

Savior Lifetec Corporation and  
Subsidiaries

Consolidated Financial Report and  
Independent Auditors' Review  
Report  
Q2 of 2023 and 2024

Address: No. 29, Kezhong Rd., Zhunan Township,  
Miaoli County

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## **Independent Auditors' Report**

To Savior Lifetec Corporation:

### **Foreword**

We have reviewed the accompanying consolidated balance sheets of Savior Lifetec Corporation and its subsidiaries as of June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three-month periods ended June 30, 2024 and 2023, and for the six-month periods ended June 30, 2024 and 2023, as well as the consolidated statements of changes in equity and cash flows for the six-month periods ended June 30, 2024 and 2023, and notes to the consolidated financial statements (including a summary of significant accounting policies). Compiling fairly presented consolidated financial statements according to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34 "Interim Financial Reporting" approved and issued into effect by the Financial Supervisory Commission is the responsibility of the management. The CPA is responsible for making conclusions based on the review result.

### **Scope**

The CPA conducts review pursuant to ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." The procedures carried out during the review of consolidated financial statements include inquiries (mainly to the personnel in charge of financial and accounting matters), analytical procedures and other review procedures. The scope of a review is obviously narrower than the scope of an audit. Hence, the CPA may not identify the material matters that can be identified during an audit and, thus, cannot give audit opinions.

### **Conclusions**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Savior Lifetec Corporation and its subsidiaries as of June 30, 2024 and 2023, their consolidated financial performance for the three-month periods ended June 30, 2024 and 2023, and their consolidated financial performance and cash flows for the six-month periods ended June 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte & Touche  
CPA Cheng Hsu-Jan

CPA Hsieh Tung-Ju

Financial Supervisory Commission Approval No.  
Jin-Guan-Zheng-Shen-Zi No. 1010028123

Financial Supervisory Commission Approval No.  
Jin-Guan-Zheng-Shen-Zi No. 1090347472

August 8, 2024

Savior Lifetec Corporation and Subsidiaries  
Consolidated Balance Sheet  
As of June 30, 2024, December 31, 2023, and June 30, 2023

Unit: NTD thousand

Code	Assets	June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%
	<b>Current assets</b>						
1100	Cash and cash equivalents (Note 6)	\$ 1,304,721	34	\$ 1,082,919	28	\$ 1,130,288	30
1110	Financial assets carried at fair value through profit or loss – current (Note 7)	86,400	2	48,215	1	18,395	-
1136	Financial assets carried at amortized cost – current (Notes 6 and 23)	198,000	5	206,058	6	104,881	3
1150	Net notes receivable (Note 8)	2,728	-	1,932	-	3,151	-
1170	Net accounts receivable (Notes 8 and 16)	237,079	6	273,100	7	228,743	6
1200	Other accounts receivable (Note 8)	5,581	-	9,236	-	3,321	-
1220	Current Tax Assets	7,286	-	4,926	-	3,440	-
130X	Inventories (Note 9)	746,369	19	860,044	23	1,011,657	27
1410	Prepayments	49,978	2	53,406	2	36,198	1
1470	Other current assets	9,531	-	6,374	-	8,363	-
11XX	<b>Total current assets</b>	<u>2,647,673</u>	<u>68</u>	<u>2,546,210</u>	<u>67</u>	<u>2,548,437</u>	<u>67</u>
	<b>Non-current assets</b>						
1510	Financial assets carried at fair value through profit or loss – non-current (Note 7)	-	-	-	-	36,825	1
1535	Financial assets carried at amortized cost – non-current (Notes 6 and 23)	4,040	-	4,040	-	-	-
1550	Investments Accounted for Using the Equity Method (Note 11)	146,701	4	146,961	4	-	-
1600	Property, plant and equipment (Notes 12 and 23)	812,633	21	860,365	22	925,400	25
1755	Right-of-use assets (Note 13)	261,233	6	255,384	7	257,795	7
1780	Intangible assets	1,492	-	2,599	-	3,942	-
1900	Other non-current assets (Note 23)	28,567	1	7,112	-	6,012	-
15XX	<b>Total non-current assets</b>	<u>1,254,666</u>	<u>32</u>	<u>1,276,461</u>	<u>33</u>	<u>1,229,974</u>	<u>33</u>
1XXX	<b>Total assets</b>	<u>\$ 3,902,339</u>	<u>100</u>	<u>\$ 3,822,671</u>	<u>100</u>	<u>\$ 3,778,411</u>	<u>100</u>
	<b>Liability and equity</b>						
	<b>Current liabilities</b>						
2130	Contract liabilities - Current (Note 16)	\$ 12,236	-	\$ 19,802	1	\$ 36,690	1
2150	Notes payable	-	-	-	-	120	-
2170	Accounts payable	48,012	1	54,197	1	16,934	1
2216	Dividend payable	27,027	1	-	-	32,749	1
2219	Other payables (Note 14)	108,583	3	113,483	3	84,758	2
2230	Current Tax Liabilities	-	-	8	-	-	-
2280	Lease liabilities – current (Note 13)	12,468	-	13,337	-	12,145	-
2399	Other current liabilities	599	-	91	-	83	-
21XX	<b>Total current liabilities</b>	<u>208,925</u>	<u>5</u>	<u>200,918</u>	<u>5</u>	<u>183,479</u>	<u>5</u>
	<b>Non-current Liabilities</b>						
2580	Lease liabilities – non-current (Note 13)	265,046	7	257,039	7	259,362	7
25XX	<b>Total non-current liabilities</b>	<u>265,046</u>	<u>7</u>	<u>257,039</u>	<u>7</u>	<u>259,362</u>	<u>7</u>
2XXX	<b>Total liabilities</b>	<u>473,971</u>	<u>12</u>	<u>457,957</u>	<u>12</u>	<u>442,841</u>	<u>12</u>
	<b>Equity attributable to company shareholders (Note 15)</b>						
3110	Common stock	3,173,991	81	3,173,991	83	3,172,316	84
3200	Capital surplus	135,127	4	135,127	4	134,038	4
	<b>Retained earnings</b>						
3310	Legal reserve	7,637	-	4,634	-	4,634	-
3320	Special reserve	8,960	-	8,960	-	8,960	-
3350	Undistributed earnings	92,962	3	30,030	1	2,369	-
3300	<b>Total retained earnings</b>	<u>109,559</u>	<u>3</u>	<u>43,624</u>	<u>1</u>	<u>15,963</u>	<u>-</u>
31XX	<b>Total equity attributable to owners of the company</b>	<u>3,418,677</u>	<u>88</u>	<u>3,352,742</u>	<u>88</u>	<u>3,322,317</u>	<u>88</u>
36XX	Non-controlling interests	9,691	-	11,972	-	13,253	-
3XXX	<b>Total equity</b>	<u>3,428,368</u>	<u>88</u>	<u>3,364,714</u>	<u>88</u>	<u>3,335,570</u>	<u>88</u>
	<b>Total liabilities and equity</b>	<u>\$ 3,902,339</u>	<u>100</u>	<u>\$ 3,822,671</u>	<u>100</u>	<u>\$ 3,778,411</u>	<u>100</u>

The attached notes are part of the Consolidated Financial Statements.

Chairman: Concord Consulting Inc.  
Representative: Rebecca Lee

Managerial Officer: Chen Chih-Fang

Accounting Officer: Lin Kuo-Wei

Savior Lifetec Corporation and Subsidiaries  
Consolidated Statement of Comprehensive Income  
For the three-month and six-month periods ended June 30, 2024 and 2023

