EASYWELL BIOMEDICALS, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2023 AND 2022

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

Easywell Biomedicals, Inc. and subsidiaries

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the Company that is required to be included in the consolidated financial statements of affiliates, is the same as the Company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

Easywell Biomedicals, Inc.

Representative: Han-Fei, Lin

March 13, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23000588

To the Board of Directors and Shareholders of Easywell Biomedicals, Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Easywell Biomedicals, Inc. and 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 consolidate financial statement 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 Engagement of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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:

Impairment assessment of property, plant and equipment, right-of-use assets and intangible assets

Description

As of December 31, 2023, the carrying amount of property, plant and equipment, right-of-use assets and intangible assets of the Group's subsidiaries, Magnifica Inc. and Tulex Pharmaceuticals Inc. was NT$637,879 thousand, constituting 52.55% of the total assets. Refer to Notes 4(16) and 5(2) for the accounting policy on impairment of non-financial assets. Since the amount was material and the use of assumptions, such as expected recoverable amount, expected growth rate, discount rate, in the valuation model during the impairment assessment pertains to significant accounting estimates, we considered the impairment assessment of property, plant and equipment, right-of-use assets and intangible assets of the Group's subsidiaries, Magnifica Inc. and Tulex Pharmaceuticals Inc., as a key matter.

How our audit addressed the matter

We obtained an understanding of the impairment assessment procedures of property, plant and equipment, right-of-use assets and intangible assets of the Group’s subsidiaries, Magnifica Inc. and Tulex Pharmaceuticals Inc., and cooperated with internal appraisers to perform the following procedures on the evaluation report of external appraisers appointed by the management:

1. Assessed the adopted expected revenue growth rate and analysed the marketing schedule of products and the state of market.
2. Assessed the adopted discount rate and compared with capital cost assumption of cash-generating units.
3. Checked the parameters and the formula used by appraisers in the valuation model.

Other matter

We have audited and expressed an unqualified opinion on the parent company only financial statements of Easywell Biomedicals, Inc. as at and for the years ended December 31, 2023 and 2022.

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

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

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

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

Auditor's 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 auditor's 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 judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Liu, Chien-Yu	Cheng, Ya-Huei

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2024

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

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

EASYWELL BIOMEDICALS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

			December 31, 2023		December 31, 2022	
	Assets	Notes	AMOUNT	%	AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 262,906	22	$ 159,025	14
1136	Current financial assets at amortised cost	6(3)	85,124	7	180,510	15
1140	Current contract assets		1,888	-	305	-
1170	Accounts receivable, net	6(4)	65,046	5	20,173	2
1200	Other receivables		1,346	-	3,483	-
1210	Other receivables due from related parties	7	32	-	32	-
130X	Inventories	6(5)	42,171	4	26,825	2
1410	Prepayments		49,122	4	22,088	2
11XX	**Current Assets**		507,635	42	412,441	35
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	60	-	60	-
1535	Non-current financial assets at amortised cost	6(3) and 8	-	-	10,829	1
1600	Property, plant and equipment	6(6)	248,072	20	263,911	23
1755	Right-of-use assets	6(7)	294,123	24	308,803	26
1780	Intangible assets	6(8)	156,097	13	168,441	14
1915	Prepayments for business facilities		5,837	1	1,716	-
1920	Guarantee deposits paid		1,092	-	880	-
1990	Other non-current assets, others		868	-	6,073	1
15XX	**Non-current assets**		706,149	58	760,713	65
1XXX	**Total assets**		$ 1,213,784	100	$ 1,173,154	100

(Continued)

EASYWELL BIOMEDICALS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Liabilities					
	Current liabilities					
2100	Current borrowings	6(9)	$ 43,270	4	$ -	-
2130	Current contract liabilities	6(16)	39,799	3	34,188	3
2170	Accounts payable		9,420	1	2,355	-
2200	Other payables		22,417	2	15,493	1
2280	Current lease liabilities		12,625	1	11,473	1
2399	Other current liabilities, others		36	-	603	-
21XX	**Current Liabilities**		127,567	11	64,112	5
	Non-current liabilities					
2580	Non-current lease liabilities		330,448	27	338,483	29
2645	Guarantee deposits received	6(10)	131,973	11	-	-
25XX	**Non-current liabilities**		462,421	38	338,483	29
2XXX	**Total Liabilities**		589,988	49	402,595	34
	Equity					
	Equity attributable to owners of parent					
	Share capital	6(13)				
3110	Share capital - common stock		1,158,658	95	1,143,658	98
	Capital surplus	6(14)				
3200	Capital surplus		35,400	3	1,111	-
	Retained earnings	6(15)				
3350	Accumulated deficit		(570,156)	(47)	(422,312)	(36)
	Other equity interest					
3400	Other equity interest		(11,089)	(1)	16,007	1
31XX	**Equity attributable to owners of the parent**		612,813	50	738,464	63
36XX	Non-controlling interest	4(3)	10,983	1	32,095	3
3XXX	**Total equity**		623,796	51	770,559	66
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 1,213,784	100	$ 1,173,154	100

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

EASYWELL BIOMEDICALS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for loss per share)

	Items	Notes	2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
4000	Operating revenue	6(16)	$ 271,628	100	$ 178,897	100
5000	Operating costs	6(5)	(100,910)	(37)	(102,583)	(57)
5900	Gross profit from operations		170,718	63	76,314	43
	Operating expenses	6(20)(21)				
6100	Selling expenses		(10,411)	(4)	(687)	(1)
6200	General and administrative expenses		(51,546)	(19)	(27,474)	(15)
6300	Research and development expenses		(271,499)	(100)	(209,411)	(117)
6000	Total operating expenses		(333,456)	(123)	(237,572)	(133)
6900	Operating loss		(162,738)	(60)	(161,258)	(90)
	Non-operating income and expenses					
7100	Interest income	6(17)	3,416	1	2,180	1
7010	Other income	7	1,192	-	586	-
7020	Other gains and losses	6(18)	7,479	3	7,463	4
7050	Finance costs	6(19)	(19,258)	(7)	(17,246)	(9)
7000	Total non-operating income and expenses		(7,171)	(3)	(7,017)	(4)
7900	**Loss before income tax**		(169,909)	(63)	(168,275)	(94)
7950	Income tax expense	6(22)	(256)	-	(119)	-
8000	**Loss for the year from continuing operations**		(170,165)	(63)	(168,394)	(94)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign operations		(8,960)	(3)	26,861	15
8300	**Other comprehensive (loss) income for the year, net of tax**		($ 8,960)	(3)	$ 26,861	15
8500	**Total comprehensive loss for the year**		($ 179,125)	(66)	($ 141,533)	(79)
	Loss, attributable to:					
8610	Owners of the parent		($ 144,818)	(54)	($ 161,000)	(90)
8620	Non-controlling interest		($ 25,347)	(9)	($ 7,394)	(4)
	Comprehensive loss attributable to:					
8710	Owners of the parent		($ 153,476)	(57)	($ 135,192)	(75)
8720	Non-controlling interest		($ 25,649)	(9)	($ 6,341)	(4)
	Basic loss per share	6(23)				
9750	Basic loss per share		($ 1.27)		($ 1.41)	

