

**CHLITINA HOLDING LIMITED AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2024 AND 2023**

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chlitina Holding Limited

Opinion

We have audited the accompanying consolidated balance sheets of Chlitina Holding Limited and its subsidiaries (the “Group”) as at June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2024 and 2023, and its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements for the six months ended June 30, 2024. 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 consolidated financial statements for the six months ended June 30, 2024 are stated as follows:

Accuracy of sales discounts and allowances calculation and recognition

Description

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

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

How our audit addressed the matter

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

- A. Tested whether the internal controls over sales and collection process (including manual and system controls) are effectively designed and performed.
- B. Obtained documentation reviewed and approved by key management to verify whether the calculation on sales discounts and allowances are accurate.
- C. Tested selected samples of sales discounts and allowances transaction, reviewed the supporting documentation and confirmed whether they are accurate.

Accounting estimates on inventory valuation

Description

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

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

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

How our audit addressed the matter

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors’ responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Wang, Sung-Tse

Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

August 22, 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.

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

Asset	Notes	June 30, 2024			December 31, 2023			June 30, 2023		
		CNY	TWD	%	CNY	TWD	%	CNY	TWD	%
Current Assets										
1100 Cash and cash equivalents	6(1)	\$ 1,240,901	\$ 5,515,805	58	\$ 1,069,155	\$ 4,626,234	52	\$ 964,094	\$ 4,128,251	45
1136 Financial assets at amortized cost - current	6(1)(3)and8	107,310	476,993	5	268,901	1,163,535	13	481,575	2,062,104	23
1170 Accounts receivable, net	6(4)	1,207	5,365	-	752	3,254	-	1,406	6,020	-
1180 Accounts receivable - related parties, net	6(4)and7	220	979	-	208	899	-	-	-	-
1200 Other receivables		19,354	86,029	1	26,373	114,116	1	26,252	112,411	1
1210 Other receivables - related parties	7	325	1,445	-	320	1,389	-	281	1,203	-
130X Inventories	6(5)	103,001	457,839	5	89,711	388,179	4	92,913	397,853	4
1410 Prepayments		21,520	95,656	1	29,533	127,789	1	22,422	96,011	1
11XX Total current assets		<u>1,493,838</u>	<u>6,640,111</u>	<u>70</u>	<u>1,484,953</u>	<u>6,425,395</u>	<u>71</u>	<u>1,588,943</u>	<u>6,803,853</u>	<u>74</u>
Non-current assets										
1510 Financial assets at fair value through profit or loss - non-current	6(2)	64,041	284,662	3	65,291	282,514	3	53,972	231,108	3
1550 Investments accounted for using equity method	6(6)	56,301	250,258	3	61,725	267,084	3	65,156	278,998	3
1600 Property, plant and equipment, net	6(7)	379,410	1,686,477	17	263,407	1,139,762	14	270,517	1,158,354	13
1755 Right-of-use assets	6(8)and7	80,377	357,276	4	80,945	350,249	4	86,344	369,725	4
1760 Investment property, net		14,298	63,555	1	14,749	63,819	1	15,246	65,283	1
1780 Intangible assets, net	6(9)	17,677	78,574	1	18,671	80,789	1	20,012	85,691	1
1840 Deferred income tax assets		19,279	85,695	1	22,855	98,894	1	27,629	118,307	1
1900 Other non-current assets		7,115	31,626	-	45,415	196,504	2	8,968	38,401	-
15XX Total non-current assets		<u>638,498</u>	<u>2,838,123</u>	<u>30</u>	<u>573,058</u>	<u>2,479,615</u>	<u>29</u>	<u>547,844</u>	<u>2,345,867</u>	<u>26</u>
1XXX Total assets		<u>\$ 2,132,336</u>	<u>\$ 9,478,234</u>	<u>100</u>	<u>\$ 2,058,011</u>	<u>\$ 8,905,010</u>	<u>100</u>	<u>\$ 2,136,787</u>	<u>\$ 9,149,720</u>	<u>100</u>

- Continued -

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

Liabilities and Equity			June 30, 2024			December 31, 2023			June 30, 2023		
			CNY	TWD	%	CNY	TWD	%	CNY	TWD	%
Current liabilities											
2100	Short-term loans	6(10)	\$ 397,795	\$ 1,768,199	19	\$ 457,701	\$ 1,980,472	22	\$ 145,446	\$ 622,800	7
2130	Current contract liabilities	6(18)	75,908	337,411	4	81,870	354,251	4	78,505	336,158	4
2170	Accounts payable		20,298	90,225	1	14,157	61,257	1	10,305	44,126	-
2180	Accounts payable - related parties	7	4,976	22,116	-	5,938	25,693	-	4,994	21,386	-
2200	Other payables	6(11)	243,512	1,082,411	11	96,900	419,289	5	209,924	898,895	10
2220	Other payables - related parties	7	821	3,650	-	1,081	4,677	-	720	3,084	-
2230	Current income tax liabilities		20,211	89,838	1	16,875	73,018	1	30,871	132,188	1
2280	Lease liabilities - current	7	29,175	129,683	1	28,726	124,297	1	25,319	108,416	1
2320	Long-term borrowings - current portion	6(12)	-	-	-	-	-	-	109,085	467,102	5
2645	Guarantee deposits		85,903	381,839	4	90,664	392,303	4	87,954	376,619	4
21XX	Total current liabilities		878,599	3,905,372	41	793,912	3,435,257	38	703,123	3,010,774	32
Non-current liabilities											
2540	Long-term borrowings	6(12)	-	-	-	-	-	-	261,803	1,121,040	13
2570	Deferred income tax liabilities		17,229	76,583	1	19,685	85,177	1	23,631	101,188	1
2580	Lease liabilities - non-current	7	54,507	242,284	3	53,872	233,104	3	60,326	258,316	3
2640	Net defined benefit liabilities		604	2,685	-	620	2,683	-	591	2,531	-
25XX	Total non-current liabilities		72,340	321,552	4	74,177	320,964	4	346,351	1,483,075	17
2XXX	Total liabilities		950,939	4,226,924	45	868,089	3,756,221	42	1,049,474	4,493,849	49
Equity attributable to shareholders of the parent											
Share capital											
3110	Common stock	6(15)	168,546	824,924	9	161,772	794,924	9	161,772	794,924	9
Capital surplus											
3200	Capital surplus	6(16)	380,117	1,831,256	19	280,133	1,388,422	16	280,133	1,388,422	14
Retained earnings											
3310	Legal reserve	6(17)	174,681	794,924	8	174,681	794,924	9	174,681	794,924	9
3320	Special reserve		143,331	640,538	7	122,010	545,935	6	122,010	545,935	6
3350	Unappropriated retained earnings		319,840	1,624,241	17	463,926	2,265,122	25	354,630	1,786,258	20
Other equity											
3410	Financial statements translation differences of foreign operations		(5,514)	(466,294)	(5)	(13,065)	(642,564)	(7)	(6,357)	(656,525)	(7)
3420	Unrealised gains (losses) from financial assets at fair value through other comprehensive income		396	1,721	-	465	2,026	-	444	1,933	-
3XXX	Total equity		1,181,397	5,251,310	55	1,189,922	5,148,789	58	1,087,313	4,655,871	51
Significant contingent liabilities and unrecognised contract commitments			9								
Significant events after the balance sheet date			11								
3X2X	Total liabilities and equity		\$ 2,132,336	\$ 9,478,234	100	\$ 2,058,011	\$ 8,905,010	100	\$ 2,136,787	\$ 9,149,720	100

