 |                 |                            |                  |                     |                  |                  |                  |
| Cost  | \$ 1,529        | \$ 6,616        | \$ 16,366                  | \$ 70,816        | \$ 45,045           | \$ 194,910       | \$ 62,940        | \$ 272,342       |
| Accumulated<br>amortisation<br>and impairment | -               | -               | ( 3,309)                   | ( 14,319)        | ( 40,960)           | ( 177,234)       | ( 44,269)        | ( 191,553)       |
|   | <u>\$ 1,529</u> | <u>\$ 6,616</u> | <u>\$ 13,057</u>           | <u>\$ 56,497</u> | <u>\$ 4,085</u>     | <u>\$ 17,676</u> | <u>\$ 18,671</u> | <u>\$ 80,789</u> |



## 2022

|   | Licences        |                  |                  |                  |                     |                  |                  |                  |
|---|-----------------|------------------|------------------|------------------|---------------------|------------------|------------------|------------------|
|   | Goodwill        |                  | 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           | 54,229           | 2,808               | 12,416           | 15,072           | 66,645           |
| Disposal                                | -               | -                | -                | -                | ( 53)               | ( 234)           | ( 53)            | ( 234)           |
| Amortisation charge                     | -               | -                | ( 1,233)         | ( 5,452)         | ( 2,265)            | ( 10,015)        | ( 3,498)         | ( 15,467)        |
| Impairment loss                         | ( 1,684)        | ( 7,446)         | ( 3,939)         | ( 17,417)        | -                   | -                | ( 5,623)         | ( 24,863)        |
| Net exchange differences                | -               | 229              | -                | 382              | 58                  | 528              | 58               | 1,139            |
| Balance at December 31                  | <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> |
| At December 31                          |                 |                  |                  |                  |                     |                  |                  |                  |
| 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> |

- 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.
- C. The Group recognised impairment loss of CNY \$5,623 (TWD \$24,863) for the year ended December 31, 2022 as the operational condition of the subsidiary, Beijing YaPulide, was not as expected and the recoverable amount of the related assets of goodwill and trademarks was less than the carrying amount based on the assessment.

(10) Short-term borrowings

| Type of borrowings   | December 31, 2023 |                     | Interest rate range | Collateral |
|----------------------|-------------------|---------------------|---------------------|------------|
|                      | CNY               | TWD                 |                     |            |
| Bank borrowings      |                   |                     |                     |            |
| Secured borrowings   | \$ 163,211        | \$ 706,215          | 6.07%~6.11%         | Note       |
| Unsecured borrowings | 294,490           | 1,274,257           | 6.00%~6.31%         | -          |
|                      | <u>\$ 457,701</u> | <u>\$ 1,980,472</u> |                     |            |

| Type of borrowings   | December 31, 2022 |            | Interest rate range | Collateral |
|----------------------|-------------------|------------|---------------------|------------|
|                      | CNY               | TWD        |                     |            |
| Bank borrowings      |                   |            |                     |            |
| Unsecured borrowings | \$ 104,503        | \$ 460,649 | 4.93%~5.05%         | -          |

Note: Refer to Note 8 for details of collaterals.

- A. The Group recognised interest expense in profit or loss for the years ended December 31, 2023 and 2022, from long-term and short-term borrowings, amounting to CNY \$31,613 (TWD \$138,885) and CNY \$11,022 (TWD \$48,737), 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 December 31, 2023 and 2022, the Group has not violated any of the loan covenants in the borrowing agreement.

(11) Other payables

|                              | December 31, 2023 |                   | December 31, 2022 |                   |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
|                              | CNY               | TWD               | CNY               | TWD               |
| Wages and salaries payable   | \$ 22,523         | \$ 97,457         | \$ 21,995         | \$ 96,953         |
| Tax payable                  | 11,958            | 51,742            | 9,953             | 43,873            |
| Social insurance fee payable | 3,521             | 15,235            | 4,038             | 17,800            |
| Others                       | 58,898            | 254,855           | 65,216            | 287,472           |
|                              | <u>\$ 96,900</u>  | <u>\$ 419,289</u> | <u>\$ 101,202</u> | <u>\$ 446,098</u> |

(12) Long-term borrowings

On December 31, 2023: The Group had no outstanding long-term borrowings.

| 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> |

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 December 31, 2022, the Group has not violated any of the loan covenants in the borrowing agreement.

(13) Pensions

A. (a) Taiwan subsidiaries 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) The amounts recognised in the balance sheet are determined as follows:

|  | December 31, 2023 |                 | December 31, 2022 |                 |
|--|-------------------|-----------------|-------------------|-----------------|
|  | CNY               | TWD             | CNY               | TWD             |
| Present value of defined benefit obligations | \$ 620            | \$ 2,683        | \$ 620            | \$ 2,733        |
| Fair value of plan assets                    | -                 | -               | -                 | -               |
| Net defined benefit liability                | <u>\$ 620</u>     | <u>\$ 2,683</u> | <u>\$ 620</u>     | <u>\$ 2,733</u> |

(c) Changes in net defined benefit liability are as follows:

(In thousands of CNY)

|  | Present value of<br>defined benefit<br>obligations | Fair value of<br>plan assets | Net defined<br>benefit liability |
|--|--|------------------------------|----------------------------------|
| <u>Year ended December 31, 2023</u>  |  |                              |                                  |
| Balance at January 1   | \$ 620   | \$ -                         | \$ 620                           |
| Current service cost   | -  | -                            | -                                |
| Interest (expense) income  | <u>11</u>  | <u>-</u>                     | <u>11</u>                        |
|  | <u>631</u>   | <u>-</u>                     | <u>631</u>                       |
| Remeasurements:  |  |                              |                                  |
| Return on plan assets<br>(excluding amounts included<br>in interest income or expense) | -  | -                            | -                                |
| Change in demographic<br>assumptions   | 7  | -                            | 7                                |
| Experience adjustments   | <u>(29)</u>  | <u>-</u>                     | <u>(29)</u>                      |
|  | <u>(22)</u>  | <u>-</u>                     | <u>(22)</u>                      |
| Pension fund contribution  | -  | -                            | -                                |
| Paid pension   | -  | -                            | -                                |
| Exchange difference  | <u>11</u>  | <u>-</u>                     | <u>11</u>                        |
| Balance at December 31   | <u>\$ 620</u>                                      | <u>\$ -</u>                  | <u>\$ 620</u>                    |

(In thousands of CNY)

|  | Present value of<br>defined benefit<br>obligations | Fair value of<br>plan assets | Net defined<br>benefit liability |
|--|--|------------------------------|----------------------------------|
| <u>Year ended December 31, 2022</u>  |  |                              |                                  |
| Balance at January 1   | \$ 707   | \$ -                         | \$ 707                           |
| Current service cost   | -  | -                            | -                                |
| Interest (expense) income  | 5  | -                            | 5                                |
|  | <u>712</u>   | <u>-</u>                     | <u>712</u>                       |
| Remeasurements:  |  |                              |                                  |
| Return on plan assets<br>(excluding amounts included<br>in interest income or expense) | -  | -                            | -                                |
| Change in demographic<br>assumptions   | ( 67)  | -                            | ( 67)                            |
| Experience adjustments   | ( 15)  | -                            | ( 15)                            |
|  | <u>( 82)</u>                                       | <u>-</u>                     | <u>( 82)</u>                     |
| Pension fund contribution  | -  | -                            | -                                |
| Paid pension   | -  | -                            | -                                |
| Exchange difference  | ( 10)  | -                            | ( 10)                            |
| Balance at December 31   | <u>\$ 620</u>                                      | <u>\$ -</u>                  | <u>\$ 620</u>                    |

(In thousands of TWD)

|  | Present value of<br>defined benefit<br>obligations | Fair value of<br>plan assets | Net defined<br>benefit liability |
|--|--|------------------------------|----------------------------------|
| <u>Year ended December 31, 2023</u>  |  |                              |                                  |
| Balance at January 1   | \$ 2,733   | \$ -                         | \$ 2,733                         |
| Current service cost   | -  | -                            | -                                |
| Interest (expense) income  | 47   | -                            | 47                               |
|  | <u>2,780</u>                                       | <u>-</u>                     | <u>2,780</u>                     |
| Remeasurements:  |  |                              |                                  |
| Return on plan assets<br>(excluding amounts included<br>in interest income or expense) | -  | -                            | -                                |
| Change in demographic<br>assumptions   | 30   | -                            | 30                               |
| Experience adjustments   | ( 127)   | -                            | ( 127)                           |
|  | <u>( 97)</u>                                       | <u>-</u>                     | <u>( 97)</u>                     |
| Pension fund contribution  | -  | -                            | -                                |
| Paid pension   | -  | -                            | -                                |
| Balance at December 31   | <u>\$ 2,683</u>                                    | <u>\$ -</u>                  | <u>\$ 2,683</u>                  |

|  | (In thousands of TWD)                              |                              |                                  |
|--|--|------------------------------|----------------------------------|
|  | Present value of<br>defined benefit<br>obligations | Fair value of<br>plan assets | Net defined<br>benefit liability |
| <u>Year ended December 31, 2022</u>  |  |                              |                                  |
| Balance at January 1   | \$ 3,073   | \$ -                         | \$ 3,073                         |
| Current service cost   | -  | -                            | -                                |
| Interest (expense) income  | 23   | -                            | 23                               |
|  | <u>3,096</u>                                       | <u>-</u>                     | <u>3,096</u>                     |
| Remeasurements:  |  |                              |                                  |
| Return on plan assets<br>(excluding amounts included<br>in interest income or expense) | -  | -                            | -                                |
| Change in demographic<br>assumptions   | ( 297)   | -                            | ( 297)                           |
| Experience adjustments   | ( 66)  | -                            | ( 66)                            |
|  | <u>( 363)</u>                                      | <u>-</u>                     | <u>( 363)</u>                    |
| Pension fund contribution  | -  | -                            | -                                |
| Paid pension   | -  | -                            | -                                |
| Balance at December 31   | <u>\$ 2,733</u>                                    | <u>\$ -</u>                  | <u>\$ 2,733</u>                  |

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

|                         | Years ended December 31 |               |
|-------------------------|-------------------------|---------------|
|                         | 2023                    | 2022          |
| Discount rate           | <u>1.750%</u>           | <u>1.750%</u> |
| Future salary increases | <u>3.000%</u>           | <u>3.000%</u> |

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

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

|   |  | (In thousands of CNY) |          |                         |          |
|---|--|-----------------------|----------|-------------------------|----------|
|   |  | Discount rate         |          | Future salary increases |          |
|   |  | Increase              | Decrease | Increase                | Decrease |
|   |  | 0.25%                 | 0.25%    | 0.25%                   | 0.25%    |
| <u>December 31, 2023</u>                              |  |                       |          |                         |          |
| Impact on present value of defined benefit obligation |  | (\$ 14)               | \$ 14    | \$ 13                   | (\$ 13)  |
| <u>December 31, 2022</u>                              |  |                       |          |                         |          |
| Impact on present value of defined benefit obligation |  | (\$ 16)               | \$ 16    | \$ 16                   | (\$ 15)  |

  

|   |  | (In thousands of TWD) |          |                         |          |
|---|--|-----------------------|----------|-------------------------|----------|
|   |  | Discount rate         |          | Future salary increases |          |
|   |  | Increase              | Decrease | Increase                | Decrease |
|   |  | 0.25%                 | 0.25%    | 0.25%                   | 0.25%    |
| <u>December 31, 2023</u>                              |  |                       |          |                         |          |
| Impact on present value of defined benefit obligation |  | (\$ 60)               | \$ 62    | \$ 59                   | (\$ 58)  |
| <u>December 31, 2022</u>                              |  |                       |          |                         |          |
| Impact on present value of defined benefit obligation |  | (\$ 69)               | \$ 71    | \$ 68                   | (\$ 67)  |

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

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

- (e) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to \$0.
- (f) As of December 31, 2023, the weighted average duration of that retirement plan is 10.95 years.