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

EASYWELL BIOMEDICALS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
					Other equity interest				
	Notes	Share capital - common stock	Capital surplus	Accumulated deficit	Financial statements translation differences of foreign operations	Other equity, others	Total	Non-controlling interest	Total equity
Year ended December 31, 2022									
Balance at January 1, 2022		$ 1,633,797	$ 90,871	($ 841,211)	($ 9,801)	$ -	$ 873,656	$ 38,436	$ 912,092
Loss for the year		-	-	(161,000)	-	-	(161,000)	(7,394)	(168,394)
Other comprehensive income		-	-	-	25,808	-	25,808	1,053	26,861
Total comprehensive income (loss)		-	-	(161,000)	25,808	-	(135,192)	(6,341)	(141,533)
Capital reduction to offset accumulated deficit	6(13)(15)	(490,139)	-	490,139	-	-	-	-	-
Capital surplus used to offset accumulated deficit	6(14)	-	(89,760)	89,760	-	-	-	-	-
Balance at December 31, 2022		$ 1,143,658	$ 1,111	($ 422,312)	$ 16,007	$ -	$ 738,464	$ 32,095	$ 770,559
Year ended December 31, 2023									
Balance at January 1, 2023		$ 1,143,658	$ 1,111	($ 422,312)	$ 16,007	$ -	$ 738,464	$ 32,095	$ 770,559
Loss for the year		-	-	(144,818)	-	-	(144,818)	(25,347)	(170,165)
Other comprehensive loss		-	-	-	(8,658)	-	(8,658)	(302)	(8,960)
Total comprehensive loss		-	-	(144,818)	(8,658)	-	(153,476)	(25,649)	(179,125)
Issuance of restricted stocks	6(13)(14)	15,000	35,400	-	-	(35,400)	15,000	-	15,000
Compensation cost of restricted stock	6(12)	-	-	-	-	16,962	16,962	-	16,962
Changes in ownership interest in subsidiaries	6(14)(24)	-	(1,111)	(3,026)	-	-	(4,137)	4,137	-
Obtained an increase in non-controlling interests in subsidiaries		-	-	-	-	-	-	400	400
Balance at December 31, 2023		$ 1,158,658	$ 35,400	($ 570,156)	$ 7,349	($ 18,438)	$ 612,813	$ 10,983	$ 623,796

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

EASYWELL BIOMEDICALS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 169,909)	($ 168,275)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(6)(7)(20)	52,967	54,379
Amortisation expense	6(8)(20)	12,183	12,170
Interest expense	6(7)(19)	19,258	17,246
Share-based payments		16,962	-
Interest income	6(17)	(3,416)	(2,180)
Assets transferred to expenses		150	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair through profit or loss		-	15,009
Contract assets		(1,607)	4,300
Accounts receivable		(45,566)	8,777
Other receivables		2,336	131
Inventories		(15,586)	(3,918)
Prepayments	6(25)	(27,499)	(4,179)
Other non-current assets		5,205	5,206
Changes in operating liabilities			
Contract liabilities		5,703	20,560
Accounts payable		7,174	1,784
Other payables		6,811	301
Other current liabilities		(575)	439
Cash outflow generated from operations		(135,409)	(38,250)
Interest received		3,416	2,180
Interest paid		(19,033)	(17,246)
Income tax paid		(422)	(186)
Net cash flows used in operating activities		(151,448)	(53,502)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of non-current financial assets at fair value through profit or loss		-	(60)
Accquisition of financial assets at amortised cost		-	(10,526)
Proceeds from disposal of financial assets at amortised cost		106,379	90,730
Acquisition of property, plant, and equipment	6(6)	(11,799)	(5,823)
Acquisition of intangible assets		(823)	-
Increase in prepayments for business facilities		(5,927)	(1,667)
(Increase) decrease in refundable deposits		(367)	8
Net cash flows from investing activities		87,463	72,662
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from current borrowings	6(25)	43,930	-
Increase in guarantee deposits received	6(25)	133,987	-
Payments of lease liabilities	6(25)	(15,474)	(10,551)
Increase in non-controlling interests in subsidiaries	4(3)	400	-
Issuance of restricted stocks		15,000	-
Net cash flows from (used in) financing activities		177,843	(10,551)
Effect of exchange rate changes on cash and cash equivalents		(9,977)	(2,612)
Net increase in cash and cash equivalents		103,881	5,997
Cash and cash equivalents at beginning of year	6(1)	159,025	153,028
Cash and cash equivalents at end of year	6(1)	$ 262,906	$ 159,025

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

EASYWELL BIOMEDICALS, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

EASYWELL BIOMEDICALS, INC. (formerly named Actherm Inc., the “Company”) was incorporated on August 10, 1998. The Company and its subsidiaries (collectively referred herein as the “Group”) are engaged in drug development, manufacturing and sales of active pharmaceutical ingredients and over-the-counter drug products.

The shares were listed on the Taipei Exchange on November 10, 2008.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 13, 2024.

3. Application of New Standards, Amendments and Interpretations

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

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

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

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

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

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

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

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

4. Summary of Material Accounting Policies

(1) Compliance statement

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

(2) Basis of preparation

A. Except for financial assets at fair value through profit or loss, the consolidated financial statements have been prepared under the historical cost convention.

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(%) December 31, 2023	Ownership(%) December 31, 2022	Description
Easywell Biomedicals, Inc.	Easywell Biomedicals (HK), Inc. Limited	Holding Investment	100	100	
Easywell Biomedicals, Inc.	Magnifica Inc.	Development and sales of generic pharmaceutical ingredients and products	97.94	97.59	Note 1
Easywell Biomedicals, Inc.	Tulex Pharmaceuticals Inc.	Development and manufacture of generic pharmaceutical ingredients and products	97.94	97.59	Note 1
Easywell Biomedicals, Inc.	Qianjinfang Health Biotech Co., Ltd	Development and sales of health foods and products	80	-	Note 2
Easywell Biomedicals (HK), Inc. Limited	Jiangsu Huahan Pharma-Tech Ltd. (Jiangsu Huahan)	Development and sales of generic pharmaceutical ingredients and products	60	60	

Note 1: The Company held 97.59% equity interests in the subsidiary, Magnifica Inc., and 100% invested in Tulex Pharmaceuticals Inc. through Magnifica Inc. On March 23, 2022, the Board of Directors of the Company resolved to adjust organizational structure to meet the Company's operation needs, and the Company directly held 97.59% equity interests in Tulex Pharmaceuticals Inc. after the adjustment.

Note 2: Qianjinfang Health Biotech Co., Ltd (Qianjinfang) was established in March 2023. The company acquired 80% of the equity of Qianjinfang for $1,600.