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

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

	Items	Notes	Three months ended June 30, 2024			Three months ended June 30, 2023			Six months ended June 30, 2024			Six months ended June 30, 2023		
			CNY	TWD	%	CNY	TWD	%	CNY	TWD	%	CNY	TWD	%
4000	Operating revenue	6(18)and7	\$ 228,265	\$ 1,018,104	100	\$ 257,424	\$ 1,128,234	100	\$ 456,933	\$ 2,016,444	100	\$ 471,081	\$ 2,074,499	100
5000	Operating costs	6(5)(23)and7	(42,616)	(189,823)	(19)	(48,484)	(212,614)	(19)	(79,957)	(352,850)	(17)	(83,996)	(369,893)	(18)
5900	Gross profit		185,649	828,281	81	208,940	915,620	81	376,976	1,663,594	83	387,085	1,704,606	82
	Operating expenses	6(23)and7												
6100	Selling expenses		(92,433)	(412,544)	(41)	(94,714)	(415,129)	(37)	(190,827)	(842,120)	(42)	(172,604)	(760,096)	(37)
6200	Administrative expenses		(43,157)	(192,503)	(19)	(37,009)	(162,005)	(14)	(86,676)	(382,501)	(19)	(75,565)	(332,766)	(16)
6300	Research and development expenses		(1,100)	(4,908)	-	(1,111)	(4,864)	-	(2,206)	(9,735)	-	(2,235)	(9,842)	-
6000	Total operating expenses		(136,690)	(609,955)	(60)	(132,834)	(581,998)	(51)	(279,709)	(1,234,356)	(61)	(250,404)	(1,102,704)	(53)
6900	Operating profit		48,959	218,326	21	76,106	333,622	30	97,267	429,238	22	136,681	601,902	29
	Non-operating income and expenses													
7101	Interest income	6(19)	7,415	33,084	3	9,368	41,093	4	15,098	66,627	3	15,750	69,358	3
7010	Other income	6(20)	24,924	110,132	11	423	702	-	27,949	123,339	6	46,482	204,693	10
7020	Other gains and losses	6(21)	(1,690)	(8,131)	(1)	(16,131)	(71,361)	(6)	(15,971)	(70,480)	(3)	(3,271)	(14,405)	-
7050	Finance costs	6(22)and7	(7,676)	(34,248)	(3)	(8,096)	(35,466)	(3)	(15,603)	(68,856)	(3)	(15,478)	(68,160)	(3)
7060	Share of profit or loss of associates and joint ventures accounted for using equity method	6(6)	(1,611)	(7,257)	(1)	(3,832)	(16,859)	(1)	(4,745)	(20,940)	(1)	(4,454)	(19,614)	(1)
7000	Total non-operating income and expenses		21,362	93,580	9	(18,268)	(81,891)	(6)	6,728	29,690	2	39,029	171,872	9
7900	Profit before tax		70,321	311,906	30	57,838	251,731	24	103,995	458,928	24	175,710	773,774	38
7950	Income tax expense	6(24)	(21,521)	(95,779)	(9)	(21,546)	(94,172)	(8)	(38,644)	(170,536)	(8)	(49,728)	(218,987)	(11)
8200	Profit for the period		\$ 48,800	\$ 216,127	21	\$ 36,292	\$ 157,559	16	\$ 65,351	\$ 288,392	16	\$ 125,982	\$ 554,787	27
	Other comprehensive income (loss)													
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss													
8320	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	6(6)	(\$ 34)	(\$ 152)	-	(\$ 175)	(\$ 772)	-	(\$ 69)	(\$ 305)	-	(\$ 124)	(\$ 546)	-
8310	Other comprehensive loss that will not be reclassified to profit or loss		(34)	(152)	-	(175)	(772)	-	(69)	(305)	-	(124)	(546)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss													
8361	Financial statements translation differences of foreign operations		(3,392)	23,830	2	17,166	(98,423)	(9)	8,161	171,851	9	8,283	(112,788)	(5)
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	6(6)	(1,012)	2,663	-	990	4,355	-	(610)	4,419	-	1,056	4,648	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		(4,404)	26,493	2	18,156	(94,068)	(9)	7,551	176,270	9	9,339	(108,140)	(5)
	Other comprehensive income (loss) for the period		(4,438)	26,341	2	17,981	(94,840)	(9)	7,482	175,965	9	9,215	(108,686)	(5)
8500	Total comprehensive income for the period		\$ 44,362	\$ 242,468	23	\$ 54,273	\$ 62,719	7	\$ 72,833	\$ 464,357	25	\$ 135,197	\$ 446,101	22
	Earnings per share (in dollars)	6(25)												
9750	Basic earnings per share		\$ 0.60	\$ 2.68		\$ 0.46	\$ 1.99		\$ 0.81	\$ 3.59		\$ 1.59	\$ 7.01	
9850	Diluted earnings per share		\$ 0.60	\$ 2.68		\$ 0.46	\$ 1.98		\$ 0.81	\$ 3.59		\$ 1.59	\$ 7.00	