- B. (a) Effective July 1, 2005, Taiwan subsidiaries 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 subsidiaries 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 years ended December 31, 2023 and 2022 were CNY \$18,006 (TWD \$79,107) and CNY \$16,664 (TWD \$73,684), 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<br/>(shares in thousands)</u> | <u>Vesting conditions</u> |
|---|-------------------|---|---------------------------|
| Treasury stock transferred to employees | 2023.03.09        | 503   | Vested immediately        |

For the year ended December 31, 2022: None.

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

| Year ended December 31, 2023       |  |
|------------------------------------|--|
| No. of options<br>(in thousands)   | Weighted-average exercise<br>price<br>(in TWD dollars) |
| Options outstanding at January 1   | - \$ -   |
| Options granted                    | 503 197.14   |
| Options exercised                  | (503) (197.14)   |
| Options outstanding at December 31 | - -  |
| Options exercisable at December 31 | - -  |

For the year ended December 31, 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:

|                | Year ended<br>December 31, 2023 |           |
|----------------|---------------------------------|-----------|
|                | CNY                             | TWD       |
| Equity-settled | \$ 3,512                        | \$ 15,543 |

For the year ended December 31, 2022: None.

#### (15) Share capital

A. As of December 31, 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:

|                                    | 2023          | 2022          |
|------------------------------------|---------------|---------------|
| At January 1                       | 78,999        | 79,492        |
| Purchase of treasury shares        | ( 10)         | ( 493)        |
| Exercise of employee share options | 503           | -             |
| At December 31                     | <u>79,492</u> | <u>78,999</u> |

C. Treasury shares

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

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

December 31, 2023: 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 December 31                     | \$ 263,560    | \$ 1,288,068 | \$ 809                 | \$ 3,924  | \$ 15         | \$ 78 | \$ 13,453 | \$ 86,302 | \$ 2,296                           | \$ 10,050 | \$ 280,133 | \$ 1,388,422 |

  

| 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<br>(December 31) | \$ 263,560    | \$ 1,288,068 | \$ 809                 | \$ 3,924 | \$ 15         | \$ 78 | \$ 9,941 | \$ 70,759 | \$ 2,296                           | \$ 10,050 | \$ 276,621 | \$ 1,372,879 |

## (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              |                   |   | 2021              |                     |   |
|-----------------|-------------------|-------------------|---|-------------------|---------------------|---|
|                 | CNY               | TWD               | Dividends<br>per share<br>(New Taiwan<br>dollars) | CNY               | TWD                 | Dividends<br>per share<br>(New Taiwan<br>dollars) |
| 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).

E. The appropriations of earnings for 2023 as resolved by the Board of Directors on March 1, 2024 is as follows:

|                 | 2023              |                   | Earnings per share<br>(in dollars)<br>(NTD) |
|-----------------|-------------------|-------------------|---|
|                 | RMB               | NTD               |   |
| Special reserve | \$ 21,863         | \$ 94,603         |   |
| Legal reserve   | -                 | -                 |   |
| Cash dividends  | <u>192,898</u>    | <u>834,670</u>    | <u>\$ 10.50</u>                             |
|                 | <u>\$ 214,761</u> | <u>\$ 929,273</u> |   |

Note: The amounts related to the appropriations of earnings in RMB for the year ended December 31, 2023 were expressed using the exchange rate at the end of the reporting period.

(a) Abovementioned appropriations of 2023 earnings have not yet been resolved by the shareholders.

(b) 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.

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

(18) Operating revenue

|                                       | Years ended December 31 |                     |                   |                     |
|---------------------------------------|-------------------------|---------------------|-------------------|---------------------|
|                                       | 2023                    |                     | 2022              |                     |
|                                       | CNY                     | TWD                 | CNY               | TWD                 |
| Revenue from contracts with customers | <u>\$ 1,032,202</u>     | <u>\$ 4,534,771</u> | <u>\$ 920,261</u> | <u>\$ 4,069,210</u> |

A. Disaggregation of revenue from contracts with customers

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

|   | Years ended December 31 |                     |                   |                     |
|---|-------------------------|---------------------|-------------------|---------------------|
|   | 2023                    |                     | 2022              |                     |
|   | CNY                     | TWD                 | CNY               | TWD                 |
| Net sales of goods  | \$ 966,318              | \$ 4,245,322        | \$ 872,261        | \$ 3,856,964        |
| Special affiliate income                                      | 9,636                   | 42,334              | 9,057             | 40,048              |
| Skincare service from company-operated salon and other income | <u>56,248</u>           | <u>247,115</u>      | <u>38,943</u>     | <u>172,198</u>      |
|   | <u>\$ 1,032,202</u>     | <u>\$ 4,534,771</u> | <u>\$ 920,261</u> | <u>\$ 4,069,210</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:

|  | December 31, 2023 |                   | December 31, 2022 |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | CNY               | TWD               | CNY               | TWD               |
| Contract liabilities - advance sales receipts from customers | <u>\$ 81,870</u>  | <u>\$ 354,251</u> | <u>\$ 80,664</u>  | <u>\$ 355,567</u> |
|  |                   |                   | January 1, 2022   |                   |
|  |                   |                   | CNY               | TWD               |
| Contract liabilities - advance sales receipts from customers |                   |                   | <u>\$ 96,496</u>  | <u>\$ 419,179</u> |

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

|   | Years ended December 31 |            |           |            |
|---|-------------------------|------------|-----------|------------|
|   | 2023                    |            | 2022      |            |
|   | CNY                     | TWD        | CNY       | TWD        |
| Contract liabilities - advance sales receipts from customers at the beginning of the year | \$ 67,761               | \$ 297,694 | \$ 84,172 | \$ 372,192 |

(19) Interest income

|  | Years ended December 31 |                   |                  |                  |
|--|-------------------------|-------------------|------------------|------------------|
|  | 2023                    |                   | 2022             |                  |
|  | CNY                     | TWD               | CNY              | TWD              |
| Interest income from bank deposits                               | \$ 15,814               | \$ 69,475         | \$ 16,204        | \$ 71,651        |
| Interest income from financial assets measured at amortised cost | 17,764                  | 78,043            | 2,066            | 9,135            |
| Other interest income  | 2,759                   | 12,121            | 4,079            | 18,037           |
|  | <u>\$ 36,337</u>        | <u>\$ 159,639</u> | <u>\$ 22,349</u> | <u>\$ 98,823</u> |

(20) Other income

|                           | Years ended December 31 |                   |                  |                   |
|---------------------------|-------------------------|-------------------|------------------|-------------------|
|                           | 2023                    |                   | 2022             |                   |
|                           | CNY                     | TWD               | CNY              | TWD               |
| Government grants revenue | \$ 44,192               | \$ 194,149        | \$ 21,340        | \$ 94,361         |
| Others                    | 5,024                   | 22,072            | 12,180           | 53,858            |
|                           | <u>\$ 49,216</u>        | <u>\$ 216,221</u> | <u>\$ 33,520</u> | <u>\$ 148,219</u> |

(21) Other gains and losses

|   | Years ended December 31 |                  |                    |                     |
|---|-------------------------|------------------|--------------------|---------------------|
|   | 2023                    |                  | 2022               |                     |
|   | CNY                     | TWD              | CNY                | TWD                 |
| Losses on disposal of property, plant and equipment                         | (\$ 661)                | (\$ 2,905)       | (\$ 588)           | (\$ 2,600)          |
| Foreign exchange losses   | 3,111                   | 13,668           | ( 34,209)          | ( 151,265)          |
| Net gains (losses) on financial assets at fair value through profit or loss | 15,448                  | 67,868           | ( 1,974)           | ( 8,729)            |
| Gains arising from lease modifications                                      | 17                      | 75               | -                  | -                   |
| Depreciation expense - investment property- buildings                       | ( 994)                  | ( 4,367)         | ( 994)             | ( 4,396)            |
| Impairment losses on intangible assets                                      | -                       | -                | ( 5,623)           | ( 24,863)           |
| Impairment losses on investments accounted for using equity method          | -                       | -                | ( 1,363)           | ( 6,027)            |
| Other losses  | ( 1,061)                | ( 4,661)         | ( 1,164)           | ( 5,147)            |
|   | <u>\$ 15,860</u>        | <u>\$ 69,678</u> | <u>(\$ 45,915)</u> | <u>(\$ 203,027)</u> |

(22) Finance cost

|                                    | Years ended December 31 |                   |                  |                  |
|------------------------------------|-------------------------|-------------------|------------------|------------------|
|                                    | 2023                    |                   | 2022             |                  |
|                                    | CNY                     | TWD               | CNY              | TWD              |
| Interest expense - Bank borrowings | \$ 31,613               | \$ 138,885        | \$ 11,022        | \$ 48,737        |
| Interest expense - Lease liability | 3,643                   | 16,005            | 4,109            | 18,169           |
|                                    | <u>\$ 35,256</u>        | <u>\$ 154,890</u> | <u>\$ 15,131</u> | <u>\$ 66,906</u> |