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:

As of December 31, 2023 and 2022, the non-controlling interest amounted to $10,983 and $32,095, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	December 31, 2023 Amount	December 31, 2023 Ownership (%)	December 31, 2022 Amount	December 31, 2022 Ownership (%)
Jiangsu Huahan Pharma-Tech Ltd.	China	$ 1,500	40.00	$ 24,973	40.00

Summarised financial information of the subsidiaries:

Balance sheets

	Jiangsu Huahan Pharma-Tech Ltd.	
	December 31, 2023	December 31, 2022
Current assets	$ 128,312	$ 9,776
Non-current assets	59,775	53,009
Current liabilities	(50,425)	(66)
Non-current liabilities	(133,630)	-
Total net assets	$ 4,032	$ 62,719

Statements of comprehensive income

	Jiangsu Huahan Pharma-Tech Ltd.	
	Year ended December 31, 2023	Year ended December 31, 2022
Revenue	$ -	$ -
Loss before income tax	(58,413)	(9,857)
Income tax benefit	-	-
Loss for the period	(58,413)	(9,857)
Other comprehensive (loss) income, net of tax	(275)	1,084
Total comprehensive loss for the period	($ 58,688)	($ 8,773)
Comprehensive loss attributable to:		
Owners of the parent	($ 35,215)	($ 5,264)
Non-controlling interest	($ 23,473)	($ 3,509)

Statements of cash flows

	Jiangsu Huahan Pharma-Tech Ltd.	
	Year ended December 31, 2023	Year ended December 31, 2022
Net cash used in operating activities	($ 83,372)	($ 9,911)
Net cash used in investing activities	(4,240)	-
Net cash provided by financing activities	177,917	-
Effect of exchange rates on cash and cash equivalents	(1,474)	267
Increase (decrease) in cash and cash equivalents	88,831	(9,644)
Cash and cash equivalents, beginning of period	6,357	16,001
Cash and cash equivalents, end of period	$ 95,188	$ 6,357

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

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

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

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

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

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

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

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

(5) <u>Classification of current and non-current items</u>

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 settle liabilities more than twelve months after the balance sheet date.

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

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

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within 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) <u>Cash equivalents</u>

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.

(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. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. 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 or contract assets 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 the contractual rights to receive the cash flows from the financial asset expire.

(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 labor, other direct costs and related production overheads. 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 costs of completion and the estimated costs necessary to make the sale.

(13) Property, plant and equipment

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

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

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

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

Machinery and equipment	5~ 10 years
Testing equipment	5~ 10 years
Molding equipment	3 ~ 5 years
Other equipment	3~ 23 years

(14) 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. The lease period is the non-cancellable period of the lease. When it is reasonably certain that the renewal right will be exercised, the lease period includes the period covered by the renewal right.

C. 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 the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Variable lease payments that depend on an index or a rate.

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.

D. 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;

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

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

(15) Intangible assets

A. Trademarks and software which were separately acquired were recognised at historical cost. Expertise and patent license acquired in a business combination are recognised at fair value at the acquisition date.

B. Trademarks, software, right-of-use technology and patent license have a finite useful life are amortised on a straight-line basis over their estimated useful lives as follows:

Trademarks	10 years
Software	3 years
Professional techniques	5~18 years
Patent license	Note

Note: The patent license is not amortised because it has not reached the state of being available for use.

(16) 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. For intangible assets that are not yet available for use, their recoverable amounts are periodically estimated. When the recoverable amount is lower than its book value, an impairment loss is recognized.

(17) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. 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.

(18) 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.

(19) Derecognition of financial liabilities

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

(20) 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 expense in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense 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.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group’s decision to terminate an employee’s employment before the normal retirement date, or an employee’s decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees’ compensation and directors’ and supervisors’ remuneration

Employees’ compensation and directors’ and supervisors’ remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If 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.

(21) Employee share-based payment

Restricted stocks:

A. Restricted stocks issued to employees 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.

B. For restricted stocks where those stocks do not restrict distribution of dividends to employees but employees must return the dividends received if they resign during the vesting period, when the Group receives dividends from employees resigning during the vesting period, the Group credits related amounts that were previously debited from retained earnings, legal reserve or capital surplus at the date of dividends declared.

C. For restricted stocks where employees have to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the Group and the Group must refund their payments on the stocks, the Group recognises the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognises the payments from the employees who are expected to be eventually vested with the stocks in ’capital surplus – others’.

(22) 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 Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, 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.

(23) Share capital

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.

(24) Revenue recognition

A. Sales of goods

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

(b) 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. Service revenue

The Group provides drug research and development services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on input cost. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

C. Revenue from licencing intellectual property

In some drug research and development and sales rights licensing contracts require a sales-based royalty in exchange for a license of intellectual property. The Group recognises revenue when the performance obligation has been satisfied and the subsequent sale occurs.

(25) Operating segments

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

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

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

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

None.

(2) Critical accounting estimates and assumptions

Impairment assessment of property, plant and equipment, right-of-use assets and intangible assets

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

As of December 31, 2023, the Group recognized property, plant and equipment, right-of-use assets and intangible assets amounting to $698,292.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 67	$ 67
Demand deposits	192,134	41,396
Time deposits	70,705	117,562
Total	$ 262,906	$ 159,025

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

B. The Group has no cash and cash equivalents pledged to others.

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

	December 31, 2023	December 31, 2022
Non-Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	$ 60	$ 60

Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Year ended December 31	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ -	$ 65

(3) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits with maturity over three months	$ 85,124	$ 180,510
Non-current items:		
Demand deposits with pledged	$ -	$ 10,829

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

	Year ended December 31	
	2023	2022
Interest income	$ 1,712	$ 1,842

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 was $85,124 and $191,339, respectively.

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

(4) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	$ 65,046	$ 20,173

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

	December 31, 2023	December 31, 2022
	Accounts receivable	Accounts receivable
Not past due	$ 53,978	$ 18,243
1-90 days	11,068	1,930
	$ 65,046	$ 20,173

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, accounts receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to $26,322.

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

(5) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 26,643	($ 4,038)	$ 22,605
Work in Progress	2,870	-	2,870
Finished goods	18,944	(2,248)	16,696
Total	$ 48,457	($ 6,286)	$ 42,171

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 19,494	($ 608)	$ 18,886
Work in Progress	5,124	(1,907)	3,217
Finished goods	9,923	(5,201)	4,722
Total	$ 34,541	($ 7,716)	$ 26,825

The cost of inventories recognised as expense for the period:

	Year ended December 31	
	2023	2022
Cost of goods sold	$ 55,622	$ 53,341
Cost of services	37,225	46,422
Loss on idle capicity	2,150	4,077
Gain on reversal of decline in market value	(1,451)	(3,368)
Loss on scrapping inventory	7,364	2,111
	$ 100,910	$ 102,583

For the years ended December 31, 2023 and 2022, the Group recognised gains on reversal of decline in market value because of the clearance of some inventories previously written down.