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

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

Notes	Equity attributable to shareholders of the parent										Other equity							
	Retained earnings										Unrealised gains (losses) from financial assets at fair value through other comprehensive income							
	Common stock		Capital surplus		Legal reserve		Special reserve		Unappropriated retained earnings		Financial statements translation differences of foreign operations		Treasury stocks		Total equity			
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
<u>Six months ended June 30, 2023</u>																		
Balance at January 1, 2023	\$ 161,772	\$ 794,924	\$ 276,621	\$ 1,372,879	\$ 174,681	\$ 794,924	\$ 126,475	\$ 565,174	\$ 353,318	\$ 1,768,678	(\$ 15,696)	(\$ 548,385)	\$ 568	\$ 2,479	(\$ 22,045)	(\$ 97,176)	\$ 1,055,694	\$ 4,653,497
Profit for the period	-	-	-	-	-	-	-	-	125,982	554,787	-	-	-	-	-	-	125,982	554,787
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	-	-	9,339	(108,140)	(124)	(546)	-	-	9,215	(108,686)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	125,982	554,787	9,339	(108,140)	(124)	(546)	-	-	135,197	446,101
Appropriations of 2022 earnings	6(17)																	
Special reserve	-	-	-	-	-	-	(4,465)	(19,239)	4,465	19,239	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	(129,135)	(556,446)	-	-	-	-	-	(129,135)	(556,446)	
Share-based payment	6(14)(16)	-	-	3,512	15,543	-	-	-	-	-	-	-	-	-	-	-	3,512	15,543
Purchase of treasury stocks	6(15)	-	-	-	-	-	-	-	-	-	-	-	-	(334)	(1,984)	(334)	(1,984)	
Exercise of employee share options	6(15)	-	-	-	-	-	-	-	-	-	-	-	-	22,379	99,160	22,379	99,160	
Balance at June 30, 2023	\$ 161,772	\$ 794,924	\$ 280,133	\$ 1,388,422	\$ 174,681	\$ 794,924	\$ 122,010	\$ 545,935	\$ 354,630	\$ 1,786,258	(\$ 6,357)	(\$ 656,525)	\$ 444	\$ 1,933	\$ -	\$ -	\$ 1,087,313	\$ 4,655,871
<u>Six months ended June 30, 2024</u>																		
Balance at January 1, 2024	\$ 161,772	\$ 794,924	\$ 280,133	\$ 1,388,422	\$ 174,681	\$ 794,924	\$ 122,010	\$ 545,935	\$ 463,926	\$ 2,265,122	(\$ 13,065)	(\$ 642,564)	\$ 465	\$ 2,026	\$ -	\$ -	\$ 1,189,922	\$ 5,148,789
Profit for the period	-	-	-	-	-	-	-	-	65,351	288,392	-	-	-	-	-	-	65,351	288,392
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	-	-	7,551	176,270	(69)	(305)	-	-	7,482	175,965
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	65,351	288,392	7,551	176,270	(69)	(305)	-	-	72,833	464,357
Appropriations of 2023 earnings	6(17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	21,321	94,603	(21,321)	(94,603)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	(188,116)	(834,670)	-	-	-	-	-	(188,116)	(834,670)	
Capital increase by cash	6(15)	6,774	30,000	98,894	438,000	-	-	-	-	-	-	-	-	-	-	-	105,668	468,000
Share-based payment	6(14)(16)	-	-	1,090	4,834	-	-	-	-	-	-	-	-	-	-	-	1,090	4,834
Balance at June 30, 2024	\$ 168,546	\$ 824,924	\$ 380,117	\$ 1,831,256	\$ 174,681	\$ 794,924	\$ 143,331	\$ 640,538	\$ 319,840	\$ 1,624,241	(\$ 5,514)	(\$ 466,294)	\$ 396	\$ 1,721	\$ -	\$ -	\$ 1,181,397	\$ 5,251,310

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

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

		Six months ended June 30, 2024		Six months ended June 30, 2023	
	Notes	CNY	TWD	CNY	TWD
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		\$ 103,995	\$ 458,928	\$ 175,710	\$ 773,774
Adjustments					
Adjustment to reconcile profit (loss)					
Depreciation	6(7)(8)(21)(23)	35,099	154,892	35,373	155,772
Amortization	6(9)(23)	1,641	7,241	1,786	7,865
Net (gain) loss on financial assets at fair value through profit or loss	6(2)(21)	2,058	9,082	(2,934)	(12,920)
Interest expense	6(22)	15,603	68,856	15,478	68,160
Interest income	6(19)	(15,098)	(66,627)	(15,750)	(69,358)
Compensation cost of share-based payments	6(14)(16)	1,090	4,834	3,512	15,543
Share of profit of associates and joint venture accounted for using equity method	6(6)	4,745	20,940	4,454	19,614
Loss on disposal of property, plant and equipment	6(21)	505	2,229	116	511
Changes in operating assets and liabilities relating to operating activities					
Changes in operating assets					
Financial assets at fair value through profit or loss		138	609	248	1,092
Notes receivable		-	-	1	4
Accounts receivable		(455)	(2,008)	(929)	(4,091)
Accounts receivable - related parties		(12)	(53)	-	-
Other receivables		(5,733)	(25,300)	(7,145)	(31,464)
Other receivables - related parties		(5)	(22)	(18)	(79)
Inventories		(13,290)	(58,649)	18,529	81,596
Prepayments		8,013	35,361	(6,085)	(26,797)
Changes in operating liabilities					
Contract liabilities		(5,962)	(26,310)	(2,159)	(9,508)
Accounts payable		6,141	27,100	(3,992)	(17,580)
Accounts payable - related parties		(962)	(4,245)	905	3,985
Other payables		(41,285)	(182,191)	(20,635)	(90,870)
Other payables - related parties		(260)	(1,147)	(39)	(172)
Guarantee deposits		(4,761)	(21,010)	6,825	30,055
Cash provided by operating activities		91,205	402,510	203,251	895,132
Interest paid		(15,822)	(69,822)	(15,256)	(67,183)
Income tax paid		(34,188)	(150,872)	(39,216)	(172,695)
Net cash provided by operating activities		41,195	181,816	148,779	655,254