(23) Employee benefit expense, depreciation and amortisation

|                                  | Year ended December 31, 2023 |           |                    |            |            |            |
|----------------------------------|------------------------------|-----------|--------------------|------------|------------|------------|
|                                  | Operating costs              |           | Operating expenses |            | Total      |            |
|                                  | CNY                          | TWD       | CNY                | TWD        | CNY        | TWD        |
| Employee benefit expense         |                              |           |                    |            |            |            |
| Wages and salaries               | \$ 13,535                    | \$ 59,463 | \$ 158,100         | \$ 694,581 | \$ 171,635 | \$ 754,044 |
| Labour and health insurance fees | 636                          | 2,794     | 12,527             | 55,035     | 13,163     | 57,829     |
| Pension costs                    | 860                          | 3,778     | 17,157             | 75,376     | 18,017     | 79,154     |
| Other employee benefit expense   | 365                          | 1,604     | 10,751             | 47,232     | 11,116     | 48,836     |
| Depreciation                     | 3,588                        | 15,763    | 65,862             | 289,352    | 69,450     | 305,115    |
| Amortisation                     | 82                           | 360       | 3,534              | 15,526     | 3,616      | 15,886     |



|                                  |    | Year ended December 31, 2022 |           |                    |            |            |            |
|----------------------------------|----|------------------------------|-----------|--------------------|------------|------------|------------|
|                                  |    | Operating costs              |           | Operating expenses |            | Total      |            |
|                                  |    | CNY                          | TWD       | CNY                | TWD        | CNY        | TWD        |
| Employee benefit expense         |    |                              |           |                    |            |            |            |
| Wages and salaries               | \$ | 9,522                        | \$ 42,104 | \$ 142,593         | \$ 630,518 | \$ 152,115 | \$ 672,622 |
| Labour and health insurance fees |    | 587                          | 2,596     | 11,597             | 51,280     | 12,184     | 53,876     |
| Pension costs                    |    | 769                          | 3,400     | 15,900             | 70,307     | 16,669     | 73,707     |
| Other employee benefit expense   |    | 338                          | 1,495     | 13,060             | 57,749     | 13,398     | 59,244     |
| Depreciation                     |    | 3,051                        | 13,491    | 70,205             | 310,433    | 73,256     | 323,924    |
| Amortisation                     |    | 284                          | 1,256     | 3,214              | 14,211     | 3,498      | 15,467     |

- 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 years ended December 31, 2023 and 2022, employees' compensation was accrued at CNY \$4,961 (TWD \$21,795) and CNY \$3,954 (TWD \$17,484), respectively; directors' remuneration was accrued at CNY \$2,481 (TWD \$10,898) and CNY \$1,977 (TWD \$8,742), 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:

|   | Years ended December 31 |                   |                   |                   |
|---|-------------------------|-------------------|-------------------|-------------------|
|   | 2023                    |                   | 2022              |                   |
|   | CNY                     | TWD               | CNY               | TWD               |
| Current tax:                                      |                         |                   |                   |                   |
| Current tax on profits for the year               | \$ 92,581               | \$ 406,736        | \$ 115,377        | \$ 510,175        |
| Prior year income tax over estimation             | ( 1,046)                | ( 4,596)          | ( 324)            | ( 1,432)          |
| Deferred tax:                                     |                         |                   |                   |                   |
| Origination and reversal of temporary differences | 2,213                   | 9,723             | ( 9,355)          | ( 41,367)         |
| Income tax expense                                | <u>\$ 93,748</u>        | <u>\$ 411,863</u> | <u>\$ 105,698</u> | <u>\$ 467,376</u> |

B. Reconciliation between income tax expense and accounting profit

|   | Years ended December 31 |                   |                   |                   |
|---|-------------------------|-------------------|-------------------|-------------------|
|   | 2023                    |                   | 2022              |                   |
|   | CNY                     | TWD               | CNY               | TWD               |
| Tax calculated based on profit before tax and statutory tax rate (Note) | \$ 89,705               | \$ 394,103        | \$ 82,782         | \$ 366,048        |
| Effect from items disallowed by tax regulation                          | 230                     | 1,010             | 167               | 738               |
| Effect from tax exempt income by tax regulation                         | ( 443)                  | ( 1,947)          | ( 1,149)          | ( 5,080)          |
| Taxable loss not recognised as deferred tax assets                      | 6,729                   | 29,562            | 12,069            | 53,367            |
| Change in assessment of realisation of deferred tax assets              | ( 1,427)                | ( 6,269)          | ( 1,059)          | ( 4,683)          |
| Prior year income tax over estimation                                   | ( 1,046)                | ( 4,596)          | ( 324)            | ( 1,432)          |
| Withholding tax on distributable earnings of subsidiaries in China      | -                       | -                 | 13,212            | 58,418            |
| Income tax expense  | <u>\$ 93,748</u>        | <u>\$ 411,863</u> | <u>\$ 105,698</u> | <u>\$ 467,376</u> |

Note: The applicable tax rates are the rates applicable in the respective countries where the Group entities operate.

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

| (In thousands of CNY)           |                    |                                    |                            |                    |
|---------------------------------|--------------------|------------------------------------|----------------------------|--------------------|
| 2023                            |                    |                                    |                            |                    |
|                                 | January 1          | Recognised<br>in profit<br>or loss | Translation<br>differences | December 31        |
| - Deferred tax assets:          |                    |                                    |                            |                    |
| Temporary differences:          |                    |                                    |                            |                    |
| Lease liability                 | \$ 18,434          | (\$ 1,944)                         | \$ -                       | \$ 16,490          |
| Unrealised expenses             | 1,014              | ( 637)                             | -                          | 377                |
| Decline in value of inventories | 1,956              | ( 1,128)                           | 22                         | 850                |
| Others                          | 2,851              | 163                                | 29                         | 3,043              |
| Loss carryforwards              | 2,077              | -                                  | 18                         | 2,095              |
|                                 | <u>\$ 26,332</u>   | <u>(\$ 3,546)</u>                  | <u>\$ 69</u>               | <u>\$ 22,855</u>   |
| - Deferred tax assets:          |                    |                                    |                            |                    |
| Temporary differences:          |                    |                                    |                            |                    |
| Right-of-use assets             | (\$ 17,935)        | \$ 1,274                           | \$ -                       | (\$ 16,661)        |
| Unrealised profit from sales    | ( 2,319)           | ( 20)                              | -                          | ( 2,339)           |
| Licenses                        | ( 764)             | 79                                 | -                          | ( 685)             |
|                                 | <u>(\$ 21,018)</u> | <u>\$ 1,333</u>                    | <u>\$ -</u>                | <u>(\$ 19,685)</u> |
|                                 | <u>\$ 5,314</u>    | <u>(\$ 2,213)</u>                  | <u>\$ 69</u>               | <u>\$ 3,170</u>    |

(In thousands of CNY)

|  | 2022               |                                    |                            |                    |
|--|--------------------|------------------------------------|----------------------------|--------------------|
|  | January 1          | Recognised<br>in profit<br>or loss | Translation<br>differences | December 31        |
| - Deferred tax assets:                   |                    |                                    |                            |                    |
| Temporary differences:                   |                    |                                    |                            |                    |
| Lease liability                          | \$ 22,174          | (\$ 3,740)                         | \$ -                       | \$ 18,434          |
| Unrealised expenses                      | 8,302              | ( 7,288)                           | -                          | 1,014              |
| Decline in value of inventories          | 2,478              | ( 520)                             | ( 2)                       | 1,956              |
| Others                                   | 1,341              | 1,510                              | -                          | 2,851              |
| Loss carryforwards                       | 2,091              | -                                  | ( 14)                      | 2,077              |
|  | <u>\$ 36,386</u>   | <u>(\$ 10,038)</u>                 | <u>(\$ 16)</u>             | <u>\$ 26,332</u>   |
| - Deferred tax assets:                   |                    |                                    |                            |                    |
| Temporary differences:                   |                    |                                    |                            |                    |
| Right-of-use assets                      | (\$ 21,699)        | \$ 3,764                           | \$ -                       | (\$ 17,935)        |
| Withholding tax of attributable earnings | ( 10,000)          | 10,000                             | -                          | -                  |
| Unrealised profit from sales             | ( 6,834)           | 4,515                              | -                          | ( 2,319)           |
| Licenses                                 | ( 1,878)           | 1,114                              | -                          | ( 764)             |
|  | <u>(\$ 40,411)</u> | <u>\$ 19,393</u>                   | <u>\$ -</u>                | <u>(\$ 21,018)</u> |
|  | <u>(\$ 4,025)</u>  | <u>\$ 9,355</u>                    | <u>(\$ 16)</u>             | <u>\$ 5,314</u>    |

(In thousands of TWD)

2023

|                                 | January 1          | Recognised<br>in profit<br>or loss | Translation<br>differences | December 31        |
|---------------------------------|--------------------|------------------------------------|----------------------------|--------------------|
| - Deferred tax assets:          |                    |                                    |                            |                    |
| Temporary differences:          |                    |                                    |                            |                    |
| Lease liability                 | \$ 81,257          | (\$ 8,541)                         | (\$ 1,362)                 | \$ 71,354          |
| Unrealised expenses             | 4,470              | ( 2,799)                           | ( 40)                      | 1,631              |
| Decline in value of inventories | 8,622              | ( 4,956)                           | 12                         | 3,678              |
| Others                          | 12,567             | 716                                | ( 115)                     | 13,168             |
| Loss carryforwards              | 9,155              | -                                  | ( 92)                      | 9,063              |
|                                 | <u>\$ 116,071</u>  | <u>(\$ 15,580)</u>                 | <u>(\$ 1,597)</u>          | <u>\$ 98,894</u>   |
| - Deferred tax assets:          |                    |                                    |                            |                    |
| Temporary differences:          |                    |                                    |                            |                    |
| Right-of-use assets             | (\$ 79,057)        | \$ 5,597                           | \$ 1,366                   | (\$ 72,094)        |
| Unrealised profit from sales    | ( 10,222)          | ( 88)                              | 191                        | ( 10,119)          |
| Licenses                        | ( 3,368)           | 347                                | 57                         | ( 2,964)           |
|                                 | <u>(\$ 92,647)</u> | <u>\$ 5,856</u>                    | <u>\$ 1,614</u>            | <u>(\$ 85,177)</u> |
|                                 | <u>\$ 23,424</u>   | <u>(\$ 9,724)</u>                  | <u>\$ 17</u>               | <u>\$ 13,717</u>   |

(In thousands of TWD)

| 2022                                     |                     |                                    |                            |                    |
|--|---------------------|------------------------------------|----------------------------|--------------------|
|  | January 1           | Recognised<br>in profit<br>or loss | Translation<br>differences | December 31        |
| - Deferred tax assets:                   |                     |                                    |                            |                    |
| Temporary differences:                   |                     |                                    |                            |                    |
| Lease liability                          | \$ 96,324           | (\$ 16,232)                        | \$ 1,165                   | \$ 81,257          |
| Unrealised expenses                      | 36,064              | ( 32,226)                          | 632                        | 4,470              |
| Decline in value of inventories          | 10,764              | ( 2,299)                           | 157                        | 8,622              |
| Others                                   | 5,826               | 6,677                              | 64                         | 12,567             |
| Loss carryforwards                       | 9,083               | -                                  | 72                         | 9,155              |
|  | <u>\$ 158,061</u>   | <u>(\$ 44,080)</u>                 | <u>\$ 2,090</u>            | <u>\$ 116,071</u>  |
| - Deferred tax assets:                   |                     |                                    |                            |                    |
| Temporary differences:                   |                     |                                    |                            |                    |
| Right-of-use assets                      | (\$ 94,260)         | \$ 16,338                          | (\$ 1,135)                 | (\$ 79,057)        |
| Withholding tax of attributable earnings | ( 43,440)           | 44,218                             | ( 778)                     | -                  |
| Unrealised profit from sales             | ( 29,687)           | 19,965                             | ( 500)                     | ( 10,222)          |
| Licenses                                 | ( 8,158)            | 4,926                              | ( 136)                     | ( 3,368)           |
|  | <u>(\$ 175,545)</u> | <u>\$ 85,447</u>                   | <u>(\$ 2,549)</u>          | <u>(\$ 92,647)</u> |
|  | <u>(\$ 17,484)</u>  | <u>\$ 41,367</u>                   | <u>(\$ 459)</u>            | <u>\$ 23,424</u>   |