(6) Property, plant and equipment

	2023				
	Machinery and equipment	Testing equipment	Other equipment	Equipment under acceptance	Total
At January 1					
Cost	$ 127,725	$ 102,845	$ 251,292	$ -	$ 481,862
Accumulated depreciation and impairment	(61,507)	(65,677)	(90,767)	-	(217,951)
	$ 66,218	$ 37,168	$ 160,525	$ -	$ 263,911
At January 1	$ 66,218	$ 37,168	$ 160,525	$ -	$ 263,911
Additions - acquired separately	3,360	3,081	3,872	1,486	11,799
Reclassifications	4,971	216	(4,511)	1,066	1,742
Depreciation expense	(13,346)	(5,543)	(10,681)	-	(29,570)
Net exchange differences	58	28	144	(40)	190
At December 31	$ 61,261	$ 34,950	$ 149,349	$ 2,512	$ 248,072
At December 31					
Cost	$ 147,629	$ 102,924	$ 234,872	$ 2,512	$ 487,937
Accumulated depreciation and impairment	(86,368)	(67,974)	(85,523)	-	(239,865)
	$ 61,261	$ 34,950	$ 149,349	$ 2,512	$ 248,072

	2022					
	Machinery and equipment	Molding equipment	Testing equipment	Other equipment	Equipment under acceptance	Total
At January 1						
Cost	$ 131,884	$ 561	$ 99,433	$ 227,757	$ 2,637	$ 462,272
Accumulated depreciation and impairment	(69,291)	(561)	(63,380)	(71,857)	-	(205,089)
	$ 62,593	$ -	$ 36,053	$ 155,900	$ 2,637	$ 257,183
At January 1	$ 62,593	$ -	$ 36,053	$ 155,900	$ 2,637	$ 257,183
Additions - acquired separately	4,467	-	658	698	-	5,823
Reclassifications	6,818	-	2,843	-	(2,843)	6,818
Depreciation expense	(14,107)	-	(6,220)	(12,758)	-	(33,085)
Net exchange differences	6,447	-	3,834	16,685	206	27,172
At December 31	$ 66,218	$ -	$ 37,168	$ 160,525	$ -	$ 263,911
At December 31						
Cost	$ 127,725	$ -	$ 102,845	$ 251,292	$ -	$ 481,862
Accumulated depreciation and impairment	(61,507)	-	(65,677)	(90,767)	-	(217,951)
	$ 66,218	$ -	$ 37,168	$ 160,525	$ -	$ 263,911

As of December 31, 2023 and 2022, the Group had no property, plant and equipment pledged as collaterals.

(7) Lease transactions—lessee

A. The Group leases various assets including plant , office and machinery and equupment. Rental contracts are typically made for periods of 2 to 10 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 transportation equipment. Low-value assets comprise other equipment.

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

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Buildings and structure	$ 289,896	$ 308,803
Machinery and equipment	4,227	-
	$ 294,123	$ 308,803

	Year ended December 31	Year ended December 31
	2023	2022
	Depreciation charge	Depreciation charge
Buildings and structure	$ 23,171	$ 21,294
Machinery and equipment	226	-
	$ 23,397	$ 21,294

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $8,557 and $0, respectively.

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

	Year ended December 31	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 17,746	$ 17,245
Expense on short-term lease contracts	$ 370	$ 246
Expense on leases of low-value assets	$ 52	$ 47

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases was $33,642 and $28,089, respectively.

G. Variable lease payments

The targets of the Group's lease contract adopted variable lease payment condition that were linked with the announced land value of the basement where the Group's plant is located on or the adjustment of rental rate of national land approved by the Executive Yuan.

H. In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(8) Intangible assets

	2023			
	Professional techniques	Patent license(Note)	Computer software	Total
At January 1				
Cost	$ 263,436	$ 52,895	$ -	$ 316,331
Accumulated amortisation and impairment	(147,890)	-	-	(147,890)
	$ 115,546	$ 52,895	$ -	$ 168,441
At January 1	$ 115,546	$ 52,895	$ -	$ 168,441
Additions - acquired separately	-	-	823	823
Amortisation expense	(12,163)	-	(20)	(12,183)
Net exchange differences	-	(971)	(13)	(984)
At December 31	$ 103,383	$ 51,924	$ 790	$ 156,097
At December 31				
Cost	$ 263,436	$ 51,924	$ 811	$ 316,171
Accumulated amortisation and impairment	(160,053)	-	(21)	(160,074)
	$ 103,383	$ 51,924	$ 790	$ 156,097

	2022			
	Professional techniques	Trademarks	Patent license(Note)	Total
At January 1				
Cost	$ 263,436	$ 193	$ 52,128	$ 315,757
Accumulated amortisation and impairment	(135,728)	(185)	-	(135,913)
	$ 127,708	$ 8	$ 52,128	$ 179,844
At January 1	$ 127,708	$ 8	$ 52,128	$ 179,844
Amortisation expense	(12,162)	(8)	-	(12,170)
Net exchange differences	-	-	767	767
At December 31	$ 115,546	$ -	$ 52,895	$ 168,441
At December 31				
Cost	$ 263,436	$ -	$ 52,895	$ 316,331
Accumulated amortisation and impairment	(147,890)	-	-	(147,890)
	$ 115,546	$ -	$ 52,895	$ 168,441

As of December 31, 2023 and 2022, the Group had no intangible assets pledged as collaterals.

Note: Jiangsu Huahan Pharma-Tech Ltd. (Jiangsu Huahan), a subsidiary of the Group, acquired the sublicense of patents of internationally well-known pharmaceutical companies from China Intellectual Property Information and Consulting Co. (China IPIC) as a capital contribution. The expiry date of the aforementioned patent is November 7, 2024. Jiangsu Huahan has the right to manufacture and sell the patented product in China in advance on March 15, 2024. China IPIC has completed the operation process of patent license on December 16, 2021.

Details of amortisation on intangible assets are as follows:

	Year ended December 31	
	2023	2022
General and adminstrative expenses	$ 20	$ 8
Research and development expenses	12,163	12,162
	$ 12,183	$ 12,170

(9) Short-term borrowings

Type of borrowings	Borrowing period and repayment term	December 31, 2023	Interest rate range
Other current borrowings			
Other organisations	From April 17, 2023 to April 17, 2024, interest will be paid monthly, and the principal upon maturity will be paid off in one lump sum upon maturity.	$ 43,270	5%

Note: The Company and Nanjing Huaxun Intellectual Property Consulting Co., Ltd. provide endorsement guarantees of RMB 6,000 thousand (equivalent to NT$25,962 thousand) and RMB 4,000 thousand (equivalent to NT$17,308 thousand) respectively.

December 31, 2022: None.

Interest expense recognised in profit or loss amounted to $1,512 for the year ended December 31, 2023.

(10) Deposits received

	December 31, 2023	December 31, 2022
Guarantee deposits received	$ 131,973	$ -

The deposit received is the deposit collected from signing a cooperation agreement with the supplier. The Group will start to cooperate in business after the sub-authorization of the patent authorization obtained by the internationally renowned pharmaceutical company becomes effective.

(11) Pensions

A. The Group has established a pension scheme under the Labor Pension Act (the “Act”), which is a defined contribution pension plan (the “New Plan”) managed by the government. The Group contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance.

B. The employees of the Group’s subsidiaries in the United States are members of retirement benefit plans operated by the local government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit plan in order to fund the plan. The Group’s obligation to this retirement benefit plan operated by the government is only to contribute a specified amount.

C. Jiangsu Huahan Pharma-Tech Ltd. has 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 certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

D. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were $5,222 and $3,910, respectively.

(12) Share-based payment

A. For the year ended December 31, 2023, the Group’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (shares in thousand)	Contract period	Vesting conditions
Restricted stocks to employees	2023.11.08	1,500	3 years	Vested immediately 37.5% Vested 12.5% on March 31,2024 1 year's service vested 20% 2 years' service vested 15% 3 years' service vested 15%

New shares issued by the company with restricted employee rights cannot be transferred until vested conditions are met, but voting rights and the right to participate in dividend distribution are not restricted. If an employee leaves the company or dies before meeting the vesting conditions, the company will reclaim the employee’s shares at no cost and not to be re-issued, and the employee must return the dividends received.