- Continued -

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

		Six months ended June 30, 2024		Six months ended June 30, 2023	
	Notes	CNY	TWD	CNY	TWD
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of financial assets at amortised cost		(\$ 89,378)	(\$ 394,425)	(\$ 481,575)	(\$ 2,120,712)
Proceeds from disposal of financial assets at amortised cost		250,969	1,107,526	-	-
Increase in investments accounted for using equity method		-	-	(20,342)	(90,000)
Acquisition of property, plant and equipment	6(26)	(98,228)	(432,197)	(7,305)	(32,169)
Proceeds from disposal of property, plant and equipment		256	1,130	-	-
Acquisition of intangible assets	6(9)	(305)	(1,346)	(708)	(3,118)
Decrease in other non-current assets		1,156	5,101	1,263	5,562
Interest received		27,850	122,902	14,101	62,097
Net cash provided by (used in) investing activities		92,320	408,691	(494,566)	(2,178,340)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of the principal portion of lease liabilities	6(27)	(17,548)	(77,440)	(18,890)	(83,186)
(Decrease) increase in short-term borrowings	6(27)	(71,629)	(316,100)	34,959	153,950
Repayments of long-term borrowings	6(27)	-	-	(34,868)	(153,550)
Capital increase by cash	6(15)	105,668	468,000	-	-
Purchase of treasury stocks	6(15)	-	-	(334)	(1,984)
Exercise of employee share options	6(15)	-	-	22,379	99,160
Net cash flows provided by financing activities		16,491	74,460	3,246	14,390
Effects due to changes in exchange rates		21,740	224,604	26,163	(7,374)
Net increase (decrease) in cash and cash equivalents		171,746	889,571	(316,378)	(1,516,070)
Cash and cash equivalents at beginning of period		1,069,155	4,626,234	1,280,472	5,644,321
Cash and cash equivalents at end of period		\$ 1,240,901	\$ 5,515,805	\$ 964,094	\$ 4,128,251

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

CHLITINA HOLDING LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(Expressed in thousands of dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 22, 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 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.

(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 effective from 2025 are as follows:

New Standards, Interpretations and Amendments	New Standards, Interpretations and Amendments
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.

(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 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be 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
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and the International Accounting Standard 34, “Interim financial reporting” that came into effect as endorsed by the FSC.

(2) Basis of preparation

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

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Chlitina Group Limited (Chlitina Group)	Investing	100.00	100.00	100.00	
Chlitina Group	C-Asia International Limited (C-Asia International)	Investing	100.00	100.00	100.00	
Chlitina Group	Chlitina Intelligence Limited (Chlitina Intelligence)	Investing and research and development	100.00	100.00	100.00	Note 1
Chlitina Group	W-Amber International Limited (W-Amber International)	Investing	100.00	100.00	100.00	
Chlitina Group	W-Champion International Limited (W-Champion International)	Investing	100.00	100.00	100.00	
Chlitina Group	Chlitina International Limited (Chlitina International)	Investing	100.00	100.00	100.00	
W-Amber International	W-Amber Marketing Limited (W-Amber Marketing)	Investing	100.00	100.00	100.00	
W-Champion International	W-Champion Marketing Limited (W-Champion Marketing)	Investing	100.00	100.00	100.00	
Chlitina International	Chlitina Marketing Limited (Chlitina Marketing)	Investing and trading of skincare products	100.00	100.00	100.00	Note 2
Chlitina International	K&S Biomedical Ltd. (K&S Biomedical)	Trading of skincare products and daily necessities	100.00	100.00	100.00	
Chlitina International	Centre de Recherche et de Developpement de CHLITINA FRANCE EURL (Chlitina France EURL)	Research and development center	100.00	100.00	100.00	
Chlitina International	Hong Kong Chlitina International Limited (Hong Kong Chlitina)	Investing and trading of skincare products	100.00	100.00	100.00	
Hong Kong Chlitina	Yong Li Trading Company Limited (Yong Li)	Dealer of skincare products	100.00	100.00	100.00	
Hong Kong Chlitina	Hong Kong W-Champion International Limited (Hong Kong W-Champion)	Investing	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
Hong Kong Chlitina	Hong Kong Crystal Asia International Limited (Hong Kong Crystal Asia)	Investing	100.00	100.00	100.00	
Hong Kong Chlitina	Hua Pao Sdn. Bhd. (Hua Pao)	Dealer of skincare products	100.00	100.00	100.00	
Hong Kong Chlitina	PT PINING BEAUTY INDONESIA (PINING)	Importing trade goods and management consulting	100.00	100.00	100.00	
Hong Kong Chlitina	Hong Kong Jing Tai International Investment Limited (Hong Kong Jing Tai)	Investment consulting and general trade	100.00	100.00	100.00	
Hong Kong Chlitina	Chlitina (China) Trade Limited (Chlitina China)	Dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Hong Kong Chlitina	Hong Kong W-Amber International Limited (Hong Kong W-Amber)	Investing	100.00	100.00	100.00	
Yong Li	Vinh Le Company Limited (Vinh Le)	Dealer of skincare products	100.00	100.00	100.00	Note 3
Hong Kong W-Champion	Wuguan (Shanghai) Trade Limited (Wuguan Shanghai)	Dealer of skincare products and supplementary health care products	-	100.00	100.00	Note 4
Hong Kong Crystal Asia	Cui Jie (Shanghai) Trading Co. Ltd. (Cui Jie Shanghai)	Dealer of health food and daily necessities	-	-	100.00	Note 5
Hong Kong Jing Tai	WAN JU International Investment Limited (WAN JU International)	Investing	100.00	100.00	100.00	
Chlitina China	Weishuo (Shanghai) Daily Product Limited (Weishuo)	Production and trading of skincare products	100.00	100.00	100.00	
Chlitina China	Shanghai Zhe Mei Technology Training Co., Ltd. (Shanghai Zhe Mei)	Cosmetology training services	100.00	100.00	100.00	
Chlitina China	Shanghai Yongxiang Trading Co., Ltd. (Shanghai Yongxiang)	Retail of cosmetics and manicure service	100.00	100.00	100.00	
Chlitina China	Shanghai Jiekan Trading Co., Ltd. (Shanghai Jiekan)	Dealer of skincare products and supplementary health care products	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
Chlitina China	Hong Kong Crystal International Services Limited (Hong Kong Crystal International)	Investing, dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Hong Kong W-Amber	Crystal Asia (Shanghai) Limited (Crystal Asia Shanghai)	Dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Hong Kong W-Amber	Hainan Shoumao Investment Limited (Hainan Shoumao)	Enterprise management consulting and investing	100.00	100.00	100.00	
Hong Kong W-Amber	Weihu (Shanghai) Health Management Consulting Co.,Ltd (Weihu Shanghai)	Investing, dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Crystal Asia Shanghai	Li Shuo Biotechnology (Shanghai) Co., Ltd. (Shanghai Li Shuo)	Enterprise management consulting and investing	100.00	100.00	100.00	
Weihu Shanghai	Shanghai Yuanshuo Management Consulting Limited (Shanghai Yuanshuo)	Enterprise management consulting and investing	100.00	100.00	100.00	
Shanghai Li Shuo	Shanghai Hedeng Clinic Co., Ltd. (Shanghai Hedeng) (formerly He Deng Clinic (Shanghai) Co., Ltd.	Dealer of general practice	-	-	100.00	Note 6
Shanghai Yuanshuo	Shanghai Hedeng Clinic Co., Ltd. (Shanghai Hedeng) (formerly He Deng Clinic (Shanghai) Co., Ltd.	Dealer of general practice	100.00	100.00	-	Note 6
Shanghai Yuanshuo	Beijing YaPulide Medical Beauty Treatment Clinic Co., Ltd. (Beijing YaPulide)	Medical cosmetology services	-	-	100.00	Note 7
Shanghai Yuanshuo	Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd. (Shanghai Yapu)	Medical cosmetology services	100.00	100.00	100.00	
Shanghai Yuanshuo	Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd. (Nanjing Yapu Lide)	Medical cosmetology services	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
Shanghai Yuanshuo	Shanghai Lunxin Medical Beauty Clinic Co., Ltd. (Shanghai Lunxin)	Medical cosmetology services	100.00	100.00	100.00	
Shanghai Yuanshuo	Jinghe Clinic (Nanjing) Co., Ltd. (Nanjing Jinghe)	Dealer of general practice and foods	100.00	100.00	100.00	