D. Details of the amount of unrecognised deferred tax assets are as follows:

|              |                | December 31, 2023       |                   |  |                   |
|--------------|----------------|-------------------------|-------------------|--|-------------------|
| Geographical | Filed/Approved | Amount not yet deducted |                   | Amount of unrecognised deferred tax assets |                   |
|              |                | CNY                     | TWD               | CNY  | TWD               |
| China        | Filed          | \$ 121,054              | \$ 523,801        | \$ 116,370                                 | \$ 503,533        |
| Taiwan       | Filed/Approved | 64,363                  | 278,499           | 59,743                                     | 258,508           |
| Hong Kong    | Filed          | 15,251                  | 65,991            | 15,251                                     | 65,991            |
|              |                | <u>\$ 200,668</u>       | <u>\$ 868,291</u> | <u>\$ 191,364</u>                          | <u>\$ 828,032</u> |
|              |                | December 31, 2022       |                   |  |                   |
| Geographical | Filed/Approved | Amount not yet deducted |                   | Amount of unrecognised deferred tax assets |                   |
|              |                | CNY                     | TWD               | CNY  | TWD               |
| China        | Filed          | \$ 109,604              | \$ 483,134        | \$ 109,604                                 | \$ 480,166        |
| Taiwan       | Filed/Approved | 63,094                  | 278,120           | 58,557                                     | 258,120           |
| Hong Kong    | Filed          | 40,001                  | 176,324           | 40,001                                     | 180,249           |
|              |                | <u>\$ 212,699</u>       | <u>\$ 937,578</u> | <u>\$ 208,162</u>                          | <u>\$ 918,535</u> |

- E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2023 and 2022, the amounts of temporary differences unrecognised as deferred tax liabilities were CNY\$48,429 (TWD \$212,763) and CNY\$37,462 (TWD \$165,649), respectively. The amount was estimated based on expected realised tax rate of 5%.
- F. 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

| Year ended December 31, 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   | \$ 235,256            | \$ 1,033,554          | 79,335  | \$ 2.97            | \$ 13.03      |
| <u>Diluted earnings per share</u>  |                       |                       |   |                    |               |
| Profit attributable to ordinary shareholders of the parent   | \$ 235,256            | \$ 1,033,554          | 79,335  |                    |               |
| Assumed conversion of all dilutive potential ordinary shares   |                       |                       |   |                    |               |
| Employees' compensation  | -                     | -                     | 124   |                    |               |
| Employee stock options   | -                     | -                     | 6   |                    |               |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | \$ 235,256            | \$ 1,033,554          | 79,465  | \$ 2.96            | \$ 13.01      |



| Year ended December 31, 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   | \$ 156,013            | \$ 689,858            | 79,475  | \$ 1.96            | \$ 8.68       |
| <u>Diluted earnings per share</u>  |                       |                       |   |                    |               |
| Profit attributable to ordinary shareholders of the parent   | \$ 156,013            | \$ 689,858            | 79,475  |                    |               |
| Assumed conversion of all dilutive potential ordinary shares   |                       |                       |   |                    |               |
| Employees' compensation  | -                     | -                     | 117   |                    |               |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | \$ 156,013            | \$ 689,858            | 79,592  | \$ 1.96            | \$ 8.67       |

(26) Supplemental cash flow information

|   | December 31, 2023 |            | December 31, 2022 |           |
|---|-------------------|------------|-------------------|-----------|
|   | CNY               | TWD        | CNY               | TWD       |
| Purchase of property, plant and equipment   | \$ 19,426         | \$ 85,344  | \$ 12,850         | \$ 56,820 |
| Add: Ending balance of prepayment for buildings (shown as other non-current assets) | 37,144            | 163,396    | -                 | -         |
| Cash paid during the year   | \$ 56,570         | \$ 248,740 | \$ 12,850         | \$ 56,820 |

(27) 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 | 360,001               | 1,581,593           | ( 34,881)         | ( 153,243)        | -                    | -            |
| Proceeds from long-term borrowings             | -                     | -                   | -                 | -                 | 35,508               | 155,997      |
| Repayments of long-term borrowings             | -                     | -                   | -                 | -                 | ( 426,959)           | ( 1,875,756) |
| Increase in lease liabilities                  | -                     | -                   | 29,481            | 129,519           | -                    | -            |
| Decrease in lease liabilities                  | -                     | -                   | ( 6,147)          | ( 27,006)         | -                    | -            |
| Impact of changes in foreign exchange rate     | ( 6,803)              | ( 61,770)           | 303               | ( 5,524)          | 1,306                | -            |
| At December 31                                 | <u>\$ 457,701</u>     | <u>\$ 1,980,472</u> | <u>\$ 82,598</u>  | <u>\$ 357,401</u> | <u>\$ -</u>          | <u>\$ -</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 | ( 142,798)            | ( 631,423)        | ( 39,641)         | ( 175,284)        | -                    | -                   |
| Proceeds from long-term borrowings             | -                     | -                 | -                 | -                 | 550,586              | 2,434,581           |
| Repayments of long-term borrowings             | -                     | -                 | -                 | -                 | ( 493,200)           | ( 2,180,832)        |
| Increase in lease liabilities                  | -                     | -                 | 19,359            | 85,602            | -                    | -                   |
| Impact of changes in foreign exchange rate     | ( 5,668)              | ( 6,825)          | ( 1,580)          | 719               | 9,061                | 59,865              |
| At December 31                                 | <u>\$ 104,503</u>     | <u>\$ 460,649</u> | <u>\$ 93,842</u>  | <u>\$ 413,655</u> | <u>\$ 390,145</u>    | <u>\$ 1,719,759</u> |

## 7. RELATED PARTY TRANSACTIONS

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

| <u>Names of related parties</u>  | <u>Relationship with the Group</u> |
|--|------------------------------------|
| 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<br>(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.<br>(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.<br>(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.<br>(Shanghai Zhongye)                       | Associate                          |
| U-NEURON BIOMEDICAL INC.<br>(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

|                                | Years ended December 31 |                 |                 |                 |
|--------------------------------|-------------------------|-----------------|-----------------|-----------------|
|                                | 2023                    |                 | 2022            |                 |
|                                | CNY                     | TWD             | CNY             | TWD             |
| Sales of goods and OEM income: |                         |                 |                 |                 |
| Associate                      | \$ -                    | \$ -            | (\$ 274)        | (\$ 1,211)      |
| Other related parties          | 237                     | 1,041           | 85              | 378             |
|                                | <u>\$ 237</u>           | <u>\$ 1,041</u> | <u>(\$ 189)</u> | <u>(\$ 833)</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.

For the year ended December 31, 2022, the Group's operating revenue from associates included the sales return in the current period.

B. Purchases

|                       | Years ended December 31 |                  |                  |                  |
|-----------------------|-------------------------|------------------|------------------|------------------|
|                       | 2023                    |                  | 2022             |                  |
|                       | CNY                     | TWD              | CNY              | TWD              |
| Purchases of goods    |                         |                  |                  |                  |
| Associate             | \$ 1,779                | \$ 7,814         | \$ 2,152         | \$ 9,518         |
| Other related parties | 15,420                  | 67,744           | 12,896           | 57,021           |
| Processing fees       |                         |                  |                  |                  |
| Other related parties | 521                     | 2,289            | 271              | 1,198            |
|                       | <u>\$ 17,720</u>        | <u>\$ 77,847</u> | <u>\$ 15,319</u> | <u>\$ 67,737</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

|                       | December 31, 2023 |                 | December 31, 2022 |                 |
|-----------------------|-------------------|-----------------|-------------------|-----------------|
|                       | CNY               | TWD             | CNY               | TWD             |
| Accounts receivable:  |                   |                 |                   |                 |
| Other related parties | <u>\$ 208</u>     | <u>\$ 899</u>   | <u>\$ -</u>       | <u>\$ -</u>     |
| Other receivables:    |                   |                 |                   |                 |
| Other related parties | <u>\$ 320</u>     | <u>\$ 1,389</u> | <u>\$ 263</u>     | <u>\$ 1,163</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

|                       | December 31, 2023 |                  | December 31, 2022 |                  |
|-----------------------|-------------------|------------------|-------------------|------------------|
|                       | CNY               | TWD              | CNY               | TWD              |
| Accounts payable:     |                   |                  |                   |                  |
| Associate             | \$ 124            | \$ 537           | \$ -              | \$ -             |
| Other related parties |                   |                  |                   |                  |
| Charming Biotech      | 2,308             | 9,986            | 1,137             | 5,013            |
| Kelti China           | 2,157             | 9,332            | 1,998             | 8,808            |
| Others                | 1,349             | 5,838            | 954               | 4,203            |
|                       | <u>\$ 5,938</u>   | <u>\$ 25,693</u> | <u>\$ 4,089</u>   | <u>\$ 18,024</u> |
| Other payables:       |                   |                  |                   |                  |
| Associate             | \$ 4              | \$ 17            | \$ 19             | \$ 84            |
| Other related parties | 1,077             | 4,660            | 740               | 3,262            |
|                       | <u>\$ 1,081</u>   | <u>\$ 4,677</u>  | <u>\$ 759</u>     | <u>\$ 3,346</u>  |

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

#### E. Services expense

|                       | Years ended December 31 |                 |                 |                 |
|-----------------------|-------------------------|-----------------|-----------------|-----------------|
|                       | 2023                    |                 | 2022            |                 |
|                       | CNY                     | TWD             | CNY             | TWD             |
| Other related parties |                         |                 |                 |                 |
| Kelti China           | \$ 2,200                | \$ 9,665        | \$ 1,619        | \$ 7,159        |
| Others                | -                       | -               | 38              | 168             |
|                       | <u>\$ 2,200</u>         | <u>\$ 9,665</u> | <u>\$ 1,657</u> | <u>\$ 7,327</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   | Years ended December 31 |             |                  |                  |
|-----------|------------|-------------------------|-------------|------------------|------------------|
|           |            | 2023                    |             | 2022             |                  |
|           |            | Consideration           |             | Consideration    |                  |
|           |            | CNY                     | TWD         | CNY              | TWD              |
| Associate | Trademarks | <u>\$ -</u>             | <u>\$ -</u> | <u>\$ 12,264</u> | <u>\$ 54,229</u> |