Unit: NT\$ thousand, except earnings per share expressed in NT\$

Code		April 1 to June 30, 2024		April 1 to June 30, 2023		January 1 to June 30, 2024		January 1 to June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 16)	\$ 348,734	100	\$ 223,178	100	\$ 607,926	100	\$ 445,070	100
5000	Operating costs (Notes 9 and 17)	( 261,761)	( 75)	( 194,370)	( 87)	( 467,194)	( 77)	( 363,085)	( 81)
5900	Operating Gross Profit	<u>86,973</u>	<u>25</u>	<u>28,808</u>	<u>13</u>	<u>140,732</u>	<u>23</u>	<u>81,985</u>	<u>19</u>
	Operating expenses (Notes 8, 17 and 22)								
6100	Selling expenses	( 11,725)	( 3)	( 8,923)	( 4)	( 20,805)	( 3)	( 17,445)	( 4)
6200	Administrative expenses	( 22,735)	( 7)	( 17,494)	( 8)	( 49,836)	( 8)	( 35,737)	( 8)
6300	Research and development expenses	( 21,635)	( 6)	( 31,078)	( 14)	( 42,375)	( 7)	( 62,440)	( 14)
6450	Gain on Reversal of Expected Credit Impairment	-	-	-	-	-	-	1,049	-
6000	Total operating expenses	( 56,095)	( 16)	( 57,495)	( 26)	( 113,016)	( 18)	( 114,573)	( 26)
6900	Net operating profit (loss)	<u>30,878</u>	<u>9</u>	( 28,687)	( 13)	<u>27,716</u>	<u>5</u>	( 32,588)	( 7)
	Non-operating income and expense								
7100	Interest revenue (Note 17)	10,637	3	11,619	5	20,531	3	22,938	5
7010	Other income	3,598	1	624	-	5,642	1	1,331	-
7020	Other gains and losses (Note 17)	( 22,330)	( 6)	23,589	11	41,288	7	15,229	3
7050	Financial costs (Note 17)	( 2,120)	( 1)	( 2,469)	( 1)	( 4,236)	( 1)	( 5,793)	( 1)
7060	Share of Profit or Loss of Associates and Joint Ventures Recognized Using the Equity Method	<u>235</u>	-	-	-	( 260)	-	-	-
7000	Total non-operating income and expenses	( 9,980)	( 3)	<u>33,363</u>	<u>15</u>	<u>62,965</u>	<u>10</u>	<u>33,705</u>	<u>7</u>
7900	Net profit before tax	20,898	6	4,676	2	90,681	15	1,117	-
7950	Income tax expense (Note 18)	-	-	-	-	-	-	-	-
8200	Current net profit	<u>20,898</u>	<u>6</u>	<u>4,676</u>	<u>2</u>	<u>90,681</u>	<u>15</u>	<u>1,117</u>	-
8500	Current total comprehensive income	<u>\$ 20,898</u>	<u>6</u>	<u>\$ 4,676</u>	<u>2</u>	<u>\$ 90,681</u>	<u>15</u>	<u>\$ 1,117</u>	-
	Net Income (loss) Attributable To:								
8610	Owners of the Company	\$ 21,889	6	\$ 5,029	2	\$ 92,962	15	\$ 2,369	-
8620	Non-controlling interests	( 991)	-	( 353)	-	( 2,281)	-	( 1,252)	-
8600		<u>\$ 20,898</u>	<u>6</u>	<u>\$ 4,676</u>	<u>2</u>	<u>\$ 90,681</u>	<u>15</u>	<u>\$ 1,117</u>	-
	Comprehensive Income Attributable To:								
8710	Owners of the Company	\$ 21,889	6	\$ 5,029	2	\$ 92,962	15	\$ 2,369	-
8720	Non-controlling interests	( 991)	-	( 353)	-	( 2,281)	-	( 1,252)	-
8700		<u>\$ 20,898</u>	<u>6</u>	<u>\$ 4,676</u>	<u>2</u>	<u>\$ 90,681</u>	<u>15</u>	<u>\$ 1,117</u>	-
	Earnings per share (Note 19)								
9750	Basic	<u>\$ 0.07</u>		<u>\$ 0.02</u>		<u>\$ 0.29</u>		<u>\$ 0.01</u>	
9850	Diluted	<u>\$ 0.07</u>		<u>\$ 0.02</u>		<u>\$ 0.29</u>		<u>\$ 0.01</u>	

The attached notes are part of the Consolidated Financial Statements.

Chairman: Concord Consulting Inc.  
Representative: Rebecca Lee

Managerial Officer: Chen Chih-Fang

Accounting Officer: Lin Kuo-Wei

Savior Lifetec Corporation and Subsidiaries  
Consolidated Statement of Changes in Equity  
January 1 to June 30, 2024 and 2023

Unit: NTD thousand

Code		Equity attributable to the company shareholders					Total	Non-controlling interests	Total equity
		Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings			
A1	Balance on January 1, 2023	\$3,172,166	\$ 133,941	\$ 996	\$ 8,960	\$ 36,387	\$3,352,450	\$ 14,505	\$3,366,955
D1	Net income (loss) from January 1 to June 30, 2023	-	-	-	-	2,369	2,369	( 1,252 )	1,117
D3	Other comprehensive income after tax for the six-month periods ended June 30, 2023	-	-	-	-	-	-	-	-
D5	Total comprehensive income for the six-month periods ended June 30, 2023	-	-	-	-	2,369	2,369	( 1,252 )	1,117
	2022 distribution of earnings								
B1	Legal reserve	-	-	3,638	-	( 3,638 )	-	-	-
B9	Cash dividends to the Company's shareholders	-	-	-	-	( 32,749 )	( 32,749 )	-	( 32,749 )
N1	Exercise of employee stock options	150	97	-	-	-	247	-	247
Z1	Balance on June 30, 2023	\$3,172,316	\$ 134,038	\$ 4,634	\$ 8,960	\$ 2,369	\$3,322,317	\$ 13,253	\$3,335,570
A1	Balance on January 1, 2024	\$3,173,991	\$ 135,127	\$ 4,634	\$ 8,960	\$ 30,030	\$3,352,742	\$ 11,972	\$3,364,714
D1	Net income (loss) from January 1 to June 30, 2024	-	-	-	-	92,962	92,962	( 2,281 )	90,681
D3	Other comprehensive income after tax for the six-month period ended June 30, 2024	-	-	-	-	-	-	-	-
D5	Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	92,962	92,962	( 2,281 )	90,681
	Distribution of 2023 earnings								
B1	Legal reserve	-	-	3,003	-	( 3,003 )	-	-	-
B3	Cash dividends to the Company's shareholders	-	-	-	-	( 27,027 )	( 27,027 )	-	( 27,027 )
Z1	Balance on June 30, 2024	\$3,173,991	\$ 135,127	\$ 7,637	\$ 8,960	\$ 92,962	\$3,418,677	\$ 9,691	\$3,428,368

The attached notes are part of the Consolidated Financial Statements.

Chairman: Concord Consulting Inc.  
Representative: Rebecca Lee

Managerial Officer: Chen Chih-Fang

Accounting Officer: Lin Kuo-Wei

Savior Lifetec Corporation and Subsidiaries  
Consolidated Statement of Cash Flows  
January 1 to June 30, 2024 and 2023

Unit: NTD thousand

Code		January 1 to June 30, 2024	January 1 to June 30, 2023
	Cash flows from operating activities		
A10000	Current net profit before tax	\$ 90,681	\$ 1,117
A20010	Income and Expenses:		
A20300	Gain on Reversal of Expected Credit Impairment	-	( 1,049)
A20100	Depreciation expenses	67,056	95,859
A20200	Amortization expense	1,162	1,659
A22500	Gain on Disposal of Property, Plants and Equipment	( 352)	-
A20900	Financial cost	4,236	5,793
A21200	Interest revenue	( 20,531)	( 22,938)
A23800	Inventory devaluation and revaluation gain	( 13,480)	( 23)
A20400	Net loss (gain) from financial assets carried at fair value through profit or loss	5,981	( 2,932)
A22400	Share of profit or loss of affiliates recognized using the equity method	260	-
A24100	Unrealized net gain of foreign exchange	( 733)	( 1,196)
A30000	Changes in operating assets and liabilities		
A31115	Financial assets are compulsorily measured at fair value through profit or loss	( 44,166)	( 18,326)
A31130	Notes receivable	( 796)	108
A31150	Accounts receivable	36,772	64,114
A31180	Other accounts receivable	120	229
A31200	Inventories	127,155	24,702
A31230	Prepayments	3,428	80,300
A31240	Other current assets	( 3,157)	( 5,434)
A32125	Contract liabilities	( 7,566)	( 27,577)
A32150	Accounts payable	( 6,176)	( 52,816)
A32180	Other payables	( 3,352)	( 18,555)
A32230	Other current liabilities	508	( 120)
A33000	Cash from operations	237,050	122,915
A33100	Interest received	24,068	22,938
A33300	Interest paid	( 4,236)	( 4,139)
A33500	Income Tax Paid	( 2,368)	( 2,272)
AAAA	Net cash inflow from operating activities	<u>254,514</u>	<u>139,442</u>

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Code		January 1 to June 30, 2024	January 1 to June 30, 2023
	Cash flows from investing activities		
B00040	Acquisition of financial assets carried at amortized cost	(\$ 203,062)	(\$ 128)
B00050	Disposal of financial assets carried at amortized cost	211,120	452,885
B02700	Purchase of property, plant and equipment	( 34,946)	( 9,991)
B02800	Disposal price of property, plant and equipment	895	-
B04500	Purchase of intangible assets	( 55)	( 100)
B03800	Increase in guaranteed deposits paid	( 1)	( 1,881)
BBBB	Net cash inflow (outflow) from investing activities	( 26,049)	440,785
	Cash flows from financing activities		
C01300	Redemption of corporate bonds	-	( 530,258)
C04020	Lease liability principal repayment	( 6,663)	( 5,921)
C04800	Exercise of employee stock options	-	247
CCCC	Net cash outflow from financing activities	( 6,663)	( 535,932)
E00000	Current increase in cash and cash equivalents	221,802	44,295
E00100	Balance of cash and cash equivalents at the beginning of the period	<u>1,082,919</u>	<u>1,085,993</u>
E00200	Balance of cash and cash equivalents at the end of the period	<u>\$ 1,304,721</u>	<u>\$ 1,130,288</u>

The attached notes are part of the Consolidated Financial Statements.

Chairman: Concord Consulting Inc.

Managerial Officer: Chen  
Chih-Fang

Accounting Officer:  
Lin Kuo-Wei

Representative: Rebecca Lee

Savior Lifetec Corporation and Its Subsidiaries  
Notes to the Consolidated Financial Statements  
January 1 to June 30, 2024 and 2023  
(Amounts in NTD thousand, Unless Otherwise Specified)

I. Company History

Savior Lifetec Corporation (hereinafter referred to as the Company) was established on January 30, 2004, upon approval from the Ministry of Economic Affairs. The major business items of the Company and its subsidiaries (collectively, “the consolidated entities”) are the research, development, design, manufacture, and sale of carbapenem generics, injection generics, controlled-release generics, the development of new dosage forms and drugs, and the APIs, excipients, intermediates, and dosage forms of the aforementioned products. The Company also provides medicine manufacturer technology and services. The Company has traded on Taipei Exchange as of September 8, 2015.