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

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

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

Note 4: Wuguan (Shanghai) Trade Limited (Wuguan Shanghai) had completed and liquidation and dissolution in February 2024.

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

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

Note 7: Beijing YaPulide had completed the liquidation and dissolution in December 2023.

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Both of the Company's functional and presentation currency are TWD, however, the functional currency of the significant operating components of the Group is CNY, thus the consolidated financial statements are presented in CNY.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

- C. On June 30, 2024 and 2023, the spot exchange rates of CNY to TWD were CNY \$1=TWD \$4.445 and CNY \$1=TWD \$4.2820, respectively, and for the six months ended June 30, 2024 and 2023, the average exchange rates of CNY to TWD were CNY \$1=TWD \$4.413 and CNY \$1=TWD \$4.4037, respectively. Additionally, on December 31, 2023, the spot exchange rate of CNY to TWD was CNY \$1=TWD \$4.3270.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be paid off within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be paid off within twelve months from the balance sheet date;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

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

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

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

On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

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

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

(12) Inventories

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

(13) Investments accounted for using equity method - associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

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

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

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

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

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

commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

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

- (a) The amount of the initial measurement of lease liability; and
- (b) Any initial direct costs incurred by the lessee.

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

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

(16) Investment property

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

(17) Intangible assets

A. Trademarks and licences

Separately acquired trademarks and licences are stated at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 10 to 13 years.

B. Computer software

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

C. Goodwill

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

(18) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

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

(20) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Derecognition of financial liabilities

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

(22) Non-hedging and embedded derivatives

- A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in

profit or loss.

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

(23) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.
- iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Employees' compensation and directors' and supervisors' remuneration

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

(24) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity.

The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(25) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities.

- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(26) Share capital

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

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(28) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells skincare products, health care products and other products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customers has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) The skincare products and health care products are often sold with volume discounts based on aggregate sales over a 1-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and sales discounts and allowances. The Group calculates sales discounts and allowances based on the actual sales in current month. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur, and is settled at each reporting date.

The sales usually are made with a credit term of advance receipts before goods are shipped to customers, which is consistent with market practice. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

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

- B. The Group manages franchises and provides beautician training services. Revenue from providing services is recognised in the accounting period in which the services are rendered. Franchise contract include multiple deliverables that shall be rendered by the Group, such as store equipment, beautician training and others. In most cases, the beautician training can be provided by another party, therefore beautician training is accounted for us a separate performance obligation. The transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the sales of store equipment, revenue for the store equipment is recognised at a point in time when the store equipment is delivered, the legal title has passed and the customer has accepted the store equipment.

(29) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which

the Group recognises expenses for the related costs for which the grants are intended to compensate.

(30) Business combinations

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

(31) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Group's Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments. The Group's Chief Operating Decision-Maker has been identified as the Board of Directors that makes strategic decisions.

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the short expiration dates of its products, the Group evaluates the amounts of expired products or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value.

As of June 30, 2024, the carrying amount of inventories was CNY \$103,001 (TWD \$457,839).

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2024		December 31, 2023		June 30, 2023	
	CNY	TWD	CNY	TWD	CNY	TWD
Cash on hand	\$ 322	\$ 1,431	\$ 537	\$ 2,324	\$ 347	\$ 1,486
Check deposits and demand deposits	776,578	3,451,889	259,070	1,120,996	540,225	2,313,244
Time deposits	263,487	1,171,200	387,805	1,678,032	306,762	1,313,555
Cash equivalents	200,514	891,285	421,743	1,824,882	116,760	499,966
	<u>\$ 1,240,901</u>	<u>\$ 5,515,805</u>	<u>\$ 1,069,155</u>	<u>\$ 4,626,234</u>	<u>\$ 964,094</u>	<u>\$ 4,128,251</u>

A. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group's cash equivalents pertain to fixed rate financial instruments registered with the Shanghai Stock Exchange with maturities of 7 to 28 days.