#### 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

|                       | Years ended December 31 |                  |                 |                 |
|-----------------------|-------------------------|------------------|-----------------|-----------------|
|                       | 2023                    |                  | 2022            |                 |
|                       | CNY                     | TWD              | CNY             | TWD             |
| Kelti China           | \$ 10,979               | \$ 48,234        | \$ 1,578        | \$ 6,957        |
| Other related parties | 3,625                   | 15,685           | -               | -               |
|                       | <u>\$ 14,604</u>        | <u>\$ 63,919</u> | <u>\$ 1,578</u> | <u>\$ 6,957</u> |

(c) Lease liability

i. Balance at end of the financial reporting period

|                       | December 31, 2023 |                   | December 31, 2022 |                   |
|-----------------------|-------------------|-------------------|-------------------|-------------------|
|                       | CNY               | TWD               | CNY               | TWD               |
| Chen, Wu-Kang         | \$ 12,033         | \$ 52,067         | \$ 13,508         | \$ 59,543         |
| Kelti China           | 9,754             | 42,204            | 4,521             | 19,929            |
| Other related parties | 2,085             | 9,022             | 6,281             | 27,687            |
|                       | <u>\$ 23,872</u>  | <u>\$ 103,293</u> | <u>\$ 24,310</u>  | <u>\$ 107,159</u> |

ii. Interest expense

|                       | Years ended December 31 |                 |               |                 |
|-----------------------|-------------------------|-----------------|---------------|-----------------|
|                       | 2023                    |                 | 2022          |                 |
|                       | CNY                     | TWD             | CNY           | TWD             |
| Other related parties | <u>\$ 656</u>           | <u>\$ 2,883</u> | <u>\$ 831</u> | <u>\$ 3,675</u> |

(d) As of December 31, 2023, the Group had a lease that has not yet been signed but committed with an associate, General Biologicals Corp. Refer to Note 6(8) G. for details.

(3) Key management compensation

|                              | Years ended December 31 |                  |                 |                  |
|------------------------------|-------------------------|------------------|-----------------|------------------|
|                              | 2023                    |                  | 2022            |                  |
|                              | CNY                     | TWD              | CNY             | TWD              |
| Short-term employee benefits | \$ 11,175               | \$ 49,095        | \$ 7,422        | \$ 32,819        |
| Post-employment benefits     | 263                     | 1,155            | 134             | 593              |
| Share-based payments         | 2,337                   | 10,350           | -               | -                |
|                              | <u>\$ 13,775</u>        | <u>\$ 60,600</u> | <u>\$ 7,556</u> | <u>\$ 33,412</u> |

## 8. PLEDGED ASSETS

| Pledged asset   | Book value        |            |                   |      | Purpose                                    |
|---|-------------------|------------|-------------------|------|--|
|   | December 31, 2023 |            | December 31, 2022 |      |  |
|   | CNY               | TWD        | CNY               | TWD  |  |
| Time deposits with maturity over three months (shown as financial assets at amortised cost-current) | \$ 177,404        | \$ 767,625 | \$ -              | \$ - | Bank borrowings and bank credit facilities |

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Contingencies

None.

### (2) Commitments

#### A. Capital expenditures

|                 | December 31, 2023 |           | December 31, 2022 |           |
|-----------------|-------------------|-----------|-------------------|-----------|
|                 | CNY               | TWD       | CNY               | TWD       |
| Contract signed | \$ 8,263          | \$ 35,754 | \$ 7,763          | \$ 34,219 |

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 December 31, 2023, the Group has paid the aforementioned payment amounting to CNY \$2,000. As of March 1, 2024, 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

A. Details of the appropriations of 2023 earnings as proposed by the Board of Directors are provided in Note 6(17).

B. On March 1, 2024, the Company's Board of Directors resolved to increase capital by issuing new

shares, with a maximum number of 3,000 thousand shares at a par value of TWD \$10 (in dollars) per share, for a total amount of TWD \$30,000 thousand, and the related procedures are in progress.

- C. On March 1, 2024, the Company's Board of Directors resolved to issue the second unsecured convertible bonds within the territory of R.O.C. in the amount of TWD \$1,100,000 thousand with a par value of TWD \$100 thousand, which were issued at 100% to 100.5% of face value, and the coupon rate is 0%. The issuance period is three years, and the related procedures are in progress.

## 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 December 31, 2023 and 2022 were as follows:

|                 | December 31, 2023 | December 31, 2022 |
|-----------------|-------------------|-------------------|
| Liability ratio | 42%               | 46%               |

### (2) Financial instruments

#### A. Financial instruments by category

|   | December 31, 2023   |                     | December 31, 2022   |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | CNY                 | TWD                 | CNY                 | TWD                 |
| <u>Financial assets</u>   |                     |                     |                     |                     |
| Financial assets at amortised cost  |                     |                     |                     |                     |
| Cash and cash equivalents   | \$ 1,069,155        | \$ 4,626,234        | \$ 1,280,472        | \$ 5,644,321        |
| Financial assets at amortised cost<br>(including current and non-current)     | 268,901             | 1,163,535           | -                   | -                   |
| Notes receivable  | -                   | -                   | 1                   | 4                   |
| Accounts receivable (including<br>related parties)                            | 960                 | 4,153               | 477                 | 2,103               |
| Other receivables (including<br>related parties)                              | 26,693              | 115,505             | 17,721              | 78,118              |
|   | <u>\$ 1,365,709</u> | <u>\$ 5,909,427</u> | <u>\$ 1,298,671</u> | <u>\$ 5,724,546</u> |
| Financial assets at fair value through<br>profit or loss                      |                     |                     |                     |                     |
| Financial assets mandatorily measured<br>at fair value through profit or loss | <u>\$ 65,291</u>    | <u>\$ 282,514</u>   | <u>\$ 50,064</u>    | <u>\$ 220,682</u>   |



|   | December 31, 2023 |                     | December 31, 2022 |                     |
|---|-------------------|---------------------|-------------------|---------------------|
|   | CNY               | TWD                 | CNY               | TWD                 |
| <u>Financial liabilities</u>                          |                   |                     |                   |                     |
| Financial liabilities at amortised cost               |                   |                     |                   |                     |
| Short-term borrowings                                 | \$ 457,701        | \$ 1,980,472        | \$ 104,503        | \$ 460,649          |
| Accounts payable (including related parties)          | 20,095            | 86,950              | 18,386            | 81,045              |
| Other payables (including related parties)            | 97,981            | 423,966             | 101,961           | 449,444             |
| Guarantee deposits received                           | 90,664            | 392,303             | 81,129            | 357,619             |
| Long-term borrowings (including current portion)      | -                 | -                   | 390,145           | 1,719,759           |
|   | <u>\$ 666,441</u> | <u>\$ 2,883,691</u> | <u>\$ 696,124</u> | <u>\$ 3,068,516</u> |
| Lease liabilities (including current and non-current) | <u>\$ 82,598</u>  | <u>\$ 357,401</u>   | <u>\$ 93,842</u>  | <u>\$ 413,655</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:<br>functional currency) | Foreign<br>currency<br>amount<br>(In thousands) | Exchange<br>rate | CNY       | TWD        |
|--|---|------------------|-----------|------------|
| December 31, 2023                          |   |                  |           |            |
| <u>Financial assets</u>                    |   |                  |           |            |
| <u>Monetary items</u>                      |   |                  |           |            |
| USD:TWD                                    | \$ 9,104  | 30.7050          | \$ 64,603 | \$ 279,537 |
| USD:HKD                                    | 41,493  | 7.8150           | 294,438   | 1,274,033  |
| CNY:HKD                                    | 14,736  | 1.1013           | 14,736    | 63,763     |
| <u>Financial liabilities</u>               |   |                  |           |            |
| <u>Monetary items</u>                      |   |                  |           |            |
| USD:CNY                                    | \$ 1,567  | 7.0961           | \$ 11,120 | \$ 48,116  |
| USD:TWD                                    | 64,500  | 30.7050          | 457,701   | 1,980,472  |
| 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  |

- 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 years ended December 31, 2023 and 2022, amounted to a gain of CNY \$3,111 (TWD \$13,668) and a loss of CNY \$34,209 (TWD \$151,265), respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

| Year ended December 31, 2023               |                        |                          |          |   |      |
|--|------------------------|--------------------------|----------|---|------|
| Sensitivity analysis                       |                        |                          |          |   |      |
| (Foreign currency:<br>functional currency) | Degree of<br>variation | Effect on profit or loss |          | Effect on other<br>comprehensive income |      |
|  |                        | CNY                      | TWD      | CNY                                     | TWD  |
|  |                        |                          |          |   |      |
| <u>Financial assets</u>                    |                        |                          |          |   |      |
| <u>Monetary items</u>                      |                        |                          |          |   |      |
| USD : TWD                                  | 3%                     | \$ 1,938                 | \$ 8,386 | \$ -                                    | \$ - |
| USD : HKD                                  | 3%                     | 8,833                    | 38,221   | -                                       | -    |
| CNY : HKD                                  | 3%                     | 442                      | 1,913    | -                                       | -    |
| <u>Financial liabilities</u>               |                        |                          |          |   |      |
| <u>Monetary items</u>                      |                        |                          |          |   |      |
| USD : CNY                                  | 3%                     | \$ 334                   | \$ 1,443 | \$ -                                    | \$ - |
| USD : TWD                                  | 3%                     | 13,731                   | 59,414   | -                                       | -    |
| Year ended December 31, 2022               |                        |                          |          |   |      |
| Sensitivity analysis                       |                        |                          |          |   |      |
| (Foreign currency:<br>functional currency) | Degree of<br>variation | Effect on profit or loss |          | Effect on other<br>comprehensive income |      |
|  |                        | CNY                      | TWD      | CNY                                     | TWD  |
|  |                        |                          |          |   |      |
| <u>Financial assets</u>                    |                        |                          |          |   |      |
| <u>Monetary items</u>                      |                        |                          |          |   |      |
| USD : TWD                                  | 3%                     | \$ 1,602                 | \$ 7,062 | \$ -                                    | \$ - |
| USD : HKD                                  | 3%                     | 14,277                   | 62,933   | -                                       | -    |
| CNY : HKD                                  | 3%                     | 521                      | 2,295    | -                                       | -    |
| <u>Financial liabilities</u>               |                        |                          |          |   |      |
| <u>Monetary items</u>                      |                        |                          |          |   |      |
| USD : CNY                                  | 3%                     | \$ 201                   | \$ 888   | \$ -                                    | \$ - |
| USD : TWD                                  | 3%                     | 14,839                   | 65,412   | -                                       | -    |