B.The shareholders during their meeting on August 30, 2021 adopted a resolution to issue employee restricted ordinary shares with the issuing price of $10 (in dollars) per share. The issuance was approved by the regulatory authority. The Board of Directors during their meeting on November 8, 2023 adopted a resolution to issue 1,500 thousand employee restricted ordinary shares with a par value of $10 (in dollars) per share, the issuing price of $10 (in dollars) per share, whose fair value was measured using the closing prices of the Company’s stock of $33.60 at the grant dates, respectively.

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

		2023
		Share (in thousands)
Balance at January 1	$	-
Issued during the year		1,500
Vested during the year	(	563)
Balance at December 31	$	937

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

		Year ended December 31, 2023
Equity-settled	$	16,962

(13) Share capital

A. As of December 31, 2023, the Company's authorised capital was $2,500,000, consisting of 250,000 thousand shares of common stock (including 6,000 thousand shares reserved for employee stock options), and the paid-in capital was $1,158,658 with a par value of $10 (in dollars) per share.

Movements in the number of the Company's common stock outstanding are as follows:

Units: Shares in thousands

		2023		2022
At January 1	$	114,366	$	163,380
Issuance of restricted stocks		1,500		-
Capital reduction to offset accumulated deficit		-	(	49,014)
At December 31	$	115,866	$	114,366

B. On August 1, 2013, the Board of Directors resolved to raise additional cash by issuing 16,200 thousand new shares through a private placement with a par value of $10 (in dollars) per share, and the Board has set the effective date of the capital increase on August 30, 2013. The above capital increase has been registered.

C. On March 12, 2014 and July 15, 2014, the Board of Directors resolved to raise additional cash by issuing 8,500 thousand and 5,488 thousand new shares, respectively, through private placements with a par value of $10 (in dollars) per share, and the Board has set the effective date of the capital increases on March 31, 2014 and August 18, 2014, respectively. The shares were respectively issued at a price of $26.03 (in dollars) and $42 (in dollars) per share. The above capital increases have been registered.

D. On November 10, 2017, the Board of Directors resolved to raise additional cash by issuing 15,000 thousand new shares through a private placement with a par value of $10 (in dollars) per share, and the Board has set the effective date of the capital increase on December 15, 2017. The shares were issued at a price of $17.92 (in dollars) per share. The above capital increase has been registered.

E. On January 29, 2019 and November 11, 2019, the Board of Directors resolved to raise additional cash by issuing 10,000 thousand and 17,000 thousand new shares, respectively, through private placements with a par value of $10 (in dollars) per share, and the Board has set the effective date of the capital increases on February 12, 2019 and November 25, 2019, respectively. The shares were respectively issued at a price of $10.33 (in dollars) and $8.29 (in dollars) per share. The above capital increases have been registered.

F. On June 1, 2020, the Board of Directors resolved to raise additional cash by issuing 13,537 thousand new shares through a private placement with a par value of $10 (in dollars) per share, and the Board has set the effective date of the capital increase on June 15, 2020. The shares were issued at a price of $14.81 (in dollars) per share. The above capital increase has been registered.

G. On June 9, 2021, the Board of Directors resolved to raise additional cash by issuing 24,000 thousand new shares through a private placement with a par value of $10 (in dollars) per share, and the Board has set the effective date of the capital increase on June 23, 2021. The shares were issued at a price of $13.74 (in dollars) per share. The above capital increase has been registered.

H. To offset accumulated deficit, on June 27, 2022, the Company's shareholders at their meeting resolved to decrease its capital amounting to $490,139, and 49,014 thousand issued shares were retired. The Company's paid-in capital was $1,143,658 after capital reduction. The retired number of shares was 114,366 thousand shares, with a par value of NT$10 (in dollars) per share. The capital reduction ratio was 30%. The effective date for the abovementioned capital reduction was set on August 18, 2022, and the registration was completed on August 24, 2022.

I. On August 30, 2021, the shareholders during their meeting adopted a resolution to issue employee restricted ordinary shares with the effective date set on November 24, 2023. The issuing price is $10 (in dollars) per share. The issuance had been registered on November 30, 2023. The employee restricted ordinary shares issued are subject to certain transfer restrictions before their vesting conditions are met. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares.

J. On September 27, 2023, the Board of Directors during their meeting adopted a resolution to increase the Company's capital by issuing 6,000 thousand ordinary shares with a par value of $10 (in dollars) per share. The above capital increase was approved by the regulatory authority, and the Board had set the effective date of the capital increase on February 26, 2024. The shares were issued at a price of $28.60 (in dollars) per share. The above capital increase had been registered.

(14) Capital surplus

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

	2023			
	Share premium	Restricted stocks	Changes in ownership interests in subsidiaries	Total
At January 1	$ -	$ -	$ 1,111	$ 1,111
Issuance of restricted stocks	-	35,400	-	35,400
Restricted stocks vested	13,275	(13,275)	-	-
Changes in ownership interest in subsidiaries	-	-	(1,111)	(1,111)
At December 31	$ 13,275	$ 22,125	$ -	$ 35,400

	2022			
	Share premium	Changes in ownership interests in subsidiaries	Options expired	Total
At January 1	$ 78,164	$ 1,111	$ 11,596	$ 90,871
Capital surplus used to offset accumulated deficit	(78,164)	-	(11,596)	(89,760)
At December 31	$ -	$ 1,111	$ -	$ 1,111

(15) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. The Company may then appropriate or reverse a certain amount as a special reserve according to the relevant regulations. The remaining earnings, plus the accumulated undistributed earnings, may be appropriated to shareholders as dividends or bonuses according to the earnings distribution plan proposed by the Board of Directors and approved in the shareholders' meeting.

B. The Company adopts a balanced dividend policy, which is based on the Company's current and future investment environment, capital needs, domestic and foreign competition, capital budget, etc., and takes into consideration the interests of shareholders, a balanced dividend distribution and the Company's long-term financial planning, when distributing dividends. Cash dividend shall not be less than 20% of the total amount of dividends.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose.

The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. 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.

E. The 2022 and 2021 loss compensation has been approved by the shareholders during their meetings on June 27, 2023 and June 27, 2022, respectively.