The consolidated financial statements are stated with the Company’s functional currency, i.e. NTD, as the presentation currency.

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved by the Board of Directors on August 8, 2024.

III. Application of new and amended standards and interpretations

- (I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRS accounting standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Application of the amended IFRS accounting standards endorsed and issued into effect by the FSC as of 2024 does not have a significant effect on the company’s accounting policies.

- (II) IFRS standards endorsed by the FSC for application starting from 2025

New, amended and revised standards and interpretations	Effective date announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: Applicable to the reporting period of the year as of January 1, 2025. At the time of initial application of the amendments, the comparative period shall



not be restated, but the effects shall be recognized in the retained earnings or exchange differences of foreign operations under equity (as appropriate) on the date of initial application, as well as the related affected assets and liabilities.

The application of the above IFRS standards endorsed by the FSC for application starting from 2025 is not expected to cause significant changes in the consolidated entities' accounting policies. As of the approval date of these consolidated financial statements, the Company continues to evaluate the impact of other amendments to standards and interpretations on its financial position and performance. The relevant impacts will be disclosed upon completion of the assessment.

(III) The IFRS accounting standards issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

New, amended and revised standards and interpretations	Effective date announced by the IASB (Note 1)
“Annual Improvements to IFRS Accounting Standards - Volume 11”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture”	To be decided
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparison Information”	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- The statement of profit or loss should classify income and expense items into operating, investing, financing, income tax, and discontinued operations categories.

- The statement of profit or loss should present subtotals and totals for operating profit or loss, profit or loss before financing and income tax, and profit or loss.
- Provides guidance to strengthen aggregation and disaggregation requirements: The Company must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items with different characteristics should be disaggregated in the primary financial statements and notes. The Company uses the label “other” for such items only when a more informative label cannot be found.
- Increase disclosure of management-defined performance measures: When the Company communicates publicly outside the financial statements and communicates with financial statement users about management’s view of a particular aspect of the Company’s overall financial performance, it should disclose information about management-defined performance measures in a single note to the financial statements. This includes a description of the measure, how it is calculated, its reconciliation to subtotals or totals specified by IFRS standards, and the impact of income tax and non-controlling interests on reconciling items.

Apart from the aforementioned impacts, as of the approval date of these consolidated financial statements, the Company continues to evaluate other potential impacts of the amendments to various standards and interpretations on its financial position and performance. The relevant impacts will be disclosed upon completion of the assessment.

#### IV. Summary of significant accounting policies

##### (I) Statement of compliance

This consolidated financial report was prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS 34 “Interim Financial Reporting” approved and issued into effect by the Financial Supervisory Commission. The consolidated financial statements do not include all the IFRS disclosures required by the annual financial report.

##### (II) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis except for the financial instruments at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1. Level 1: The quoted price on an active market for identical assets or liabilities that are accessible to the Company on the measurement date (before adjustment).
2. Level 2: It refers to the inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3: The inputs that are not observable for assets or liabilities.

(III) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). Operating income of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective date of acquisition or until the date of disposal, as appropriate. Adjustments have been made to the financial statements of subsidiaries to allow their accounting policies to be consistent with those used by the consolidated entities. During the preparation of the consolidated financial statements, the transaction, account balance, revenue, and expense among entities were eliminated completely. Subsidiaries' total comprehensive income is attributed to the owners of the Company and non-controlling interests, even if it results in losses for non-controlling interests.

Changes in the consolidated entities' ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the consolidated entities' interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The price difference between the adjustment value of non-controlling interest and the fair value of paid or collected consideration shall be stated into equity directly and also attributed to the owners of the Company.

Please refer to Note 10 and Table 4 for details of subsidiaries, percentage of ownership and business lines.

(IV) Other significant accounting policies

In addition to the following notes, please also refer to the summarization of the significant accounting policies in the 2023 consolidated financial statements.

Income tax expense

The tax expenses include the sum of current and deferred income taxes. The interim income tax is evaluated based on the year; the tax rate applicable to the expected total annual earnings is applied to calculate the interim pre-tax incomes.

V. Major sources of uncertainties to significant account judgments, estimates, and assumptions

The major sources of uncertainties to significant account judgments, estimates, and assumptions adopted herein are identical to those applied in the 2023 consolidated financial statements.

VI. Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on Hand	\$ 373	\$ 393	\$ 398
Check and demand deposits	277,948	100,287	215,992
Cash equivalents (Investment due within three (3) months initially)			
Bank time deposits	838,650	934,239	913,898
Reverse repurchase agreements	187,750	48,000	-
	<u>\$ 1,304,721</u>	<u>\$ 1,082,919</u>	<u>\$ 1,130,288</u>

As of June 30, 2024, December 31, 2023, and June 30, 2023, time deposits with original maturities of more than three months (recorded as financial assets measured at amortized cost) amounted to NT\$202,040 thousand, NT\$210,098 thousand, and NT\$104,750 thousand, respectively.

For details about the consolidated entities' bank deposits and time deposits pledged or provided as collateral, please refer to Note 23.

VII. Financial instruments carried at fair value through profit or loss

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets – current</u>			
Mandatorily as at Fair Value Through Profit or Loss			
Non-derivative financial assets			
- Domestic emerging stocks	\$ 38,750	\$ 36,302	\$ -
- Foreign listed/OTC stocks	47,650	11,913	18,395
	<u>\$ 86,400</u>	<u>\$ 48,215</u>	<u>\$ 18,395</u>

<u>Financial assets – non-current</u>			
Mandatorily as at Fair Value			
Through Profit or Loss			
Non-derivative financial			
assets			
- Domestic			
emerging stocks	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>36,825</u>

VIII. Notes receivable, accounts receivable and other receivables

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Notes receivable</u>			
Total carrying amount carried at amortized cost	\$ <u>2,728</u>	\$ <u>1,932</u>	\$ <u>3,151</u>
<u>Accounts receivable</u>			
Total carrying amount carried at amortized cost	\$ 237,079	\$ 273,100	\$ 229,628
Less: Allowance loss	<u>          -</u>	<u>          -</u>	( <u>885</u> )
	<u>\$ 237,079</u>	<u>\$ 273,100</u>	<u>\$ 228,743</u>
<u>Other accounts receivable</u>	<u>\$ 5,581</u>	<u>\$ 9,236</u>	<u>\$ 3,321</u>

(I) Notes and accounts receivable

The consolidated entities' average credit period for the sale of goods ranges from 30 days to 90 days. The accounts receivable are collected without interest. When determining the recoverability of accounts receivable, the consolidated entities shall consider any changes in the credit quality of the accounts receivable from the date of initial granting of the loan until the balance sheet date.

The consolidated entities recognize loss allowance for accounts receivable based on the lifetime expected credit loss, according to the streamlined approach under IFRS 9. The lifetime expected credit losses are calculated using the reserve matrix, by considering the customers' past default records and current financial position as well as the industrial economic situations, in addition to GDP forecast and industrial outlook. As the consolidated entities' credit loss history shows that there is no significant difference among the loss patterns of different customer bases, the reserve matrix doesn't further divide the customer bases, but only establishes the expected credit losses based on the number of days for which the accounts receivable becomes overdue.

The consolidated entities write off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery expected by the consolidated entities. For accounts receivables that have been written off, the consolidated entities continue to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The loss allowance for accounts receivable measured by the consolidated entities using the reserve matrix is as follows:

### June 30, 2024

	Not overdue	Overdue 1–90 days	Overdue for 91 to 180 days	Overdue for 181 to 270 days	Overdue for 271 to 360 days	Overdue more than 360 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	100%	
Total Carrying Amount	\$ 203,868	\$ 35,939	\$ -	\$ -	\$ -	\$ -	\$ 239,807
Loss allowance (lifetime expected credit loss)	-	-	-	-	-	-	-
Amortized Cost	<u>\$ 203,868</u>	<u>\$ 35,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,807</u>

### December 31, 2023

	Not overdue	Overdue 1–90 days	Overdue for 91 to 180 days	Overdue for 181 to 270 days	Overdue for 271 to 360 days	Overdue more than 360 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	100%	
Total Carrying Amount	\$ 208,686	\$ 66,346	\$ -	\$ -	\$ -	\$ -	\$ 275,032
Loss allowance (lifetime expected credit loss)	-	-	-	-	-	-	-
Amortized Cost	<u>\$ 208,686</u>	<u>\$ 66,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275,032</u>

### June 30, 2023

	Not overdue	Overdue 1–90 days	Overdue for 91 to 180 days	Overdue for 181 to 270 days	Overdue for 271 to 360 days	Overdue more than 360 days	Total
Expected credit loss rate	0%–0.102%	0%–2.586%	0%–5.845%	0%–10.061%	0%–21.895%	100%	
Total Carrying Amount	\$ 206,295	\$ 26,484	\$ -	\$ -	\$ -	\$ -	\$ 232,779
Loss allowance (lifetime expected credit loss)	( 200 )	( 685 )	-	-	-	-	( 885 )
Amortized Cost	<u>\$ 206,095</u>	<u>\$ 25,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,894</u>

The information about changes in loss allowance on the Company's accounts receivable is specified as follows:

	January 1 to June 30, 2024	January 1 to June 30, 2023
Balance – beginning	\$ -	\$ 1,934
Less: Reversal of impairment loss in the current period	-	( 1,049 )
Balance – ending	<u>\$ -</u>	<u>\$ 885</u>

(II) Other accounts receivable

When any objective evidence shows impairment on other receivables, the Company shall evaluate the amount of impairment individually. There should be no other receivables that were already past due but for which the consolidated entities have not yet recognized the loss allowance, on the balance sheet date.