- B. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group's time deposits with maturity term of over three months amounted to CNY \$1,454 (TWD \$6,468), CNY \$91,497 (TWD \$395,910), and CNY \$299,763 (TWD \$1,283,585), respectively, which were reclassified as financial assets at amortized cost. Refer to Note 6(3) for details.
- C. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- D. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group's cash and cash equivalents as short-term provision of endorsements and guarantees pledged to others as collateral amounting to CNY \$105,856 (TWD \$470,525), CNY \$177,404 (TWD \$767,625) and CNY \$181,812 (TWD \$778,519), respectively, and were classified as financial assets at amortized cost - current. Refer to Note 6(3) for details.

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

Items	June 30, 2024		December 31, 2023		June 30, 2023	
	CNY	TWD	CNY	TWD	CNY	TWD
Non-current items:						
Financial assets mandatorily measured at fair value through profit or loss						
Unlisted stocks	\$ 31,630	\$ 140,596	\$ 32,880	\$ 142,272	\$ 30,982	\$ 132,665
Hybrid instruments	32,411	144,066	32,411	140,242	22,990	98,443
	<u>\$ 64,041</u>	<u>\$ 284,662</u>	<u>\$ 65,291</u>	<u>\$ 282,514</u>	<u>\$ 53,972</u>	<u>\$ 231,108</u>

- A. The hybrid instrument pertains to the hybrid contracts of Yingyi Stem Cell Biotechnology (Hainan) Co., Ltd. (Yingyi Biotechnology) which is an unlisted company and comprise equity interests and embedded options. The option gives the Group rights to ask Yingyi Biotechnology, the original shareholders or its founder to repurchase some or all of the equity interest at the unfixed price specified in the agreement. The relevant fair value is provided in Note 12.
- B. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss for the three months and six months ended June 30, 2024 and 2023 are listed below:

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Financial assets mandatorily measured at fair value through profit or loss				
Beneficiary certificates	\$ 138	\$ 609	\$ 248	\$ 1,092
Equity instruments	(5)	(125)	(3,586)	(15,950)
	<u>\$ 133</u>	<u>\$ 484</u>	<u>(\$ 3,338)</u>	<u>(\$ 14,858)</u>

	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Financial assets mandatorily measured at fair value through profit or loss				
Beneficiary certificates	\$ 138	\$ 609	\$ 248	\$ 1,092
Equity instruments	(2,196)	(9,691)	2,686	11,828
	<u>(\$ 2,058)</u>	<u>(\$ 9,082)</u>	<u>\$ 2,934</u>	<u>\$ 12,920</u>

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

(3) Financial assets at amortised cost

Items	June 30, 2024		December 31, 2023		June 30, 2023	
	CNY	TWD	CNY	TWD	CNY	TWD
Current items:						
Time deposits with maturity term of over three months	\$ 69,353	\$ 308,275	\$ 177,404	\$ 767,625	\$ 181,812	\$ 778,519
Pledged time deposits with maturity within three months	36,503	162,250	-	-	-	-
Pledged time deposits with maturity term of over three months	<u>1,454</u>	<u>6,468</u>	<u>91,497</u>	<u>395,910</u>	<u>299,763</u>	<u>1,283,585</u>
	<u>\$ 107,310</u>	<u>\$ 476,993</u>	<u>\$ 268,901</u>	<u>\$ 1,163,535</u>	<u>\$ 481,575</u>	<u>\$ 2,062,104</u>

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

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Interest income	<u>\$ 2,076</u>	<u>\$ 9,305</u>	<u>\$ 5,911</u>	<u>\$ 25,944</u>
	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Interest income	<u>\$ 5,116</u>	<u>\$ 22,577</u>	<u>\$ 9,358</u>	<u>\$ 41,210</u>

- B. As at June 30, 2024, December 31, 2023 and June 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were CNY \$107,310 (TWD \$476,993), CNY \$268,901 (TWD \$1,163,535) and CNY \$481,575 (TWD \$2,062,104), respectively.
- C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Accounts receivable

	June 30, 2024		December 31, 2023		June 30, 2023	
	CNY	TWD	CNY	TWD	CNY	TWD
Accounts receivable	\$ 1,207	\$ 5,365	\$ 752	\$ 3,254	\$ 1,406	\$ 6,020
Accounts receivable - related parties	220	979	208	899	-	-
	<u>\$ 1,427</u>	<u>\$ 6,344</u>	<u>\$ 960</u>	<u>\$ 4,153</u>	<u>\$ 1,406</u>	<u>\$ 6,020</u>

- A. As of June 30, 2024, December 31, 2023 and June 30, 2023, all the Group's accounts receivable arose from contracts with customers. In addition, on January 1, 2023, accounts receivable arising from contracts with customers amounted to CNY \$477 (TWD \$2,103).
- B. The Group does not hold any collateral as security and has no accounts receivable pledged to others.
- C. As at June 30, 2024, December 31, 2023 and June 30, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was CNY \$1,427 (TWD \$6,344), CNY \$960 (TWD \$4,153) and CNY \$1,406 (TWD \$6,020), respectively.
- D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

June 30, 2024						
	Cost		Allowance for inventory valuation losses		Book value	
	CNY	TWD	CNY	TWD	CNY	TWD
Finished goods	\$ 65,081	\$ 289,285	(\$ 2,256)	(\$ 10,028)	\$ 62,825	\$ 279,257
Work in progress	7,580	33,693	(321)	(1,427)	7,259	32,266
Raw materials	34,971	155,446	(2,054)	(9,130)	32,917	146,316
	<u>\$ 107,632</u>	<u>\$ 478,424</u>	<u>(\$ 4,631)</u>	<u>(\$ 20,585)</u>	<u>\$ 103,001</u>	<u>\$ 457,839</u>
December 31, 2023						
	Cost		Allowance for inventory valuation losses		Book value	
	CNY	TWD	CNY	TWD	CNY	TWD
Finished goods	\$ 57,932	\$ 250,671	(\$ 1,878)	(\$ 8,126)	\$ 56,054	\$ 242,545
Work in progress	5,553	24,028	(148)	(640)	5,405	23,388
Raw materials	29,667	128,369	(1,415)	(6,123)	28,252	122,246
	<u>\$ 93,152</u>	<u>\$ 403,068</u>	<u>(\$ 3,441)</u>	<u>(\$ 14,889)</u>	<u>\$ 89,711</u>	<u>\$ 388,179</u>
June 30, 2023						
	Cost		Allowance for inventory valuation losses		Book value	
	CNY	TWD	CNY	TWD	CNY	TWD
Finished goods	\$ 53,019	\$ 227,026	(\$ 1,298)	(\$ 5,558)	\$ 51,721	\$ 221,468
Work in progress	5,598	23,971	(922)	(3,948)	4,676	20,023
Raw materials	37,750	161,646	(1,234)	(5,284)	36,516	156,362
	<u>\$ 96,367</u>	<u>\$ 412,643</u>	<u>(\$ 3,454)</u>	<u>(\$ 14,790)</u>	<u>\$ 92,913</u>	<u>\$ 397,853</u>