#### 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 years ended December 31, 2023 and 2022 would have increased/decreased by CNY \$653 (TWD \$2,825) and CNY \$501 (TWD \$2,207), 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 December 31, 2023 and 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 years ended December 31, 2023 and 2022 would have decreased/increased by CNY \$316 (TWD \$1,389) and CNY \$110 (TWD \$487), 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 December 31, 2023 and 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 December 31, 2023 and 2022, the carrying amount of accounts receivable (including related parties) amounted to CNY \$960 (TWD \$4,153) and CNY \$477 (TWD \$2103), 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:

|                                       |  | December 31, 2023 |             |  |      |                      |      |            |             |
|---------------------------------------|--|-------------------|-------------|--|------|----------------------|------|------------|-------------|
|                                       |  | Lifetime          |             |  |      |                      |      |            |             |
|                                       |  | 12 months         |             | Significant increase<br>in credit risk |      | Impairment of credit |      | Total      |             |
|                                       |  | CNY               | TWD         | CNY                                    | TWD  | CNY                  | TWD  | CNY        | TWD         |
| Financial assets<br>at amortised cost |  | \$ 268,901        | \$1,163,535 | \$ -                                   | \$ - | \$ -                 | \$ - | \$ 268,901 | \$1,163,535 |

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>                   |                  |                          |              |  |
| December 31, 2023                               | Less than 1 year | Between 1<br>and 2 years | Over 2 years |  |
| Short-term borrowings                           | \$ 457,701       | \$ -                     | \$ -         |  |
| Accounts payable<br>(including related parties) | 20,095           | -                        | -            |  |
| Other payables<br>(including related parties)   | 97,981           | -                        | -            |  |
| Lease liabilities                               | 31,783           | 22,598                   | 35,650       |  |
| Guarantee deposits received                     | 90,664           | -                        | -            |  |

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

| <u>Non-derivative</u>                           |                  | (In thousands of TWD) |              |  |
|---|------------------|-----------------------|--------------|--|
| <u>financial liabilities:</u>                   |                  |                       | Between 1    |  |
| December 31, 2023                               | Less than 1 year | and 2 years           | Over 2 years |  |
| Short-term borrowings                           | \$ 1,980,472     | \$ -                  | \$ -         |  |
| Accounts payable<br>(including related parties) | 86,950           | -                     | -            |  |
| Other payables<br>(including related parties)   | 423,966          | -                     | -            |  |
| Lease liabilities                               | 137,526          | 97,781                | 154,258      |  |
| Guarantee deposits received                     | 392,303          | -                     | -            |  |

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

- 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 December 31, 2023 and 2022 is as follows:

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

|   | (In thousands of CNY) |                |                  |                  |
|---|-----------------------|----------------|------------------|------------------|
| December 31, 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                                       | \$ -                  | \$ -           | \$ 32,880        | \$ 32,880        |
| Hybrid instrument                                     | -                     | -              | 32,411           | 32,411           |
| Total   | <u>\$ -</u>           | <u>\$ -</u>    | <u>\$ 65,291</u> | <u>\$ 65,291</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           |
| Total   | <u>\$ -</u>           | <u>\$ -</u>    | <u>\$ 50,064</u> | <u>\$ 50,064</u> |

|   | (In thousands of TWD) |                |                   |                   |
|---|-----------------------|----------------|-------------------|-------------------|
| December 31, 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                                       | \$ -                  | \$ -           | \$ 142,272        | \$ 142,272        |
| Hybrid instrument                                     | -                     | -              | 140,242           | 140,242           |
| Total   | <u>\$ -</u>           | <u>\$ -</u>    | <u>\$ 282,514</u> | <u>\$ 282,514</u> |



| December 31, 2022                                     | (In thousands of TWD) |             |                   |                   |
|---|-----------------------|-------------|-------------------|-------------------|
|   | Level 1               | Level 2     | Level 3           | Total             |
| <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> |

D. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

|   | 2023              |                   | 2022              |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | Equity instrument | Equity instrument | Equity instrument | Equity instrument |
|   | CNY               | TWD               | CNY               | TWD               |
| At January 1                                    | \$ 50,064         | \$ 220,682        | \$ 21,046         | \$ 91,424         |
| Acquired during the year                        | -                 | -                 | 30,000            | 132,654           |
| Gains (losses) recognised in the profit or loss | 14,834            | 65,171            | ( 2,950)          | ( 13,044)         |
| Effect of foreign exchange                      | 393               | ( 3,339)          | 1,968             | 9,648             |
| At December 31                                  | <u>\$ 65,291</u>  | <u>\$ 282,514</u> | <u>\$ 50,064</u>  | <u>\$ 220,682</u> |

E. For the years ended December 31, 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<br>December 31, 2023 |            | Fair value at<br>December 31, 2022 |            | Valuation<br>technique                     | Significant<br>unobservable input                                | Range<br>(weighted<br>average) | Relationship<br>of inputs<br>to fair value   |
|---|------------------------------------|------------|------------------------------------|------------|--|--|--------------------------------|--|
|   | CNY                                | TWD        | CNY                                | TWD        |  |  |                                |  |
| Non-derivative<br>equity<br>instrument: |                                    |            |                                    |            |  |  |                                |  |
| Unlisted<br>shares                      | \$ 32,880                          | \$ 142,272 | \$ 23,014                          | \$ 101,446 | Market<br>comparable<br>companies          | Price-to-book ratio<br>and discount for lack<br>of marketability | Not applicable                 | The higher the multiple and<br>control premium, the higher<br>the fair value; the higher the<br>discount for lack of<br>marketability, the lower<br>the fair value |
| Hybrid<br>instrument:                   |                                    |            |                                    |            |  |  |                                |  |
| Unlisted<br>shares                      | \$ 30,486                          | \$ 131,913 | \$ -                               | \$ -       | Most recent non-<br>active market<br>price | Not applicable   | Not applicable                 | Not applicable   |
| Unlisted<br>shares                      | -                                  | -          | 21,516                             | 94,842     | Market<br>comparable<br>companies          | Price-to-book ratio<br>and discount for lack<br>of marketability | Not applicable                 | The higher the multiple and<br>control premium, the higher<br>the fair value; the higher the<br>discount for lack of<br>marketability, the lower<br>the fair value |
| Embedded<br>option                      | 1,925                              | 8,329      | 5,534                              | 24,394     | Black-Scholes<br>valuation model           | Discount for lack<br>of marketability                            | Not applicable                 | The higher the discount for<br>lack of marketability, the<br>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: Refer to table 5.
- 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 6.

H. Receivables from related parties reaching TWD \$100 million or 20% of paid-in capital or more: Refer to table 7.

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 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 8.

(4) Major shareholders information

Major shareholders information: Refer to table 11.

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 years ended December 31, 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.

(4) Reconciliation for segment income (loss)

The profit and loss before tax of the reportable operating segment provided to the Chief Operating Decision-Maker was the same with the statement of comprehensive income, so no reconciliation was needed.

(5) Information on products and services

Refer to Note 6(18) for information on products and services.

(6) Geographical information

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

|        |  | (In thousands of CNY) |                   |                   |                   |
|--------|--|-----------------------|-------------------|-------------------|-------------------|
|        |  | 2023                  |                   | 2022              |                   |
|        |  | Non-current           |                   | Non-current       |                   |
|        |  | Revenue               | assets            | Revenue           | assets            |
| China  |  | \$ 996,655            | \$ 372,087        | \$ 881,694        | \$ 362,920        |
| Others |  | 35,547                | 51,100            | 38,567            | 55,516            |
|        |  | <u>\$ 1,032,202</u>   | <u>\$ 423,187</u> | <u>\$ 920,261</u> | <u>\$ 418,436</u> |

  

|        |  | (In thousands of TWD) |                     |                     |                     |
|--------|--|-----------------------|---------------------|---------------------|---------------------|
|        |  | 2023                  |                     | 2022                |                     |
|        |  | Non-current           |                     | Non-current         |                     |
|        |  | Revenue               | assets              | Revenue             | assets              |
| China  |  | \$ 4,378,602          | \$ 1,610,020        | \$ 3,886,757        | \$ 1,599,751        |
| Others |  | 156,169               | 221,103             | 182,453             | 244,714             |
|        |  | <u>\$ 4,534,771</u>   | <u>\$ 1,831,123</u> | <u>\$ 4,069,210</u> | <u>\$ 1,844,465</u> |

(7) Major customer information

No single customer accounts for more than 10% of the consolidated operating revenue for the years ended December 31, 2023 and 2022.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Loans to others  
Year ended December 31, 2023

Table 1  
Expressed in thousands of TWD  
(Except as otherwise indicated)

| No.<br>(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                      | \$ 56,251      | \$ -                  | Lower 10% of loan market rate | 2                       | \$ -                | Operating capital               | \$ -                   | None       | \$ -  | \$ 4,591,946                                | \$ 4,591,946                                      | 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       | -     | 4,591,946                                   | 4,591,946   | Note 4    |
| 2               | Hong Kong Chlitina International Limited | Yong Li Trading Company Limited          | Other receivables      | Yes           | 32,425                         | 30,705         | -                     | Lower 10% of loan market rate | 2                       | -                   | Operating capital               | -                      | None       | -     | 6,647,828                                   | 6,647,828   | Note 4, 5 |
| 3               | Yong Li Trading Company Limited          | Vinh Le Company Limited                  | Other receivables      | Yes           | 4,550                          | 4,200          | 4,200                 | Lower 10% of loan market rate | 2                       | -                   | Operating capital               | -                      | None       | -     | 24,873                                      | 24,873  | 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  
Year ended December 31, 2023

Table 2

Expressed in thousands of TWD  
(Except as otherwise indicated)

| Number<br>(Note 1) | Endorser/<br>guarantor                       | Company name                 | Party being<br>endorsed/guaranteed                             |    | Limit on<br>endorsements/<br>guarantees<br>provided for a<br>single party<br>(Note 3) | Maximum<br>outstanding<br>endorsement/<br>guarantee<br>amount as of<br>December 31, 2023 | Outstanding<br>endorsement/<br>guarantee<br>amount at<br>December 31, 2023 | Actual amount<br>drawn down | Amount of<br>endorsements/<br>guarantees<br>secured with<br>collateral | Ratio of<br>accumulated<br>endorsement/<br>guarantee<br>amount to net<br>asset value of<br>the endorser/<br>guarantor<br>company | Ceiling on<br>total amount of<br>endorsements/<br>guarantees<br>provided<br>(Note 3) | Provision of<br>endorsements/<br>guarantees by<br>parent<br>company to<br>subsidiary | Provision of<br>endorsements/<br>guarantees by<br>subsidiary to<br>parent<br>company | Provision of<br>endorsements/<br>guarantees to<br>the party in<br>Mainland<br>China<br>(Note 4) | Footnote |
|--------------------|--|------------------------------|--|----|---|--|--|-----------------------------|--|--|--|--|--|---|----------|
|                    |  |                              | Relationship<br>with the<br>endorser/<br>guarantor<br>(Note 2) |    |   |  |  |                             |  |  |  |  |  |   |          |
| 1                  | Hong Kong Chilitina<br>International Limited | Chilitina Holding<br>Limited | 3  | \$ | 1,329,566   | \$ 1,228,200   | \$ 1,228,200   | \$ 706,215                  | \$ 767,625   | 23.85%   | \$ 3,323,914   | 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 10% 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)