IX. Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods	\$ 168,301	\$ 315,667	\$ 450,219
Work in process	339,567	415,560	348,905
Raw materials	<u>238,501</u>	<u>128,817</u>	<u>212,533</u>
	<u>\$ 746,369</u>	<u>\$ 860,044</u>	<u>\$ 1,011,657</u>

The allowance for inventory valuation losses as of June 30, 2024, December 31, 2023, and June 30, 2023 were NT\$49,103 thousand, NT\$81,434 thousand, and NT\$120,037 thousand, respectively.

The cost of goods sold for the three-month and six-month periods ended June 30, 2024 and 2023 includes the reversal of allowance for inventory valuation and obsolescence of NT\$8,393 thousand, NT\$0 thousand, NT\$13,480 thousand, and NT\$23 thousand, respectively.

Cost of sales

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Cost of sold inventory	\$ 236,838	\$ 179,762	\$ 431,651	\$ 330,112
Inventory devaluation and revaluation gain	( 8,393 )	-	( 13,480 )	( 23 )
Unamortized manufacturing expense	26,453	3,317	30,132	10,237
Labor cost	<u>6,863</u>	<u>11,291</u>	<u>18,891</u>	<u>22,759</u>
	<u>\$ 261,761</u>	<u>\$ 194,370</u>	<u>\$ 467,194</u>	<u>\$ 363,085</u>

The recovery of allowance for inventory valuation losses was mainly due to the recovery of the net realizable value of inventories.

X. Subsidiary

The subsidiaries included in the consolidated financial statements

The entities in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Nature of business	Percentage of ownership		
			June 30, 2024	December 31, 2023	June 30, 2023
The Company	SLC BioPharm Co., Ltd.	Biotechnology R&D and wholesale of western pharmaceutical	100	100	100
The Company	Ruize Biotechnology Co., Ltd.	International Trade, Wholesale of Medical	33.33	33.33	33.33

The Company	Pengrui Construction Co., Ltd. (Note)	Devices and Retail Sale of Medical Apparatus Urban Renewal and Reconstruction, Investment Consulting	100.00	100.00	-
SLC BioPharm Co., Ltd.	Ruize Biotechnology Co., Ltd.	International Trade, Wholesale of Medical Devices and Retail Sale of Medical Apparatus	17.67	17.67	17.67

Note: The consolidated entities established Pengrui Construction Co., Ltd. on July 25, 2023, wholly owned by the consolidated entities.

#### XI. Investments Using the Equity Method

The consolidated entities' affiliates are listed as follows:

<u>Individual insignificant affiliate</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
	Huan Pin Construction Co., Ltd.	<u>\$ 146,701</u>	<u>\$ 146,961</u>

  

<u>Name</u>	<u>Percentage of ownership and voting rights</u>		
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Huan Pin Construction Co., Ltd.	35%	35%	-

In order to develop the business of Pengrui Construction Co., Ltd., the consolidated entities subscribed for 10,500 and 4,200 thousand common shares from Huan Pin Construction Co., Ltd. at the price of NT\$105,000 and NT\$42,000 thousand in cash on August 29 and December 13, 2023, respectively.

For information about the business nature of said joint ventures, principal business place and country where the company is registered, please refer to the "Information on Names and Locations of Investees, etc." specified in table 4.

#### XII. Property, plant and equipment

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Houses and buildings	\$ 627,342	\$ 642,092	\$ 658,900
Machinery and equipment	113,274	143,355	184,335
Test equipment	2,276	2,922	3,521
Office equipment	317	190	551
Leasehold improvement	4,280	4,164	5,789
Other equipment	36,027	45,818	54,708
Uncompleted construction and equipment to be tested	<u>29,117</u>	<u>21,824</u>	<u>17,596</u>
	<u>\$ 812,633</u>	<u>\$ 860,365</u>	<u>\$ 925,400</u>



Except the recognized depreciation expenses, no major additions to, disposal of or impairment on the consolidated entities' property, plant and equipment has taken place for the six-month periods ended June 30, 2024 and 2023. Depreciation expenses are provided on a straight-line basis over useful years shown as follows:

Houses and buildings	
Factory premises and employee dormitory	20 to 51 years
Housing accessories	3 to 15 years
Machinery and equipment	3 to 20 years
Test equipment	5 to 9 years
Office equipment	3 to 6 years
Leasehold improvement	2 to 11 years
Other equipment	3 to 20 years

For the amounts of property, plant and equipment furnished to secure loans, please refer to Note 23.

### XIII. Lease agreement

#### (I) Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying Amount of Right-of-use Assets			
Land	\$ 249,619	\$ 236,966	\$ 240,137
Buildings	7,710	11,481	15,253
Transport equipment	1,800	2,189	2,405
Other assets	<u>2,104</u>	<u>4,748</u>	<u>-</u>
	<u>\$ 261,233</u>	<u>\$ 255,384</u>	<u>\$ 257,795</u>
	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024
Addition to right-of-use assets.			<u>\$ 2,884</u>
Derecognition of right-of-use assets			<u>\$ 2,227</u>
Depreciation expenses of right-of-use assets			
Land	\$ 1,707	\$ 1,586	\$ 3,375
Buildings	1,886	2,003	3,772
Transport equipment	194	206	388
Other assets	<u>167</u>	<u>-</u>	<u>417</u>
	<u>\$ 3,954</u>	<u>\$ 3,795</u>	<u>\$ 7,952</u>
	April 1 to June 30, 2023	January 1 to June 30, 2023	January 1 to June 30, 2023
			<u>\$ 2,884</u>
			<u>\$ -</u>
			<u>\$ 3,171</u>
			<u>\$ 3,772</u>
			<u>\$ 315</u>
			<u>\$ -</u>
			<u>\$ 7,258</u>

Apart from the additions, disposals, and recognition of depreciation expenses listed above, the consolidated entities' right-of-use assets did not experience any

significant subleasing or impairment during the six-month periods ended June 30, 2024 and 2023.

(II) Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
The Carrying amount of the lease liability			
Current	<u>\$ 12,468</u>	<u>\$ 13,337</u>	<u>\$ 12,145</u>
Non-current	<u>\$ 265,046</u>	<u>\$ 257,039</u>	<u>\$ 259,362</u>

Discount rates of lease liabilities are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	3.00%	3.00%	3.00%
Buildings	2.66–3.00%	2.66–3.00%	2.66%–3.00%
Transport equipment	3.00–3.09%	3.00–3.09%	3.00%
Other equipment	3.09%	3.09%	-

(III) Important lease activities and terms

The underlying assets of the consolidated entities' lease transactions include land, buildings, and company cars. Lease contracts usually have a term of 2 to 20 years. Lease contracts are negotiated individually and contain different terms and conditions. There are no restrictions in the contract, except that the assets under the lease shall not be used as collateral for loans. Upon termination of the lease period, the consolidated entities retain no preemptive right to purchase said lease.

For the objects specified in the variable lease payment terms of the consolidated entities' lease contract that are linked to the adjustment of the announced land price at the site of the consolidated entities' factory or the rental rate for lease of the state-owned land, the lease liabilities are reassessed because of the change in the lease payment resulting from the aforementioned rental adjustment in the first half of 2024, and the right-of-use assets is adjusted based on the remeasurement to the amount of \$16,028 thousand.

(IV) Other Leasing Information

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Expenses of Short-term Leases	<u>\$ 97</u>	<u>\$ 128</u>	<u>\$ 235</u>	<u>\$ 284</u>
Lease expense on low-value assets	<u>\$ 47</u>	<u>\$ 38</u>	<u>\$ 91</u>	<u>\$ 87</u>
Total cash (outflow) from lease			<u>\$ 11,225</u>	<u>\$ 10,399</u>

#### XIV. Other payables

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Salaries and bonuses payable	\$ 45,371	\$ 51,991	\$ 40,707
Severance pay payable	8,046	-	-
Remuneration payable to employees and directors	6,757	2,820	2,100
Equipment payment payable	4,045	6,195	-
Service fee payable	1,051	8,628	6,515
Others	<u>43,313</u>	<u>43,849</u>	<u>35,436</u>
	<u>\$ 108,583</u>	<u>\$ 113,483</u>	<u>\$ 84,758</u>

Due to the adjustment of overall operational strategy, the Group transferred its registration to the Southern Taiwan Science Park and recognized a provision for expected restructuring costs of NT\$17,336 thousand for this relocation plan. Please refer to Note 17(5) for employee benefit expenses. As of June 30, 2024, the unpaid provision amounted to NT\$8,046 thousand.