A. For the three months and six months ended June 30, 2024 and 2023, the cost of inventories recognised as expenses are as follows:

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Cost of goods sold	\$ 41,960	\$ 186,897	\$ 45,327	\$ 198,709
Loss on decline in market value	656	2,926	3,157	13,905
	<u>\$ 42,616</u>	<u>\$ 189,823</u>	<u>\$ 48,484</u>	<u>\$ 212,614</u>
	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Cost of goods sold	\$ 78,642	\$ 347,047	\$ 80,938	\$ 356,426
Loss on decline in market value	1,315	5,803	3,058	13,467
	<u>\$ 79,957</u>	<u>\$ 352,850</u>	<u>\$ 83,996</u>	<u>\$ 369,893</u>

B. The Group has no inventories pledged to others.

(6) Investments accounted for using equity method

	June 30, 2024		December 31, 2023		June 30, 2023	
	CNY	TWD	CNY	TWD	CNY	TWD
Associates						
General Biologicals Corp.	\$ 37,160	\$165,177	\$ 41,469	\$179,436	\$ 45,131	\$193,251
U-NEURON BIOMEDICAL INC.	19,141	85,081	20,256	87,648	20,025	85,747
	<u>\$ 56,301</u>	<u>\$250,258</u>	<u>\$ 61,725</u>	<u>\$267,084</u>	<u>\$ 65,156</u>	<u>\$278,998</u>

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

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Loss for the period	(\$ 1,611)	(\$ 7,257)	(\$ 3,832)	(\$ 16,859)
Other comprehensive (loss) income	(1,046)	2,511	815	3,583
Total comprehensive loss for the period	<u>(\$ 2,657)</u>	<u>(\$ 4,746)</u>	<u>(\$ 3,017)</u>	<u>(\$ 13,276)</u>
	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Loss for the period	(\$ 4,745)	(\$ 20,940)	(\$ 4,454)	(\$ 19,614)
Other comprehensive (loss) income	(679)	4,114	932	4,102
Total comprehensive loss for the period	<u>(\$ 5,424)</u>	<u>(\$ 16,826)</u>	<u>(\$ 3,522)</u>	<u>(\$ 15,512)</u>

- B. The Group has no investments accounted for using the equity method pledged to others.
- C. The Group held 10.15% equity interest in U-Neuron Biomedical Inc. and was a director of the company, thus the Group evaluated U-Neuron Biomedical Inc. by using equity method.
- D. The Group's associate, General Biologicals Corp., has quoted market prices. As of June 30, 2024, December 31, 2023 and June 30, 2023, the fair value was CNY \$60,288 (TWD \$267,978), CNY \$73,663 (TWD \$318,740) and CNY \$63,410 (TWD \$271,520), respectively.
- E. The Group's associate, U-NEURON BIOMEDICAL INC., has quoted market price. As of June 30, 2024, the fair value was CNY \$33,071 (TWD \$147,000). Since the Group has not yet qualified as an active market on December 31, 2023 and June 30, 2023, it did not intend to disclose the quoted market price.
- F. The Group is the single largest shareholder of General Biologicals Corp. with a 19.73% equity interest. Given the participation extent of other shareholders in the previous shareholders' meeting and the record of voting shares on significant issues, which indicates that the Group has no current ability to direct the relevant activities of General Biologicals Corp., the Group has no control, but only has significant influence, over the investee.

(7) Property, plant and equipment

(In thousands of CNY)

2024

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 24,427	\$ 297,785	\$ 7,676	\$ 20,959	\$ 164,057	\$ 5,696	\$ 520,600
Accumulated depreciation and impairment	-	(123,194)	(5,448)	(12,634)	(115,917)	-	(257,193)
	<u>\$ 24,427</u>	<u>\$ 174,591</u>	<u>\$ 2,228</u>	<u>\$ 8,325</u>	<u>\$ 48,140</u>	<u>\$ 5,696</u>	<u>\$ 263,407</u>
Balance at January 1	\$ 24,427	\$ 174,591	\$ 2,228	\$ 8,325	\$ 48,140	\$ 5,696	\$ 263,407
Additions	81,559	44,535	158	178	3,338	5,604	135,372
Disposals	(256)	-	(40)	(2)	(463)	-	(761)
Reclassifications	-	-	-	-	1,158	(1,500)	(342)
Depreciation charge	-	(7,362)	(370)	(634)	(8,405)	-	(16,771)
Net exchange differences	(1,234)	(45)	31	-	(247)	-	(1,495)
Balance at June 30	<u>\$ 104,496</u>	<u>\$ 211,719</u>	<u>\$ 2,007</u>	<u>\$ 7,867</u>	<u>\$ 43,521</u>	<u>\$ 9,800</u>	<u>\$ 379,410</u>
<u>At June 30</u>							
Cost	\$ 104,496	\$ 342,275	\$ 7,492	\$ 21,126	\$ 166,136	\$ 9,800	\$ 651,325
Accumulated depreciation and impairment	-	(130,556)	(5,485)	(13,259)	(122,615)	-	(271,915)
	<u>\$ 104,496</u>	<u>\$ 211,719</u>	<u>\$ 2,007</u>	<u>\$ 7,867</u>	<u>\$ 43,521</u>	<u>\$ 9,800</u>	<u>\$ 379,410</u>

(In thousands of CNY)