(16) Operating revenue

	Year ended December 31	
	2023	2022
Revenue from contracts with customers	$ 271,628	$ 178,897

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the following major product lines:

Year ended December 31, 2023	Drug development	Drug sales	Others	Total
Revenue from external customer contracts	$ 108,169	$ 163,459	$ -	$ 271,628

Year ended December 31, 2022	Drug development	Drug sales	Others	Total
Revenue from external customer contracts	$ 85,083	$ 90,750	$ 3,064	$ 178,897

B. Contract liabilities

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

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities – pharmaceutical development contracts	$ 39,799	$ 34,188	$ 11,748

C. Revenue recognised that was included in the contract liability balance at the beginning of the period

	Year ended December 31	
	2023	2022
Contract liability balance at the beginning of the period		
Revenue recognised at the period	$ 15,364	$ 11,071

(17) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	$ 1,700	$ 336
Interest income from financial assets measured at amortised cost	1,712	1,842
Other interest income	4	2
	$ 3,416	$ 2,180

(18) Other gains and losses

	Year ended December 31	
	2023	2022
Foreign exchange gains	$ 7,502	$ 7,525
Gains on financial assets (liabilities) at fair value through profit or loss	-	65
Other losses	(23)	(127)
	$ 7,479	$ 7,463

(19) Finance costs

	Year ended December 31	
	2023	2022
Interest expense on lease liabilities	$ 17,746	$ 17,245
Interest expense on current borrowings	1,512	1
	$ 19,258	$ 17,246

(20) Expenses by nature

	Year ended December 31	
	2023	2022
Employee benefit expense	$ 215,162	$ 149,275
Depreciation charges	52,967	54,379
Amortisation charges on intangible assets	12,183	12,170
	$ 280,312	$ 215,824

(21) Employee benefit expense

	Year ended December 31	
	2023	2022
Wages and salaries	$ 184,763	$ 139,233
Share-based payment	16,962	-
Labour and health insurance fees	6,493	4,881
Pension costs	5,222	3,910
Other personnel expenses	1,722	1,251
	$ 215,162	$ 149,275

A. In accordance with the Articles of Incorporation of the Company, a ratio of profit before tax shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 3% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. For the years ended December 31, 2023 and 2022, the Company did not accrue employees' compensation and directors' remuneration as it had accumulated losses.

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.

(22) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the period	$ 70	$ 119
Prior year income tax underestimation	186	-
Income tax expense	$ 256	$ 119

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	($ 54,360)	($ 71,438)
Tax exempt income by tax regulation	-	(15)
Deferred income tax assets are not recognized for temporary differences	24,173	28,652
Prior year income tax underestimation	186	119
Income tax impact of the minimum tax system	70	-
Change in assessment of realisation of deferred tax assets	(1,573)	(3,157)
Taxable loss not recognised as deferred tax assets	31,760	45,958
Income tax expense	$ 256	$ 119

C. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

(a) The unused tax losses of the Company:

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2014	Assessed	$ 99,399	$ 99,399	2024
2015	Assessed	152,306	152,306	2025
2016	Assessed	109,937	109,937	2026
2017	Assessed	76,107	76,107	2027
2018	Assessed	42,400	42,400	2028
2019	Assessed	29,071	29,071	2029
2020	Assessed	46,507	46,507	2030
2021	Assessed	32,041	32,041	2031
2022	Filed	16,710	16,710	2032
2023	To be filed	23,951	23,951	2033
		$ 628,429	$ 628,429	

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	Assessed	$ 70,199	$ 70,199	2023
2014	Assessed	99,399	99,399	2024
2015	Assessed	152,306	152,306	2025
2016	Assessed	109,937	109,937	2026
2017	Assessed	76,107	76,107	2027
2018	Assessed	42,400	42,400	2028
2019	Assessed	29,071	29,071	2029
2020	Assessed	46,507	46,507	2030
2021	Assessed	32,041	32,041	2031
2022	Filed	16,710	16,710	2032
		$ 674,677	$ 674,677	

(b) The unused taxable loss of the subsidiaries, Magnifica Inc. and Tulex Pharmaceuticals, Inc.:

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	Assessed	$ 16,139	$ 16,139	Not applicable
2016	Assessed	101,768	101,768	Not applicable
2017	Assessed	183,069	183,069	Not applicable
2018	Assessed	280,495	280,495	Not applicable
2019	Assessed	150,042	150,042	Not applicable
2020	Assessed	110,469	110,469	Not applicable
2021	Assessed	83,529	83,529	Not applicable
2022	Assessed	146,761	146,761	Not applicable
2023	To be filed	78,533	78,533	Not applicable
		$ 1,150,805	$ 1,150,805	

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	Assessed	$ 16,139	$ 16,139	Not applicable
2016	Assessed	101,768	101,768	Not applicable
2017	Assessed	183,069	183,069	Not applicable
2018	Assessed	280,495	280,495	Not applicable
2019	Assessed	150,042	150,042	Not applicable
2020	Assessed	110,469	110,469	Not applicable
2021	Assessed	83,529	83,529	Not applicable
2022	Assessed	146,761	146,761	Not applicable
		$ 1,072,272	$ 1,072,272	

D. The amounts of deductible temporary differences that are not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 1,371,143	$ 1,250,276

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(23) Loss per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parent	($ 144,818)	114,423	($ 1.27)

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parent	($ 161,000)	114,366	($ 1.41)

Note: For the year ended December 31, 2023, the restricted shares had an anti-dilutive effect and were not included in the calculation of diluted loss per share.

(24) Transactions with non-controlling interest

The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary.

Subsidiaries Magnifica Inc. and Tulex Pharmaceuticals Inc. of the Group increased its capital by issuing new shares on December, 31 2023. The Group did not acquire shares proportionally to its interest. As a result, the Group increased its share interest by 0.35%, both. The transaction increased non-controlling interest by $4,137 and decreased the equity attributable to owners of parent by $4,137.

The effect of changes in interests in Magnifica Inc. and Tulex Pharmaceuticals Inc. on the equity attributable to owners of the parent for the year ended December 31, 2023 is shown below:

	Year ended December 31, 2023
Increase in the carrying amount of non-controlling interests	$ 4,137
Accumulated deficit— recognition of changes in ownership interests in subsidiaries	($ 3,026)
Capital surplus— recognition of changes in ownership interests in subsidiaries	($ 1,111)

(25) Changes in liabilities from financing activities

	2023		
	Current borrowing	Lease liabilities	Total liabilities from financing activities
At January 1	$ -	$ 349,956	$ 349,956
Changes in cash flow from financing activities	43,930	(15,474)	28,456
Interest expense	-	17,746	17,746
Interest paid	-	(17,746)	(17,746)
Effect from foreign exchange	(660)	34	(626)
Other non-cash changes	-	8,557	8,557
At December 31	$ 43,270	$ 343,073	$ 386,343

	2022
	Lease liabilities
At January 1	$ 325,496
Changes in cash flow from financing activities	(10,551)
Interest expense	17,245
Interest paid	(17,245)
Effect from foreign exchange	35,011
At December 31	$ 349,956

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Transwell Biotech Co., Ltd.	The entity's chairman is the Company's director
Nanjing Huaxun Intellectual Property Consulting Co., Ltd	Substantial related person
Chingcheng Attorney At Law	Substantial related person

(2) Significant related party transactions

A. Accounts receivable

	December 31, 2023	December 31, 2022
Other receivables		
Transwell Biotech Co., Ltd.	$ 32	$ 32

B. Other revenue

	Year ended December 31	
	2023	2022
Sales of services		
Transwell Biotech Co., Ltd.	$ 360	$ 360

C. Situations in which related parties provide endorsement guarantees

	December 31, 2023	December 31, 2022
Nanjing Huaxun Intellectual Property Consulting Co., Ltd	$ 17,308	$ -

D. Other expenses

	Year ended December 31	
	2023	2022
Service expense		
Nanjing Huaxun Intellectual Property Consulting Co., Ltd	$ 861	$ -
Chingcheng Attorney At Law	655	-
	$ 1,516	$ -