#### XV. Equity

##### (I) Capital stock

##### Ordinary Shares

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Authorized number of shares (thousand shares)	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
Capital stock	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>
The number of issued and outstanding shares with paid-in capital (in thousand shares)	<u>317,399</u>	<u>317,399</u>	<u>317,232</u>
Issued capital stock	<u>\$ 3,173,991</u>	<u>\$ 3,173,991</u>	<u>\$ 3,172,316</u>

The common stocks are issued with par value of NT\$10 per share with one voting right and the right to collect dividends for each.

The changes in the Company's capital stock were primarily caused by employees' exercise of their stock options.

##### (II) Capital surplus

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>It can be applied for the make-up of losses, cash distribution, or capitalization (1).</u>			

Issuance of shares at a premium	\$ 108,661	\$ 108,661	\$ 106,810
Employee stock options transfer-in	19,584	19,584	20,346
Invalid convertible corporate bonds stock options	<u>6,882</u>	<u>6,882</u>	<u>6,882</u>
	<u>\$ 135,127</u>	<u>\$ 135,127</u>	<u>\$ 134,038</u>

- Such capital surplus can be used to make up for losses. Meanwhile, when the Company suffers no losses, it can be applied for cash distribution or capitalization. However, it is limited to a certain percentage of the annual paid-in capital for the purpose of capitalization.

(III) Retained Earnings and Dividend Policy

According to the earnings distribution policy under the Company's Articles of Incorporation, if there is a surplus after account settlement of the fiscal year, the Company shall pay applicable taxes pursuant to laws and cover loss carried forward, followed by the allocation of 10% of the remainder as legal reserve. Subsequently, the Company shall contribute or reverse special reserve pursuant to laws. The balance, if any, plus the accumulated undistributed earnings in the past years, shall be distributed as dividends to shareholders per the motion for distribution of earnings proposed by the Board of Directors as resolved by a shareholders' meeting. According to the dividend policy, the Company shall set aside no less than 50% of the distributable earnings for allocation of shareholder bonus. However, shareholder bonus may not be distributed if the accumulated distributable earnings are less than 3% of the paid-in capital. The payment may be made in cash or shares and the dividend in cash shall not be less than 5% of the total dividend. If the earnings referred to in the preceding paragraph are distributed in the form of cash dividends, the Board of Directors shall be authorized to make a resolution and report to the shareholders' meeting.

Please refer to Note 17(6) "Remuneration to Employees and Directors" for the distribution of remuneration to employees and directors prescribed in the Company's Articles of Incorporation.

The Company shall set aside a legal reserve unless its total amount has reached the amount of the Company's total paid-in capital. The legal reserve may be used to offset a deficit. Where the Company doesn't operate at a loss, the part of the legal reserve in excess of 25% of the paid-in capital could be applied for capitalization and may be allocated in cash as well.

The Company's 2023 and 2022 earnings appropriation plans are stated as follows:

	<u>2023</u>	<u>2022</u>
Legal reserve	<u>\$ 3,003</u>	<u>\$ 3,638</u>
Cash dividend	<u>\$ 27,027</u>	<u>\$ 32,749</u>
Cash dividend per share (NT\$)	\$ 0.0851	\$ 0.1032

The above cash dividends were resolved for distribution by the Board of Directors on May 3, 2024 and May 5, 2023, respectively. The remaining earnings distribution items were also resolved at the Annual General Meetings on June 14, 2024 and June 15, 2023, respectively.

#### XVI. Operating revenue

<u>Product and service type</u>	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Revenue from customer contracts				
Revenue from the sale of products	\$ 346,659	\$ 208,444	\$ 590,207	\$ 414,010
Labor service revenue	<u>2,075</u>	<u>14,734</u>	<u>17,719</u>	<u>31,060</u>
	<u>\$ 348,734</u>	<u>\$ 223,178</u>	<u>\$ 607,926</u>	<u>\$ 445,070</u>

#### (I) Remark on customer contracts

1. The revenue from R&D services and process design of the consolidated entities is generated from the development of new drugs and process designs as described below:

- (1) The consolidated entities entered into a process design agreement with Customer Z in November 2018 to provide process design services for the setup of oral tablet production lines for the new drug SLC-029.

The income from the process design was mainly based on the transaction price allocated to the contractual obligations and recognized according to the progress of these obligations. The completion percentage of the services was determined based on the proportion of the actually disbursed cost in the estimated total cost. Process validation and batch production will be conducted after the setup of the production lines for batch manufacturing before mass production of the new drug. The consolidated entities will recognize a service income based on the progress.

- (2) The consolidated entities entered into the technology transfer and batch production contracts with Customer X in June 2022. Under the contracts, the consolidated entities allocated the transaction price primarily based on the contract performance obligations at the stages including technology

transfer, batch production and product test, and recognized the revenue when the contract performance obligation was satisfied.

(3) The consolidated entities entered into the process design contracts with Customer Y in July 2023. Under the contracts, the consolidated entities allocated the transaction price primarily based on the contract performance obligations at the stages, including the process development, development of analysis method and experimental sample stability research and recognized the revenue when the contract performance obligation was satisfied.

2. The fee-splitting under drug license and authorized sale is as follows:

The consolidated entities authorize an international leading pharmaceutical company as the sole agent to sell the ertapenem injection medicine for which the consolidated entities have acquired the drug license in the USA. In addition to receiving a fixed upfront payment based on the progress according to the agreement, the consolidated entities and the pharmaceutical company are subject to a fee splitting and profit sharing mechanism according to the agreement, and the consolidated entities recognize an agreed percentage of the net profit defined in the agreement in revenue in consideration of the sales status of the pharmaceutical company.

(II) Contract Balance

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Accounts receivable (Note 8)	<u>\$ 237,079</u>	<u>\$ 273,100</u>	<u>\$ 228,743</u>
Contract liabilities – current	<u>\$ 12,236</u>	<u>\$ 19,802</u>	<u>\$ 36,690</u>

(III) Breakdown of revenue from customer contracts

January 1 to June 30, 2024

	<u>Antibiotics</u>	<u>Others</u>	<u>Total</u>
Customer contract income recognized at a certain time point	\$ 546,676	\$ 53,010	\$ 599,686
Income recognized individually along the timeline	<u>-</u>	<u>8,240</u>	<u>8,240</u>
	<u>\$ 546,676</u>	<u>\$ 61,250</u>	<u>\$ 607,926</u>

January 1 to June 30, 2023

	<u>Antibiotics</u>	<u>Others</u>	<u>Total</u>
Customer contract income recognized at a certain time point	\$ 375,066	\$ 44,135	\$ 419,201
Income recognized individually along the timeline	<u>-</u>	<u>25,869</u>	<u>25,869</u>
	<u>\$ 375,066</u>	<u>\$ 70,004</u>	<u>\$ 445,070</u>

XVII. Net income before tax

(I) Interest revenue

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Bank deposits	\$ 10,243	\$ 7,744	\$ 19,076	\$ 15,059
Financial assets carried at amortized cost	245	3,613	1,115	7,421
Others	<u>149</u>	<u>262</u>	<u>340</u>	<u>458</u>
	<u>\$ 10,637</u>	<u>\$ 11,619</u>	<u>\$ 20,531</u>	<u>\$ 22,938</u>

(II) Other gains and losses

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Gain on Disposal of Property, Plants and Equipment	\$ 352	\$ -	\$ 352	\$ -
Loss (gain) on financial assets measured at fair value through profit or loss	( 34,980 )	( 1,783 )	( 5,981 )	2,932
Net gain on foreign exchange	12,509	25,372	47,169	12,607
Others	<u>( 211 )</u>	<u>-</u>	<u>( 252 )</u>	<u>( 310 )</u>
	<u>( \$ 22,330 )</u>	<u>\$ 23,589</u>	<u>\$ 41,288</u>	<u>\$ 15,229</u>

(III) Financial cost

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Bank loan	\$ -	\$ -	\$ -	\$ 32
Corporate bonds payable	-	414	-	1,654
Interest on Lease Liabilities	<u>2,120</u>	<u>2,055</u>	<u>4,236</u>	<u>4,107</u>
	<u>\$ 2,120</u>	<u>\$ 2,469</u>	<u>\$ 4,236</u>	<u>\$ 5,793</u>

(IV) Depreciation and impairment expenses

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Property and equipment	\$ 26,167	\$ 44,028	\$ 59,104	\$ 88,601
Right-of-use assets	3,954	3,795	7,952	7,258
Intangible assets	<u>535</u>	<u>830</u>	<u>1,162</u>	<u>1,659</u>
	<u>\$ 30,656</u>	<u>\$ 48,653</u>	<u>\$ 68,218</u>	<u>\$ 97,518</u>

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Summarization of depreciation expenses by function				
Operating costs	\$ 21,578	\$ 33,831	\$ 50,041	\$ 68,306
Operating expenses	<u>8,543</u>	<u>13,992</u>	<u>17,015</u>	<u>27,553</u>
	<u>\$ 30,121</u>	<u>\$ 47,823</u>	<u>\$ 67,056</u>	<u>\$ 95,859</u>
Summarization of amortization expenses by function				
Operating costs	\$ 497	\$ 585	\$ 1,055	\$ 1,167
Operating expenses	<u>38</u>	<u>245</u>	<u>107</u>	<u>492</u>
	<u>\$ 535</u>	<u>\$ 830</u>	<u>\$ 1,162</u>	<u>\$ 1,659</u>