December 31, 2023

Table 3

Expressed in thousands of TWD  
(Except as otherwise indicated)

| Securities held by                             | Marketable securities<br>(Note)                        | Relationship with the<br>securities issuer | General<br>ledger account  | As of December 31, 2023                                |            |               |            | Footnote |
|--|--|--|--|--|------------|---------------|------------|----------|
|  |  |  |  | Number of shares<br>(in thousand shares/thousand unit) | Book value | Ownership (%) | Fair value |          |
| Hong Kong<br>Chlitina International<br>Limited | Onward Therapeutics SA                                 | None                                       | Financial assets at fair value<br>through profit or loss non-<br>current | 2,290  | \$ 142,272 | 4.00%         | \$ 142,272 | None     |
| Hanan Shoumao<br>Investment Limited            | Yingyi Stem Cell<br>Biotechnology (Hanan)<br>Co., Ltd. | None                                       | Financial assets at fair value<br>through profit or loss non-<br>current | -  | 140,242    | 5.62%         | 140,242    | 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  
Year ended December 31, 2023

Table 4

Expressed in thousands of TWD  
(Except as otherwise indicated)

|  |   | Beginning Balance   |                       |   | Acquisition (Note 4) |        |                  | Disposal (Note 4) |                  |               | Ending Balance      |                         |                  |        |          |
|--|---|---|-----------------------|---|----------------------|--------|------------------|-------------------|------------------|---------------|---------------------|-------------------------|------------------|--------|----------|
| Investor                                   | Marketable securities (Note 1)          | General ledger account  | Counterparty (Note 3) | Relationship with the investor (Note 3) | 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 | Footnote |
|  |   |   |                       |   |                      |        |                  |                   |                  |               |                     |                         |                  |        |          |
| Chitina (China) Trade Limited              | ICBC Credit Suisse Salary Monetary Fund | Financial assets at fair value through profit or loss - current | -                     | -                                       | -                    | \$ -   | 530,000,000      | \$ 2,328,449      | 530,000,000      | \$ 2,331,026  | \$ 2,328,449        | \$ 2,577                | -                | \$ -   |          |
| Weihsueh (Shanghai) Daily Product Limited) | ICBC Credit Suisse Salary Monetary Fund | Financial assets at fair value through profit or loss - current | -                     | -                                       | -                    | -      | 42,000,000       | 184,519           | 42,000,000       | 184,639       | 184,519             | 120                     | -                | \$ -   |          |

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

Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

| If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below: |                      |                   |                    |                   |   |                                    |   |  |                                  |
|---|----------------------|-------------------|--------------------|-------------------|---|------------------------------------|---|--|----------------------------------|
| Real estate acquired by   | Real estate acquired | Date of the event | Transaction amount | Status of payment | Counterparty  | Relationship with the counterparty | Original owner who sold the real estate to the counterparty | Relationship between the original owner and the acquirer | Date of the original transaction |
|   |                      |                   |                    |                   |   |                                    |   |  |                                  |
| Chlitina (China) Trade Limited  | Buildings            | 2023/11/23        | \$ 171,561         | \$ 163,396        | Haikou Intermediate People's Court, Hainan Province | Non-related party                  | Not applicable  | Not applicable   | Not applicable                   |
|   |                      |                   |                    |                   |   |                                    | Amount  | Real estate valuation report                             | Planned to expand the offices    |
|   |                      |                   |                    |                   |   |                                    | Other commitments   | In accordance with the agreement                         |                                  |

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: 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 repla  
attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the count  
monetary amount of the transaction, whichever is earlier.

Note 4: The above transaction amounts were originally RMB transactions and were converted based on the exchange rate on the date of occurrence.

Note 5: The transaction of the building sales contract has been paid in full.

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  
Year ended December 31, 2023

Table 6

Expressed in thousands of TWD  
(Except as otherwise indicated)

| Differences in transaction terms compared to third party transactions |   |                                       |                      |  |            |                                   |   |      |          |
|---|---|---------------------------------------|----------------------|--|------------|-----------------------------------|---|------|----------|
| Transaction   |   |                                       |                      | Notes/accounts receivable (payable)            |            |                                   |   |      |          |
| Purchaser/<br>seller  | Counterparty                                | Relationship with<br>the counterparty | Purchases<br>(sales) | Percentage<br>of total<br>purchases<br>(sales) |            |                                   | Percentage of<br>total<br>notes/accounts<br>receivable<br>(payable) |      |          |
|   |   |                                       |                      | Amount   | Unit price | Credit term                       | Balance   |      | Footnote |
| Chlitina (China) Trade Limited  | Weishuo (Shanghai) Daily<br>Product Limited | Subsidiary                            | Purchases            | \$ 663,392                                     | 87%        | 60 days after<br>monthly billings | (\$ 165,246)  | 69%  | Note 1   |
| British Virgin IS, Chlitina<br>Intelligence Limited Taiwan<br>Branch  | Chlitina (China) Trade<br>Limited           | Subsidiary                            | Trademark<br>license | 233,365  | 100%       | Note 2                            | 38,399  | 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

Year ended December 31, 2023

Table 7

Table 7

|  |                                |                                    | Overdue receivables |         |               |                  | Expressed in thousands of TWD<br>(Except as otherwise indicated) |                                 |          |
|--|--------------------------------|------------------------------------|---------------------|---------|---------------|------------------|--|---------------------------------|----------|
| Creditor                                 | Counterparty                   | Relationship with the counterparty | Balance as at       |         | Turnover rate | Amount collected |  | Allowance for doubtful accounts | Footnote |
|  |                                |                                    | December 31, 2023   |         |               | Amount           | subsequent to the balance sheet date                             |                                 |          |
| Weishuo (Shanghai) Daily Product Limited | Chlitina (China) Trade Limited | Subsidiary                         | \$                  | 165,246 | 4.77          | \$               | 87,232   | \$                              | 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

Year ended December 31, 2023

Table 8

Expressed in thousands of TWD  
(Except as otherwise indicated)

| Number<br>(Note 1) | Company name   | Counterparty                   | Relationship (Note 2) | Transaction            |            |                                      | Percentage of consolidated total<br>operating revenues or total assets<br>(Note 3) |
|--------------------|--|--------------------------------|-----------------------|------------------------|------------|--------------------------------------|--|
|                    |  |                                |                       | General ledger account | Amount     | Transaction terms                    |  |
| 1                  | Weishuo (Shanghai) Daily Product Limited                       | Chlitina (China) Trade Limited | 3                     | Sales                  | \$ 663,392 | 60 days<br>after monthly billings    | 15%  |
| 1                  | Weishuo (Shanghai) Daily Product Limited                       | Chlitina (China) Trade Limited | 3                     | Accounts receivable    | 165,246    | 60 days<br>after monthly billings    | 2%   |
| 2                  | British Virgin IS, Chlitina Intelligence Limited Taiwan Branch | Chlitina (China) Trade Limited | 3                     | Trademark right income | 233,365    | In accordance with mutual agreements | 5%   |
| 2                  | British Virgin IS, Chlitina Intelligence Limited Taiwan Branch | Chlitina (China) Trade Limited | 3                     | Accounts receivable    | 38,399     | In accordance with mutual agreements | 0%   |

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

Year ended December 31, 2023

Table 9

Expressed in thousands of TWD  
(Except as otherwise indicated)

| Investor                       | Investee  | Location               | Main business activities                           | Initial investment amount       |                                 | Balance as at December 31, 2023 |               |              |                                   |              |                                    | Footnote |
|--------------------------------|---|------------------------|--|---------------------------------|---------------------------------|---------------------------------|---------------|--------------|-----------------------------------|--------------|------------------------------------|----------|
|                                |   |                        |  | Balance as at December 31, 2023 | Balance as at December 31, 2022 | Number of shares                | Ownership (%) | Book value   | Net profit (loss) of the investee |              | Share of profit (loss) of investee |          |
|                                |   |                        |  |                                 |                                 |                                 |               |              | \$                                | \$           |                                    |          |
| Chlitina Holding Limited       | Chlitina Group Limited  | British Virgin Islands | Investing  | 800,147                         | 800,147                         | 2,728,707,348                   | 100           | \$ 7,089,141 | \$ 1,203,896                      | \$ 1,203,896 | -                                  |          |
| Chlitina Group Limited         | Chlitina International Limited                                  | British Virgin Islands | Investing  | 717,661                         | 717,661                         | 25,470,001                      | 100           | 6,857,893    | 1,087,841                         | -            | -                                  | Note 1   |
| Chlitina Group Limited         | Chlitina Intelligence Limited                                   | British Virgin Islands | Investing and researching                          | -                               | -                               | 1                               | 100           | 230,341      | 116,038                           | -            | -                                  | Note 1   |
| Chlitina Group Limited         | W-Amber International Limited                                   | British Virgin Islands | Investing  | 50,880                          | 50,880                          | 1,150,000                       | 100           | 73           | 2                                 | -            | -                                  | Note 1   |
| Chlitina Group Limited         | W-Champion International Limited                                | British Virgin Islands | Investing  | 34,518                          | 34,518                          | 930,000                         | 100           | 37           | 1                                 | -            | -                                  | Note 1   |
| Chlitina Group Limited         | C-Asia International Limited                                    | British Virgin Islands | Investing  | 920                             | 920                             | 20,000                          | 100           | 101          | 3                                 | -            | -                                  | 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           | 6,647,828    | 1,158,701                         | -            | -                                  | 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           | 161,454      | ( 26,243)                         | -            | -                                  | 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 | 100,000                         | 70,000                          | -                               | 100           | 46,300       | ( 44,472)                         | -            | -                                  | Note 1   |

CHILITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investees

Year ended December 31, 2023

Table 9

Expressed in thousands of TWD  
(Except as otherwise indicated)

|   |   |           |   | Initial investment amount |                   | Balance as at December 31, 2023 |               |            |                   |             |                        |           |
|---|---|-----------|---|---------------------------|-------------------|---------------------------------|---------------|------------|-------------------|-------------|------------------------|-----------|
| Investor                                  | Investee  | Location  | Main business activities                        | Balance as at             | Balance as at     | Number of shares                | Ownership (%) | Book value | Net profit (loss) |             | Share of profit (loss) | Footnote  |
|   |   |           |   | December 31, 2023         | December 31, 2022 |                                 |               |            | of the investee   | of investee |                        |           |
| Hong Kong Chilitina International Limited | Hong Kong Crystal-Asia International Limited        | Hong Kong | Investing                                       | \$ 69,642                 | \$ 69,642         | 2,300,000                       | 100           | \$ 41,330  | \$ 646            | \$ -        | -                      | Note 1    |
| Hong Kong Chilitina International Limited | Hong Kong W-Champion International Limited          | Hong Kong | Investing                                       | 61,865                    | 61,865            | 2,950,000                       | 100           | 56,829 (   | 1,289)            | -           | -                      | Note 1    |
| Hong Kong Chilitina International Limited | Hong Kong W-Amber International Limited             | Hong Kong | Investing                                       | 857,939                   | 857,939           | 180,603,060                     | 100           | 257,444 (  | 70,386)           | -           | -                      | Note 1    |
| Hong Kong Chilitina International Limited | Yong Li Trading Company Limited                     | Vietnam   | Dealer of skincare products                     | 65,731                    | 38,218            | -                               | 100           | 24,873 (   | 13,740)           | -           | -                      | Note 1    |
| Hong Kong Chilitina International Limited | HUAPAO SDN. BHD.                                    | Malaysia  | Dealer of skincare products                     | 3,502                     | 3,502             | 500,000                         | 100           | 2,568 (    | 93)               | -           | -                      | Note 1    |
| Hong Kong Chilitina International Limited | General Biologicals Corp.                           | Taiwan    | Manufacturing of medical appliances             | 177,624                   | 177,624           | 11,805,203                      | 19.73         | 179,436 (  | 201,581)          | -           | -                      | Note 1, 2 |
| Hong Kong Chilitina International Limited | U-NEURON BIOMEDICAL INC.                            | Taiwan    | Cosmetic, biotechnology services                | 90,000                    | -                 | 3,000,000                       | 10.15         | 87,648 (   | 84,891)           | -           | -                      | 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           | 3,606 (    | 217)              | -           | -                      | 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

Year ended December 31, 2023

Table 9

Expressed in thousands of TWD  
(Except as otherwise indicated)

|   |  |                        |   | Initial investment amount |                   | Balance as at December 31, 2023 |               |            |                                   |                                    |           |
|---|--|------------------------|---|---------------------------|-------------------|---------------------------------|---------------|------------|-----------------------------------|------------------------------------|-----------|
| Investor  | Investee   | Location               | Main business activities  | Balance as at             | Balance as at     | Number of shares                | Ownership (%) | Book value | Net profit (loss) of the investee | Share of profit (loss) of investee | Footnote  |
|   |  |                        |   | December 31, 2023         | December 31, 2022 |                                 |               |            |                                   |                                    |           |
| Yong Li Trading Company Limited                     | Vinh Le Company Limited                          | Vietnam                | Dealer of skincare products   | \$ 3,003                  | \$ 3,003          | -                               | 100           | (\$ 3,116) | \$ 1,344                          | -                                  | 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           | 2,448 (    | 76)                               | -                                  | Note 1    |
| W-Champion International Limited                    | W-Champion Marketing Limited                     | British Virgin Islands | Investing   | 31,783                    | 31,783            | 930,000                         | 100           | 37         | 1                                 | -                                  | Note 1    |
| W-Amber International Limited                       | W-Amber Marketing Limited                        | British Virgin Islands | Investing   | 56,280                    | 56,280            | 1,150,000                       | 100           | 43         | 1                                 | -                                  | Note 1    |
| Hong Kong Jing Tai International Investment Limited | WAN JU International Investment Limited          | Taiwan                 | Investing   | 2,000                     | 2,000             | 200,000                         | 100           | 1,672 (    | 73)                               | -                                  | 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 year ended December 31, 2023, the investment loss on General Biologicals Corp. was \$40,545 and \$2,575, 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

Year ended December 31, 2023

Table 10

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 investment amount of Taiwan | Amount remitted from Taiwan to Mainland China/ |                            |                         | Ending balance of accumulated investment amount 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 December 31, 2023 | Accumulated amount of investment income remitted back to Taiwan | Footnote |
|--|---|-----------------|----------------------------|--|--|----------------------------|-------------------------|---|---|--|---|------------------------------------|---|----------|
|  |   |                 |                            |  | Amount remitted back to Taiwan for the period  | Remitted to Mainland China | Remitted back to Taiwan |   |   |  |   |                                    |   |          |
| Chlitina (China) Trade Limited                         | Dealer of skincare products and health food                                   | \$ 308,631      | 2                          | \$ -   | \$ -   | \$ -                       | \$ -                    | \$ -  | \$ 1,178,773                              | 100  | \$ 1,178,773                            | \$ 4,591,946                       | \$ -  |          |
| Shanghai Zhe Mei Technology Training Co., Ltd.         | Cosmetology training services   | 78,302          | 2                          | -  | -  | -                          | -                       | -   | 23,940                                    | 100  | 23,940                                  | 19,828                             | -   |          |
| Weishuo (Shanghai) Daily Product Limited               | Production and trading of skincare products                                   | 64,207          | 2                          | -  | -  | -                          | -                       | -   | 49,771                                    | 100  | 49,771                                  | 823,972                            | -   |          |
| WeiHu (Shanghai) Health Management Consulting Co., Ltd | Investing, dealer of skincare products and supplementary health care products | 605,565         | 2                          | -  | -  | -                          | -                       | -   | ( 72,741)                                 | 100  | ( 72,741)                               | 6,423                              | -   |          |
| Crystal Asia Shanghai Limited                          | Dealer of skincare products and supplementary health care products            | 87,189          | 2                          | -  | -  | -                          | -                       | -   | ( 14,135)                                 | 100  | ( 14,135)                               | 39,108                             | -   |          |



CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2023

Table 10

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 investment amount of Taiwan | Amount remitted from Taiwan to Mainland China/ |                    |   | 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 December 31, 2023 | Accumulated amount of investment income remitted back to Taiwan | Footnote |
|--|--|-----------------|----------------------------|--|--|--------------------|---|--|---|--|---|------------------------------------|---|----------|
|  |  |                 |                            |  | Remitted to Mainland China                     | Remitted to Taiwan | Amount remitted back to Taiwan for the period |  |   |  |   |                                    |   |          |
| Li Shuo Biotechnology (Shanghai) Co., Ltd.                 | Enterprise management consulting and investing                     | \$ 9,889        | 2                          | \$ -   | \$ -   | \$ -               | \$ -  | \$ -   | ( \$ 1,321)                               | 100  | ( \$ 1,321)                             | \$ 4,746                           | \$ -  |          |
| Wuguan (Shanghai) Trade Limited                            | Dealer of skincare products and supplementary health care products | 64,193          | 2                          | -  | -  | -                  | -   | -  | ( 1,305)                                  | 100  | ( 1,305)                                | 27,221                             | -   |          |
| Shanghai Yuanshuo Management Consulting Limited            | Enterprise management consulting and investing                     | 396,516         | 2                          | -  | -  | -                  | -   | -  | ( 68,147)                                 | 100  | ( 68,147)                               | (18,068)                           | -   |          |
| Beijing YaPulide Medical Beauty Treatment Clinic Co., Ltd. | Medical cosmetology services                                       | 103,346         | 2                          | -  | -  | -                  | -   | -  | ( 127)                                    | -  | ( 127)                                  | -                                  | -   | Note 6   |
| Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.    | Medical cosmetology services                                       | 29,810          | 2                          | -  | -  | -                  | -   | -  | ( 9,648)                                  | 100  | ( 9,648)                                | ( 18,822)                          | -   |          |
| Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.        | Medical cosmetology services                                       | 43,374          | 2                          | -  | -  | -                  | -   | -  | ( 13,498)                                 | 100  | ( 13,498)                               | ( 18,585)                          | -   |          |

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2023

Table 10

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 investment from Taiwan | Amount remitted from Taiwan to Mainland China/ |                         | Ending balance of accumulated 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 December 31, 2023 | Accumulated amount of investment income remitted back to Taiwan | Footnote |
|---|--|-----------------|----------------------------|---|--|-------------------------|--|---|--|---|------------------------------------|---|----------|
|   |  |                 |                            |   | Remitted to Mainland China                     | Remitted back to Taiwan |  |   |  |   |                                    |   |          |
| Shanghai Luxxin Medical Beauty Clinic Co., Ltd. | Medical cosmetology services                   | \$ 39,276       | 2                          | \$ -  | \$ -   | \$ -                    | \$ -   | \$ ( 22,885)                              | 100  | \$ ( 22,885)                            | \$ 20,973                          | \$ -  |          |
| Jinghe Clinic (Nanjing) Co., Ltd.               | Dealer of general practice and foods           | 2,261           | 2                          | -   | -  | -                       | -  | ( 3,226)                                  | 100  | ( 3,226)                                | 1,392                              | -   |          |
| Shanghai Hedeng Clinic Co., Ltd.                | Dealer of general practice                     | 2,357           | 2                          | -   | -  | -                       | -  | 178                                       | 100  | 178                                     | 1,413                              | -   |          |
| Cui Jie (Shanghai) Trading Co. Ltd.             | Dealer of health food and daily necessities    | -               | 2                          | -   | -  | -                       | -  | 1,167                                     | -  | 1,167                                   | -                                  | -   | 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                          | -   | -  | -                       | -  | 23,599                                    | 100  | 23,599                                  | 149,374                            | -   |          |

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2023

Table 10

Expressed in thousands of TWD  
(Except as otherwise indicated)

| Investee in Mainland China  | Main business activities                    | Investment method (Note 1) | Paid-in capital | Beginning balance of accumulated investment amount of Taiwan | Amount remitted from Taiwan to Mainland China/ |                            | 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 December 31, 2023 | Accumulated amount of investment income remitted back to Taiwan | Footnote |
|---|---|----------------------------|-----------------|--|--|----------------------------|--|---|--|---|------------------------------------|---|----------|
|   |   |                            |                 |  | Amount remitted back to Taiwan for the period  | Remitted to Mainland China |  |   |  |   |                                    |   |          |
| Shanghai Jiekan Trading Co., Ltd.   | Dealer of skincare products and health food | 2                          | \$ 39,592       | \$ -   | \$ -   | \$ -                       | \$ -   | (\$ 1,541)                                | 100  | (\$ 1,541)                              | \$ 25,954                          | \$ -  |          |
| Shanghai Yongxiang Trading Co., Ltd.  | Retail of cosmetics and manicure service    | 2                          | 88,399          | -  | -  | -                          | ( 4,277)   | 100                                       | 100  | 4,277                                   | 68,984                             | -   |          |
| <p>Ceiling on investments in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs Commission of MOEA</p> |   |                            |                 |  |  |                            |  |   |  |   |                                    |   |          |
| Company name  | China                                       |                            |                 |  |  |                            |  |   |  |   |                                    |   |          |
| Not applicable to foreign issuer.   | \$ -  |                            | \$ -            |  |  |                            |  |   |  |   |                                    |   |          |

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 audited by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
  - B. The financial statements were audited 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.

Note 6: Beijing YaPulide had completed the liquidation and dissolution in December 2023.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES  
Major shareholders information  
December 31, 2023

Table 11

| 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.