(3) Key management compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	$ 21,119	$ 15,775
Post-employment benefits	553	513
Share-based payment	5,541	-
Total	$ 27,213	$ 16,288

8. Pledged Assets

Asset item	Book value December 31, 2023	Book value December 31, 2022	Purpose
Demand deposits (shown as non-current financial assets at amortised cost)	$ -	$ 10,829	Guarantee deposits for pharmacist licenses

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 809	$ 1,961

B. The Group and China IPIC entered into an investment cooperation agreement, pursuant to which China IPIC agreed to grant sublicenses of its patent rights licensed by an internationally well-known pharmaceutical company in exchange for a 40% interest in Jiangsu Huahan. Also, China IPIC is responsible for handling the legal matters in relation to intellectual property rights for the Company and China IPIC, and the Group is required to pay for the related expenses to China IPIC. If none of the patent invalidity challenges raised by third parties in China against the patents of the said well-known pharmaceutical company is successful by March 15, 2024 and March 15, 2025, the Group will have to pay cash to China IPIC on the aforementioned dates in the amount equal to 680,266 shares of the Company's stock based on the latest private placement stock price. Moreover, the Group is in charge of the research and development of patented generic drugs, and both parties agreed that China IPIC will be responsible for legal matters, such as patent analysis, when initiating the ANDA Paragraph IV application process in the United States. The net profit from the sales of the generic drugs in the United States will be shared with China IPIC. The details of profit sharing will be set out in a separate agreement.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group performs the capital management to ensure the ability to continue as a going concern and maintain an optimal capital structure in order to maximize returns for shareholders.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023		December 31, 2022	
Financial assets				
Financial assets mandatorily measured at fair value through profit or loss	$	60	$	60
Financial assets at amortised cost				
Cash and cash equivalents		262,906		159,025
Financial assets at amortised cost		85,124		191,339
Accounts receivable		65,046		20,173
Other receivables (including related parties)		1,378		3,515
Guarantee deposits paid		1,092		880
	$	415,606	$	374,992
Financial liabilities				
Financial liabilities at amortised cost				
Current borrowing	$	43,270	$	-
Accounts payable		9,420		2,355
Other payables		22,417		15,493
Guarantee deposits received		131,973		-
	$	207,080	$	17,848
Lease liabilities	$	343,073	$	349,956

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 (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation 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, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

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

ii. Management has set up a policy to require entities within the Group to manage their foreign exchange risk against their functional currency. Foreign exchange risk is managed using forward foreign exchange contracts to the extent permitted by the policy.

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

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 1,020	30.705	$ 31,322

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 3,800	30.71	$ 116,698

iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022 amounted to $7,502 and $7,525, respectively.

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

If the exchange rate of USD against NTD as at December 31, 2023 and 2022 had increased/decreased by 1% with all other variables held constant, pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $1,566 and $5,835, respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. The equity instruments invested by the Group are affected by changes in market prices. However, the Group has already set a stop loss point, so the Group does not expect material market risk.

ii. The Group's investments in equity securities comprise open-end funds. 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 5% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $3 and $3, 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

The Group's main interest rate risk arises from borrowings. The Group manages the interest risk by maintaining an optimal fixed interest rate to ensure that the most cost-effective hedging strategy is adopted. Since the loan amount is immaterial, the interest rate risk has no significant impact to the Group.

(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 their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group assesses the credit quality of the customers and takes into account their financial position, past experience and other factors before standard payment and delivery terms and conditions are offered.

iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

iv. The Group adopts the assumptions under IFRS 9. 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 applies the modified approach using a provision matrix to estimate the expected credit loss for customers' accounts receivable.

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.

viii.The Group used the forecast ability to adjust historical and timely information to assess the default possibility of accounts receivable. The amount of allowance losses as of December 31, 2023 and 2022 was immaterial.

ix.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 accounts receivable held by the Group was $65,046 and $20,173, respectively.

(c) Liquidity risk

i. Cash flow forecasting is performed by Group treasury, which monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The Group has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Fixed rate:		
Expiring within one year	$ 30,000	$ 30,000

iii. The table below analyses the Group's non-derivative financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2023	Between 1 and 6 months	Between 6 months and 1 year	Between 1 and 2 year(s)	Over 2 years
Current borrowing	$ 43,904	$ -	$ -	$ -
Accounts payable	9,420	-	-	-
Other payables	20,253	-	-	-
Lease liabilities	12,764	16,930	33,779	435,266
Guarantee deposits received	-	-	121,156	12,981

Non-derivative financial liabilities:

December 31, 2022	Between 1 and 6 months	Between 6 months and 1 year	Between 1 and 2 year(s)	Over 2 years
Accounts payable	$ 2,355	$ -	$ -	$ -
Other payables	15,493	-	-	-
Lease liabilities	14,339	14,339	29,476	463,764

iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to 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.

Level 2: 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).

Level 3: Unobservable inputs for the asset or liability.

B. The related information of 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 are as follows:

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Unlisted stocks	$ -	$ -	$ 60	$ 60

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Unlisted stocks	$ -	$ -	$ 60	$ 60

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

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

	2023	2022
	Equity instrument	Equity instrument
At January 1	$ 60	$ -
Acquired in the year	-	60
At December 31	$ 60	$ 60

D. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

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

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument					
Unlisted stocks	$ 60	Market comparable companies	Price to book ratio multiple	1.91	The higher the multiple, the higher the fair value
			Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value.

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument					
Unlisted stocks	$ 60	Market recent non-active market price	Inadequacy	-	Inadequacy

F. The Group selects the evaluation model and evaluation parameters after careful evaluation. However, the use of different evaluation models or evaluation parameters may lead to different evaluation results. For financial assets and financial liabilities classified as Level 3, if the evaluation parameters change, the impact on the current period's profits and losses or other comprehensive profits and losses will be as follows:

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±10%	$ 1	($ 1)	$ -	$ -
	Discount for lack of marketability	±10%	$ 28	($ 28)	$ -	$ -

December 31, 2022: None.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

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

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

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

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

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

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

J.Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6.

(4) Major shareholders information

Major shareholders information: Please refer to table 7.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the operating decision maker that are used to make strategic decisions.

(2) Measurement of segment information

Information provided to the chief operating decision-maker to allocate resource and assess segment performance focuses on the type of each product or service delivered or provided. The Group's reportable segments are drug development segment and others. The drug development segment is primarily engaged in drug development, manufacturing and sales of over-the-counter drug products.