(V) Employee benefit expense

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term employee benefits				
Payroll expense	\$ 67,423	\$ 64,251	\$ 135,603	\$ 123,484
Labor and health insurance expense	6,093	6,384	12,364	13,023
Post-employment Benefits	2,911	3,055	5,942	6,097
Other employee benefit	3,147	2,792	8,129	5,823
Resignation benefits	<u>1,320</u>	<u>-</u>	<u>17,336</u>	<u>-</u>
Total employee benefit expense	<u>\$ 80,894</u>	<u>\$ 76,482</u>	<u>\$ 179,374</u>	<u>\$ 148,427</u>
Summarization by function				
Operating costs	\$ 51,229	\$ 52,595	\$ 115,646	\$ 101,435
Operating expenses	<u>29,665</u>	<u>23,887</u>	<u>63,728</u>	<u>46,992</u>
	<u>\$ 80,894</u>	<u>\$ 76,482</u>	<u>\$ 179,374</u>	<u>\$ 148,427</u>

(VI) Remuneration to employees and directors

According to the Articles of Incorporation, if there is profit for the year, the Company shall set aside no less than 3% thereof as remuneration to employees and no more than 3% as remuneration to directors. However, the profit must first be used to cover the Company's cumulative loss, if any. The estimated employee compensation and directors' remuneration for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

Estimated ratio

	January 1 to June 30, 2024	January 1 to June 30, 2023
Remuneration to Employees	3.14%	3.04%
Remuneration to Directors	2.09%	1.01%



Amount

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Remuneration to Employees	<u>\$ 600</u>	<u>\$ 75</u>	<u>\$ 3,082</u>	<u>\$ 75</u>
Remuneration to Directors	<u>\$ 400</u>	<u>\$ 25</u>	<u>\$ 2,055</u>	<u>\$ 25</u>

Changes in the amount after the publication date of the annual consolidated financial report will be treated as changes in accounting estimates and adjusted in the following year.

The 2023 and 2022 remunerations to employees and directors were resolved as follows by the Board of Directors on March 8, 2024 and May 5, 2023:

Amount

	<u>2023</u>	<u>2022</u>
Remuneration to Employees	<u>\$ 1,000</u>	<u>\$ 1,200</u>
Remuneration to Directors	<u>\$ 620</u>	<u>\$ 800</u>

There was no difference between the amount of actual remuneration distributed to the employees and directors in 2023 and 2022 and the amount recognized in the 2023 and 2022 consolidated financial statements.

Please visit the Market Observation Post System (MOPS) for information on employee remuneration and directors' remuneration approved by the Board of Directors.

**XVIII. Income tax**

(I) Main elements of total income tax expenses recognized in profit or loss

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Current income tax				
Those generated in the current period	\$ -	\$ -	\$ -	\$ -
Deferred income tax				
Those generated in the current period	-	-	-	-
Total Income Tax Expense Recognized in Profit or Loss	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(II) The status of income tax returns filed by the parent company and subsidiaries, as assessed by the tax authorities, is as follows:

	<u>Approved fiscal year</u>
Parent company	2021
SLC BioPharm Co., Ltd.	2022
Ruize Biotechnology Co., Ltd.	2022

### XIX. Earnings Per Share

	Unit: NTD per share			
	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Basic and diluted EPS	<u>\$ 0.07</u>	<u>\$ 0.02</u>	<u>\$ 0.29</u>	<u>\$ 0.01</u>

The net income and weighted average number of common stocks used to calculate earnings per share are enumerated below:

#### Current net profit

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Net income used to calculate basic and diluted earnings per share	<u>\$ 21,889</u>	<u>\$ 5,029</u>	<u>\$ 92,962</u>	<u>\$ 2,369</u>

#### Shares

	Unit: Thousand Shares			
	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Weighted average number of common stocks is used to calculate basic earnings per share	317,399	317,232	317,399	317,227
Effect of dilutive potential common stocks :				
Employee stock options	37	1	37	1
Remuneration to Employees	<u>121</u>	<u>29</u>	<u>139</u>	<u>49</u>
Weighted average number of common stocks is used to calculate diluted earnings per share	<u>317,557</u>	<u>317,262</u>	<u>317,575</u>	<u>317,277</u>

If the consolidated entities offer to settle the remuneration to employees in cash or shares, when calculating diluted earnings per share, the consolidated entities need to assume that the entire amount of the remuneration to employees will be settled in shares, and the resulting potential shares shall be included in the weighted average number of common stocks used in the computation of diluted earnings per share, as the effect is dilutive. Such a dilutive effect on the potential shares should be included in the

computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the next year.

Due to the anti-dilutive effect of the outstanding share warrants in the six-month period ended June 30, 2024, it was not included in the calculation of diluted earnings per share. The Company's convertible bonds and stock options issued during the six-month period ended June 30, 2023 have an anti-dilutive effect, so they are not included in the calculation of diluted earnings per share.

## XX. Share-based payment agreement

The consolidated entities didn't issue additional employee stock options for the six-month period ended June 30, 2024 and 2023. The information about the outstanding employee stock options is specified as follows:

	<u>January 1 to June 30, 2024</u>		<u>January 1 to June 30, 2023</u>	
	<u>Unit (thousand)</u>	<u>Weighted average exercise price (NT\$)</u>	<u>Unit (thousand)</u>	<u>Weighted average exercise price (NT\$)</u>
<u>Employee stock options</u>				
Outstanding shares, beginning	670	\$ 22.93	1,242	\$ 21.99
Forfeited in this period	( 554)	24.28	( 328)	22.93
Exercised in this period	<u>-</u>	<u>-</u>	<u>( 15)</u>	16.50
Outstanding shares, ending	<u>116</u>	16.5	<u>899</u>	21.73
Exercisable shares, ending	<u>116</u>	16.5	<u>899</u>	21.73

The recognized remuneration costs for the three-month and six-month periods ended June 30, 2024 and 2023 were both NT\$0 thousand.

## XXI. Financial instruments

- (I) Fair value information – Financial instruments at fair value on a recurring basis

### Fair Value Hierarchy

#### June 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets carried at fair value through profit or loss</u>				
Domestic emerging stocks	\$ 38,750	\$ -	\$ -	\$ 38,750
Foreign listed/over-the- counter stocks	<u>47,650</u>	<u>-</u>	<u>-</u>	<u>47,650</u>
	<u>\$ 86,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,400</u>

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets carried at fair value through profit or loss</u>				
Domestic emerging stocks	\$ 36,302	\$ -	\$ -	\$ 36,302
Foreign listed/over-the-counter stocks	<u>11,913</u>	<u>-</u>	<u>-</u>	<u>11,913</u>
	<u>\$ 48,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,215</u>

June 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets carried at fair value through profit or loss</u>				
Domestic emerging stocks	\$ 36,825	\$ -	\$ -	\$ 36,825
Foreign listed/over-the-counter stocks	<u>18,395</u>	<u>-</u>	<u>-</u>	<u>18,395</u>
	<u>\$ 55,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,220</u>

There was no transfer of fair value measurement between Level 1 and Level 2 for the three-month periods ended June 30, 2024 and 2023.

(II) Type of financial instruments

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets</u>			
Measured at fair value through profit or loss	\$ 86,400	\$ 48,215	\$ 55,220
Financial assets carried at amortized cost (Note 1)	1,756,627	1,581,763	1,474,802
<u>Financial liabilities</u>			
Financial liabilities carried at amortized cost (Note 2)	183,622	167,680	134,561

Note 1: The balances include the financial assets carried at amortized cost, such as cash and cash equivalents, financial assets carried at amortized cost, net notes receivable, net accounts receivable, other receivables and refundable deposits (stated as other non-current assets).

Note 2: The balance includes financial liabilities measured at amortized cost such as notes payable, accounts payable, dividends payable, and other payables.

(III) Financial Risk Management Objectives and Policies

The Group's main financial instruments include investments in equity instruments, accounts receivable, accounts payable, and lease liabilities. The routine operation of the consolidated entities is affected by many financial risks, including market risk (including the foreign exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The overall risk management policy of the consolidated entities emphasizes unpredictable events in the financial market. We are dedicated to reducing the potential effect on the financial status and performance of the consolidated entities.

The financial department is responsible for carrying out the risk management tasks of the consolidated entities pursuant to the policies approved by the Board of Directors. The financial department works closely with the operating unit of the consolidated entities to identify, assess and avoid financial risk.

1. Market risk

The consolidated entities' operating activities expose them primarily to the financial risks of changes in foreign currency exchange rates (please refer to the following subparagraph (1)) and interest rates (please refer to the following subparagraph (2)).

(1) Foreign exchange rate risk

The consolidated entities engaged in foreign currency-denominated sales and purchases and, therefore, exposed themselves to the risk of foreign exchange rate changes.

For the carrying amount of the consolidated entities' non-functional currency-denominated monetary assets and liabilities (including the non-functional currency-denominated monetary items already written off in the consolidated financial statements) on the balance sheet date, please see Note 26.

Sensitivity analysis

The consolidated entities are primarily exposed to the fluctuation in foreign exchange rates in USD. For the significant assets and liabilities generated from the foreign currency-denominated transactions, the foreign currency-denominated assets and liabilities may offset each other based on

the income generated from the changes in the foreign exchange rate in the market. Notwithstanding, as the consolidated entities' foreign currency-denominated assets are more than the foreign currency-denominated liabilities, the consolidated entities have to bear the foreign exchange rate risk.