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

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

Year ended December 31, 2023	Drug development segment	Other	Total
Segment revenue	$ 271,628	$ -	$ 271,628
Segment loss	($ 124,987)	($ 37,751)	($ 162,738)
Segment income, including depreciation and amortisation	$ 63,650	$ 1,500	$ 65,150

Year ended December 31, 2022	Drug development segment	Other	Total
Segment revenue	$ 178,818	$ 79	$ 178,897
Segment loss	($ 135,785)	($ 25,473)	($ 161,258)
Segment income, including depreciation and amortisation	$ 61,559	$ 4,990	$ 66,549

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income (loss) before tax from continuing operations for the years ended December 31, 2023 and 2022 is provided as follows:

	Year ended December 31	
	2023	2022
Reportable segments loss	($ 162,738)	($ 161,258)
Other		
Finance costs	(19,258)	(17,246)
Other	12,087	10,229
	(7,171)	(7,017)
Loss before tax from continuing operations	($ 169,909)	($ 168,275)

(5) Geographical information

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

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
America	$ 271,628	$ 643,715	$ 178,818	$ 687,360
Asia	-	61,282	79	61,584
Total	$ 271,628	$ 704,997	$ 178,897	$ 748,944

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023	
	Revenue	Proportion
Customer C	$ 97,588	36%
Customer A	77,659	29%

	Year ended December 31, 2022	
	Revenue	Proportion
Customer A	$ 44,241	25%
Customer C	30,361	17%
Customer D	22,597	13%
Customer E	21,229	12%
Customer F	18,139	10%

Easywell Biomedicals, Inc. and subsidiaries
Loans to others
Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	Is a related party	General ledger account	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for Creditor Counterparty doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
0	Easywell Biomedicals, Inc.	Magnifica Inc.	Y	Other receivables due from related parties	$ 56,052	$ -	$ -	0.00%	2	-	Operations	-	-	-	$ 245,125	$ 245,125	Note 4
0	Easywell Biomedicals, Inc.	Tulex Pharmaceuticals Inc.	Y	Other receivables due from related parties	60,960	-	-	0.00%	2	-	Operations	-	-	-	61,281	245,125	Note 5
0	Easywell Biomedicals, Inc.	Tulex Pharmaceuticals Inc.	Y	Other receivables due from related parties	157,100	-	-	0.00%	2	-	Operations	-	-	-	245,125	245,125	Note 4

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:(1) Having business relationship.
(2) Short-term financing.
Note 3:The total amount and limit on the loans provided by the Company granted for a single party are as follows:
(1) Ceiling on total loans granted: The total amount shall not exceed 40% of the net assets value of the Company.
(2) Limit on loans granted to a single party are as follows:
1. For companies having business relationship with the Company, the total amount of the individual limit should not exceed 10% of the Company’s net value or the amount of business transactions for the recent year between both parties.
Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing or predictable amount in the next year.
2. Limit on loans to a single party with short-term financing is 20% of the Company’s net asset.
3. The individual amount of loans to the Company’s subsidiaries were as follows:
Drawn at once: Limit on loans is 40% of the Company’s net asset.
Revolving: Limit on loans is 10% of the Company’s net asset.
(3) Limit on loans granted by a foreign subsidiary to another foreign subsidiary of which the Company directly and indirectly holds 100% of its voting shares, or limit on loans to the Company granted by a foreign subsidiary which the Company directly or indirectly holds 100% of its voting share, are not restricted to the limit on loans of 40% of the Company’s net assets. However, the amount of the loan should not exceed the net asset value of the lender.
(4) The net assets referred to above are based on the data of the latest audited and attested or reviewed financial statements of the Company.
Note 4: It's loans to subsidiaries for drawing at once.
Note 5: Revolving borrowings which the Company loans to subsidiaries.

Easywell Biomedicals, Inc. and subsidiaries

Provision of endorsements and guarantees to others

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number （Note 1）	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor （Note 2）	Limit on endorsements/ guarantees provided for a single party （Note 3）	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided （Note 3）	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Easywell Biomedicals,	Jiangsu Huahan Pharma-Tech	2	$ 306,406	$ 26,598	$ 25,962	$ 25,962	$ -	4.24%	$ 306,406	Y	N	Y	

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.

(2)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3)Directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5)A company that provides mutual insurance according to the contract between peers or joint builders based on the need to contract projects.

(6)A company that is endorsed and guaranteed by all contributing shareholders based on their shareholding ratio due to a joint investment relationship.

Note 3: (1)For the companies of which the Company directly and indirectly holds over 50% of their voting rights, the limit on endorsements/guarantees granted to a single party shall not reach 50% of the company’s net assets on the latest financial statements audited or reviewed by independent auditors.

(2)The Company’s ceiling on total amount of endorsements/guarantees provided shall not reach 50% of the company’s net assets on the latest financial statements audited or reviewed.

Easywell Biomedicals, Inc. 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 NTD
(Except as otherwise indicated)

Securities held by	Marketable securities		Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
Easywell Biomedicals, Inc.	Stock	Chipwell Tech Corporation	None	Non-current financial assets at fair value through profit or loss	13,181	$ 60	-	$ 60	

Easywell Biomedicals, Inc. and subsidiaries

Information on investees

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net income(loss) of investee as of December 31, 2023	Investment income(loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Easywell Biomedicals, Inc.	Easywell Biomedicals (HK), Inc. Limited	Hong Kong	Holding Investment	$ 202,525	$ 202,525	-	100.00	$ 2,668	($ 35,079)	($ 35,079)	Subsidiary
Easywell Biomedicals, Inc.	Magnifica Inc.	United States	Development and sales of generic pharmaceutical ingredients and products	1,116,680	1,075,054	9,500	97.94	105,860	(7,206)	(7,041)	Subsidiary
Easywell Biomedicals, Inc.	Tulex Pharmaceuticals Inc.	United States	Development and manufacture of generic pharmaceutical ingredients and products	467,996	275,706	40,406,896	97.94	304,932	(78,501)	(76,692)	Subsidiary
Easywell Biomedicals, Inc.	Qianjinfang Health Biotech Co., Ltd	Taiwan	Development and sales of health foods and products	1,600	-	160,000	80.00	1,569	(38)	(31)	Subsidiary

Easywell Biomedicals, Inc. and subsidiaries

Information on investments in Mainland China

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Jiangsu Huahan Pharma-Tech Ltd.	Development and sales of generic pharmaceutical ingredients and products	$ 43,090	2	$ 77,786	$ -	$ -	$ 77,786	($ 58,413)	60.00	($ 35,048)	$ 2,531	$ -	Note 2 (2)2

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.

(3) Others: Through investing in investees in Mainland China, which then invested in the investee in Mainland China.

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' 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:

1. The financial statements that are audited by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
2. The financial statements that are audited by R.O.C. parent company's CPA.
3. Financial statements which were not audited by auditors.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
Easywell Biomedicals, Inc.	$ 163,860	$ 189,822	$ 374,277

Note 3: According to "Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area" of the Investment Commission of the Ministry of Economic Affairs, the limit for investment in Mainland China was 60% of net asset value.

Easywell Biomedicals, Inc. and subsidiaries

Information on investment in Mainland China-Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2023	%	Balance at December 31, 2023	Purpose	Maximum balance during the Year ended December 31, 2023	Balance at December 31, 2023	Interest rate	Interest during the Year ended December 31, 2023	Others
Jiangsu Huahan Pharma-Tech Ltd.	$ -	-	$ -	-	$ -	-	$ 25,962	Joint and several guarantee for loan	$ -	$ -	-	$ -	

Easywell Biomedicals, Inc. and subsidiaries

Major shareholders information

December 31, 2023

Table 7

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Chung Wah Century Investment Limited	26,695,261	23.03
Eternity Asia Limited	8,748,306	7.55
Cmox Technology Co., Ltd.	6,203,792	5.35