The sensitivity analysis on the consolidated entities aims at the foreign currency-denominated monetary items on the balance sheet date, and their translation at the end of the year is adjusted by changes in exchange rates of 1%. When USD against NTD appreciates by 1%, the profit before tax for the six-month periods ended June 30, 2024 and 2023 will increase by NT\$9,866 thousand and NT\$10,670 thousand, respectively.

(2) Other Price Risk

The equity securities market risk includes the risk arising from changes in the equity securities market price, namely the general market risk arising from changes in the overall market price. When equity prices decline by 1%, the consolidated entities' profit before tax for the periods from January 1 to June 30, 2024 and 2023 would decrease by NT\$864 thousand and NT\$552 thousand, respectively, due to changes in financial assets at fair value through profit or loss.

2. Credit risk

Credit risk refers to the risk that a trading counterpart will default on its contractual obligations and thereby result in the risk of financial loss to the consolidated entities. Until the balance sheet date, the consolidated entities' maximum exposure to credit risk (irrespective of collaterals or other credit enhancement instruments, and irrevocable), which would cause a financial loss to the consolidated entities due to a trading counterpart's failure to discharge contractual obligation and the consolidated entities' provision of financial guarantee, would have primarily been caused by the carrying amount of the financial assets recognized in the consolidated balance sheets.

According to the documented internal credit policy, the consolidated entities must carry out customer management and credit risk analysis for each new customer before establishing payment terms and delivery conditions for the new customer. Internal risk control is performed in consideration of the financial

status of the customer, previous experience and other factors to assess the credit quality of the customer. The credit facilities with respect to individual risks are determined by the Board of Directors pursuant to internal or external rating. Use of the credit facilities is monitored on a regular basis.

3. Liquidity risk

The cash flow forecast is implemented by the management of the consolidated entities and summarized by the financial department. The financial department monitors the forecast of the consolidated entities' liquidity demands to ensure sufficient funds for the business operation. The financial department also maintains adequate unused loan commitment limits at all times to ensure the consolidated entities will not act in violation of related loan limits or terms. The forecast is subject to consideration of the consolidated entities' financing plan, compliance with liability clauses, and conformity to the financial ratio in the internal balance sheet.

(1) Statement of liquidity and interest risk rate of non-derivative financial liabilities

The analysis of the remaining contractual maturity for the non-derivative financial liabilities is prepared based on the undiscounted cash flows of financial liabilities from the earliest date on which the consolidated entities (including the principal and estimated interest) can be required to pay. The analysis of the maturity dates for the consolidated entities' non-derivative financial liabilities is prepared based on the agreed repayment dates.

June 30, 2024

	<u>Less than 3 months</u>	<u>3 months–1 year</u>	<u>1–5 years</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities</u>				
Accounts payable	\$ 44,849	\$ 3,163	\$ -	\$ -
Dividend payable	27,027	-	-	-
Other payables	55,942	52,641	-	-
Lease liabilities	<u>5,462</u>	<u>16,088</u>	<u>54,683</u>	<u>381,032</u>
	<u>\$ 133,280</u>	<u>\$ 71,892</u>	<u>\$ 54,683</u>	<u>\$ 381,032</u>

December 31, 2023

	<u>Less than 3 months</u>	<u>3 months–1 year</u>	<u>1–5 years</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities</u>				
Accounts payable	\$ 51,574	\$ 2,623	\$ -	\$ -
Other payables	111,500	1,983	-	-
Lease liabilities	<u>5,323</u>	<u>15,946</u>	<u>54,695</u>	<u>363,680</u>
	<u>\$ 168,397</u>	<u>\$ 20,552</u>	<u>\$ 54,695</u>	<u>\$ 363,680</u>

June 30, 2023

	<u>Less than 3 months</u>	<u>3 months–1 year</u>	<u>1–5 years</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities</u>				
Notes payable	\$ 120	\$ -	\$ -	\$ -
Accounts payable	16,934	-	-	-
Dividend payable	32,749	-	-	-
Other payables	33,786	50,972	-	-
Lease liabilities	<u>5,031</u>	<u>15,092</u>	<u>55,042</u>	<u>369,276</u>
	<u>\$ 88,620</u>	<u>\$ 66,064</u>	<u>\$ 55,042</u>	<u>\$ 369,276</u>

(2) Facility

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Bank facility			
- Amount already disbursed	\$ -	\$ -	\$ -
- Amount not yet disbursed	<u>730,000</u>	<u>370,000</u>	<u>950,000</u>
	<u>\$ 730,000</u>	<u>\$ 370,000</u>	<u>\$ 950,000</u>

XXII. Transactions with related parties

The transactions, account balances, income, and expenses between the Company and its subsidiaries (the Company's related parties) have been eliminated upon consolidation and, therefore, are not disclosed in the Note.

Remuneration to key management

	<u>April 1 to June 30, 2024</u>	<u>April 1 to June 30, 2023</u>	<u>January 1 to June 30, 2024</u>	<u>January 1 to June 30, 2023</u>
Short-term benefits	<u>\$ 7,724</u>	<u>\$ 4,609</u>	<u>\$ 16,381</u>	<u>\$ 10,192</u>

Total amount of salary and compensation to directors and other key management are decided by the Remuneration Committee based on personal performance and market trend.



### XXIII. Pledged and mortgaged assets

The following assets of the consolidated entities are provided as collateral for bank guarantees, bank facilities and right-of-use assets:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Time deposits (stated as financial assets measured at amortized cost – non-current)	\$ 4,040	\$ 4,040	\$ -
Reserve account (stated as financial assets carried at amortized cost – current)	-	-	131
Property, plant and equipment	476,738	612,879	627,369
Refundable deposits (stated as other non-current assets)	<u>4,478</u>	<u>4,478</u>	<u>4,418</u>
	<u>\$ 485,256</u>	<u>\$ 621,397</u>	<u>\$ 631,918</u>

### XXIV. Significant contingent liabilities and unrecognized contractual commitments

The consolidated entities' significant commitments on the balance sheet date, in addition to those already specified in other notes, are specified as follows:

- (I) As of June 30, 2024, December 31, 2023, and June 30, 2023, the amounts of unused letters of credit issued by the consolidated entities were US\$47 thousand, US\$73 thousand, and US\$0 thousand, respectively.
- (II) The contractual commitments which the consolidated entities have not yet recognized are specified as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Purchase of property, plant and equipment	<u>\$ 61,220</u>	<u>\$ 11,625</u>	<u>\$ 11,217</u>

### XXV. Significant post-period items

To adjust overall operational strategy, reduce operating costs, and allocate resources effectively, the Company's Board of Directors resolved on May 3, 2024 to change its registration from Hsinchu Science Park to Southern Taiwan Science Park, and to dispose of the real estate building and its ancillary equipment located at No. 29, Kezhong Road, Zhunan Township, Miaoli County. The aforementioned real estate (with a book value of NT\$165,293 thousand) was sold through public bidding. The transaction was completed on July 26, 2024, with a disposal price of NT\$476,190 thousand (before tax).

XXVI. Information on the foreign currency assets and liabilities with significant impact

The following information is summarized according to the foreign currencies other than the functional currency of each of the consolidated entities. The foreign exchange rates disclosed are used to translate the foreign currency into functional currency. Foreign currency assets and liabilities with significant impact are as follows:

June 30, 2024

	<u>Foreign Currency</u>	<u>Foreign exchange rate</u>	<u>Carrying Amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 30,894	32.45 (USD:NTD)	<u>\$ 1,002,507</u>
<u>Non-monetary items</u>			
Financial assets carried at fair value through profit or loss			
USD	1,468	32.45 (USD:NTD)	<u>\$ 47,650</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	491	32.45 (USD:NTD)	<u>\$ 15,917</u>
<u>Non-monetary items</u>			
USD	386	32.45 (USD:NTD)	<u>\$ 12,532</u>

December 31, 2023

	<u>Foreign Currency</u>	<u>Foreign exchange rate</u>	<u>Carrying Amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 30,128	30.705 (USD:NTD)	<u>\$ 925,069</u>
<u>Non-monetary items</u>			
Financial assets carried at fair value through profit or loss			
USD	388	30.705 (USD:NTD)	<u>\$ 11,913</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			

USD	1,006	30.705 (USD:NTD)	<u>\$ 30,891</u>
<u>Non-monetary items</u>			
USD	652	30.705 (USD:NTD)	<u>\$ 19,802</u>

June 30, 2023

	<u>Foreign Currency</u>	<u>Foreign exchange rate</u>	<u>Carrying Amount</u>
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 34,349	31.14 (USD:NTD)	<u>\$ 1,069,627</u>
<u>Non-monetary items</u>			
Financial assets carried at fair value through profit or loss			
USD	591	31.14 (USD:NTD)	<u>\$ 18,395</u>
Foreign currency liabilities			
<u>Monetary items</u>			
USD	86	31.14 (USD:NTD)	<u>\$ 2,677</u>
<u>Non-monetary items</u>			
USD	1,267	31.14 (USD:NTD)	<u>\$ 36,420</u>

(Unrealized) exchange gains or losses on foreign currency assets and liabilities with significant impact are specified as follows:

	<u>April 1 to June 30, 2024</u>		<u>April 1 to June 30, 2023</u>	
Functional currencies of entities holding foreign currencies	<u>Foreign exchange rate</u>	<u>Net exchange (losses) gains</u>	<u>Foreign exchange rate</u>	<u>Net exchange (losses) gains</u>
USD	32.45 (USD:NTD)	( <u>\$ 250</u> )	31.14 (USD:NTD)	<u>\$ 3,792</u>
	<u>January 1 to June 30, 2024</u>		<u>January 1 to June 30, 2023</u>	
Functional currencies of entities holding foreign currencies	<u>Foreign exchange rate</u>	<u>Net exchange (losses) gains</u>	<u>Foreign exchange rate</u>	<u>Net exchange (losses) gains</u>
USD	32.45 (USD:NTD)	<u>\$ 707</u>	31.14 (USD:NTD)	<u>\$ 1,193</u>

**XXVII. Disclosure of notes**

(I) Significant transactions and information on investees:

1. Loans to others: Table 1.
2. Endorsements/guarantees for others: None.

3. Securities – ending (excluding those controlled by invested subsidiaries and affiliates): Table 2.
4. Aggregate purchases or sales of the same marketable securities reaching NT\$300 million or more than 20% of paid-in capital: None.
5. Acquisition of real estate reaching NT\$300 million or more than 20% of paid-in capital: None.
6. Disposal of property reaching NT\$300 million or more than 20% of paid-in capital: None.
7. Purchases or sales of goods from and to related parties reaching NT\$100 million or more than 20% of paid-in capital: None.
8. Accounts receivable from related parties reaching NT\$100 million or more than 20% of the paid-in capital: None.
9. Trading in derivatives: None.
10. Business Relations and Important Transactions Between Parent Company and Subsidiaries and Among Subsidiaries and Amounts: Table 3.
11. Information on investees: Table 4.

(II) Information on investment in China

1. Investees' name, business operations, paid-in capital, investment method, capital inward or outward, shareholding ratio, current gains or losses, and recognized investment gains or losses, investment year end carrying amount, investment gain or loss inward, and investment limits in the mainland China: None.
2. Any of the following significant transactions with investees in the mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
  - (1) Purchase amount and percentage and the related payables ending balance and percentage: None.
  - (2) Sale amount and percentage and the related receivables ending balance and percentage: None.
  - (3) The amount of property transactions and the amount of the resultant gains or losses: None.
  - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: None.
  - (5) The highest balance, end of period balance, interest rate range, and total current interest with respect to financing of funds: None.

(6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the provision or acceptance of services: None.

(III) Information on major shareholders

Name, number and percentage of shareholdings for shareholders with more than 5% of shareholdings: None.

**XXVIII. Segment information**

The consolidated entities only need to disclose the business unit information about the medicine products department. The medicine products department is primarily engaged in medicine research, development, design, manufacturing and sales. The consolidated entities consist of only one single business unit and, therefore, have no segment information to be reported.

Savior Lifetec Corporation and Its Subsidiaries  
Loans to others  
Six Month Period Ended June 30, 2024

Table 1

Unit: Amounts in NTD thousand, Unless Otherwise Specified

No. (Note 1)	Lender	Borrower	Transaction Items	Related party or not?	The highest balance in the current period	Balance – ending	The actual amount drawn down	Range of interest rates	Nature of loan	Business transaction amount	Reasons for short-term financing	Allowance for bad debt	Collateral		Limit of loans to individual borrowers (Note 2)	Total limit of loans (Note 2)	Remarks
													Name	Value			
0	Savior Lifetec Corporation	SLC BioPharm Co., Ltd.	Other accounts receivable – related parties	Yes	\$ 10,000	\$ 10,000	\$ 5,000	2%	Short-term financing is required.	\$ -	Operating turnover	\$ -	None	\$ -	\$ 341,867	\$ 683,735	—

Note 1: The sections are completed in the following manners:

- (1) Fill in “0” for the issuer.
- (2) The investees are coded sequentially beginning from “1” by company.

Note 2: The aggregate amount of the fund loaned by the Company to others shall not exceed 20% of the Company's net worth in the Company's most recent financial statements audited or certified by the CPA. The limit on loans to any company or firm which needs short-term financing, if any, shall be no more than 10% of the Company's net worth in the Company's most recent financial statements audited or certified by the CPA.

Savior Lifetec Corporation and Its Subsidiaries  
 Securities held at the end of the period  
 June 30, 2024

Table 2

Unit: Amounts in NTD thousand, Unless Otherwise Specified

Holding company	Type and name of marketable securities	Relationship with the issuer of securities	Account title	End of period				Remarks
				Shares	Carrying Amount	Shareholding percentage	Fair value	
Savior Lifetec Corporation	Stock Formosa Pharmaceuticals, Inc.	—	Financial assets carried at fair value through profit or loss – non-current	685,469	\$ 38,750	0.51%	\$ 38,750	Note 1
	Sana Biotechnology, Inc.	—	Financial assets carried at fair value through profit or loss – current	268,940	47,650	0.12%	47,650	Note 2

Note 1: The fair value was calculated based on the average transaction price on June 30, 2024.

Note 2: The fair value was calculated based on the closing price on June 30, 2024.

Note 3: For information about investments in subsidiaries, please refer to Table 4.

Savior Lifetec Corporation and Its Subsidiaries  
Business relationships and important transactions and amount thereof between the parent and subsidiaries and among subsidiaries  
Six Month Period Ended June 30, 2024

Table 3

Unit: NTD thousand

No. (Note 1)	Name of Trader	Counterparty	Relationship with the transaction party (Note 2)	Transaction			As a Percentage of Total Consolidated Revenue or Total Assets
				Subject	Amount	Transaction Terms	
0	The Company	SLC BioPharm Co., Ltd.	1	Rent revenue	\$ 3,549	Subject to the price agreed by both parties	1%
		SLC BioPharm Co., Ltd.	1	Other accounts receivable – related parties	6,199	Subject to the price agreed by both parties	-
		Ruize Biotechnology Co., Ltd.	1	Sales revenue	3,582	Subject to the price agreed by both parties	1%
		Ruize Biotechnology Co., Ltd.	1	Accounts receivable - related parties	3,761	Subject to the price agreed by both parties	-

Note 1: The information on business transactions between the parent and subsidiaries shall be indicated in the number column. The number shall be filled in as follows:

- (1) The parent company is coded “0”.
- (2) The subsidiaries are coded sequentially beginning from “1” by each individual company.

Note 2: There are three types of relationships with transaction parties. Just enter the code (if it is the same transaction between parent and subsidiary or between subsidiaries, there is no need for repeated disclosure. For example, if the parent company has disclosed a transaction between it and a subsidiary, the subsidiary does not need to disclose the transaction again; if a subsidiary has disclosed a transaction between it and another subsidiary, the latter does not need to disclose the transaction again):

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

Note 3: The transaction amount as a percentage of the total consolidated revenue or total assets shall be calculated as the ratio of the ending balance to the total consolidated assets if it is an asset or liability item, or as the ratio of the interim cumulative amount to the total consolidated revenue if it is a profit or loss item.

Note 4: The Company may decide whether to list important transactions in this table based on the principle of materiality.

Note 5: Only the transactions amounting to more than NT\$1 million are disclosed, and no corresponding transactions with related parties are disclosed separately.

Note 6: It was written off as a whole during the preparation of the consolidated financial statements.



Savior Lifetec Corporation and Its Subsidiaries  
Information on Names and Locations of Investees, etc.  
Six Month Period Ended June 30, 2024

Table 4

Unit: NTD thousand

Name of investor	Name of Investee	Location	Main Business Activities	Initial Investment Amount		Held at End of Period			Investment Income or Loss on Investees	Investment Income or Loss Recognized for this Period	Remarks
				End of Current Period	End of Last Year	Number of shares (thousand shares)	Percentage (%)	Carrying Amount			
The Company	SLC BioPharm Co., Ltd.	Taipei City	Biotechnology R&D and wholesale of western pharmaceutical	\$ 60,000	\$ 60,000	6,000	100	\$ 1,863	(\$ 15,753)	(\$ 15,753)	Note 1
The Company	Ruize Biotechnology Co., Ltd.	Taichung City	International Trade, Wholesale of Medical Devices and Retail Sale of Medical Apparatus	10,000	10,000	1,000	33.33	6,502	( 4,648)	( 1,641)	Note 1
The Company	Pengrui Construction Co., Ltd.	Taipei City	Urban Renewal and Reconstruction, Investment Consulting	241,000	241,000	24,100	100	241,350	221	221	Note 1
SLC BioPharm Co., Ltd.	Ruize Biotechnology Co., Ltd.	Taichung City	International Trade, Wholesale of Medical Devices and Retail Sale of Medical Apparatus	5,300	5,300	530	17.67	3,495	( 4,648)	( 823)	Note 1
Pengrui Construction Co., Ltd.	Huan Pin Construction Co., Ltd.	Taipei City	Residential and building development, leasing and sales business, and urban renewal and reconstruction business	147,000	147,000	14,700	35	146,701	( 744)	( 260)	Notes 1 and 3

Note 1: Calculated based on the investee's financial statements for the same period audited by CPAs.

Note 2: It was written off as a whole during the preparation of the consolidated financial statements.

Note 3: The Company's investees accounted for using the equity method.