2023

At January 1

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
Cost	\$ 23,979	\$ 294,166	\$ 8,207	\$ 20,869	\$ 153,841	\$ 5,420	\$ 506,482
Accumulated depreciation and impairment	-	(109,432)	(5,869)	(10,915)	(101,297)	-	(227,513)
	\$ 23,979	\$ 184,734	\$ 2,338	\$ 9,954	\$ 52,544	\$ 5,420	\$ 278,969
Balance at January 1	\$ 23,979	\$ 184,734	\$ 2,338	\$ 9,954	\$ 52,544	\$ 5,420	\$ 278,969
Additions	-	-	121	50	3,608	3,526	7,305
Disposals	-	-	-	-	(116)	-	(116)
Reclassifications	-	-	-	-	3,531	(4,164)	(633)
Depreciation charge	-	(6,559)	(407)	(677)	(8,430)	-	(16,073)
Net exchange differences	705	-	42	-	309	9	1,065
Balance at June 30	\$ 24,684	\$ 178,175	\$ 2,094	\$ 9,327	\$ 51,446	\$ 4,791	\$ 270,517

At June 30

Cost	\$ 24,684	\$ 294,166	\$ 8,421	\$ 20,918	\$ 157,836	\$ 4,791	\$ 510,816
Accumulated depreciation and impairment	-	(115,991)	(6,327)	(11,591)	(106,390)	-	(240,299)
	\$ 24,684	\$ 178,175	\$ 2,094	\$ 9,327	\$ 51,446	\$ 4,791	\$ 270,517

(In thousands of TWD)

2024

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 105,696	\$ 1,288,516	\$ 33,214	\$ 90,690	\$ 709,875	\$ 24,647	\$ 2,252,638
Accumulated depreciation and impairment	-	(533,061)	(23,573)	(54,668)	(501,574)	-	(1,112,876)
	<u>\$ 105,696</u>	<u>\$ 755,455</u>	<u>\$ 9,641</u>	<u>\$ 36,022</u>	<u>\$ 208,301</u>	<u>\$ 24,647</u>	<u>\$ 1,139,762</u>
Balance at January 1	\$ 105,696	\$ 755,455	\$ 9,641	\$ 36,022	\$ 208,301	\$ 24,647	\$ 1,139,762
Additions	359,920	194,729	697	786	14,731	24,730	595,593
Disposals	(1,130)	-	(177)	(9)	(2,043)	-	(3,359)
Reclassifications	-	-	-	-	5,111	(6,620)	(1,509)
Depreciation charge	-	(32,489)	(1,633)	(2,798)	(37,091)	-	(74,011)
Net exchange differences	-	23,396	393	968	4,440	804	30,001
Balance at June 30	<u>\$ 464,486</u>	<u>\$ 941,091</u>	<u>\$ 8,921</u>	<u>\$ 34,969</u>	<u>\$ 193,449</u>	<u>\$ 43,561</u>	<u>\$ 1,686,477</u>
<u>At June 30</u>							
Cost	\$ 464,486	\$ 1,521,412	\$ 33,302	\$ 93,905	\$ 738,475	\$ 43,561	\$ 2,895,141
Accumulated depreciation and impairment	-	(580,321)	(24,381)	(58,936)	(545,026)	-	(1,208,664)
	<u>\$ 464,486</u>	<u>\$ 941,091</u>	<u>\$ 8,921</u>	<u>\$ 34,969</u>	<u>\$ 193,449</u>	<u>\$ 43,561</u>	<u>\$ 1,686,477</u>

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 105,699	\$ 1,296,684	\$ 36,176	\$ 91,991	\$ 678,131	\$ 23,891	\$ 2,232,572
Accumulated depreciation and impairment	-	(482,376)	(25,871)	(48,113)	(446,517)	-	(1,002,877)
	<u>\$ 105,699</u>	<u>\$ 814,308</u>	<u>\$ 10,305</u>	<u>\$ 43,878</u>	<u>\$ 231,614</u>	<u>\$ 23,891</u>	<u>\$ 1,229,695</u>
Balance at January 1	\$ 105,699	\$ 814,308	\$ 10,305	\$ 43,878	\$ 231,614	\$ 23,891	\$ 1,229,695
Additions	-	-	533	220	15,889	15,527	32,169
Disposals	-	-	-	-	(511)	-	(511)
Reclassifications	-	-	-	-	15,549	(18,337)	(2,788)
Depreciation charge	-	(28,884)	(1,792)	(2,981)	(37,123)	-	(70,780)
Net exchange differences	(2)	(22,479)	(79)	(1,179)	(5,126)	(566)	(29,431)
Balance at June 30	<u>\$ 105,697</u>	<u>\$ 762,945</u>	<u>\$ 8,967</u>	<u>\$ 39,938</u>	<u>\$ 220,292</u>	<u>\$ 20,515</u>	<u>\$ 1,158,354</u>
<u>A June 30</u>							
Cost	\$ 105,697	\$ 1,259,619	\$ 36,059	\$ 89,571	\$ 675,854	\$ 20,515	\$ 2,187,315
Accumulated depreciation and impairment	-	(496,674)	(27,092)	(49,633)	(455,562)	-	(1,028,961)
	<u>\$ 105,697</u>	<u>\$ 762,945</u>	<u>\$ 8,967</u>	<u>\$ 39,938</u>	<u>\$ 220,292</u>	<u>\$ 20,515</u>	<u>\$ 1,158,354</u>

- A. The aforementioned property, plant and equipment are all for the Group's own use.
- B. The Group has no property, plant and equipment pledged to others.
- C. On November 23, 2023, the Group purchased a building and parking space at Huaihai West Road, Changning District, Shanghai from a non-related party, Haikou Intermediate People's Court, Hainan Province, and the Group has paid the relevant amount totaling CNY \$38,278 (TWD \$167,118), which is shown as buildings and structures as the transfer procedures had been completed in January 2024.
- D. On April 12, 2024, the Group purchased the land and buildings at Ruiguang Road., Neihu Dist., Taipei City from a non-related party, Hua Nan Assets Management Co., and the Group has paid the relevant amount totaling CNY \$87,816 (TWD \$387,531), which is shown as land, buildings and structures as the transfer procedures had been completed in May 2024.

(8) Leasing arrangements - lessee

- A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 1 to 14 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise parking lots. Low-value assets comprise copying machines.
- C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	June 30, 2024		December 31, 2023		June 30, 2023	
	Carrying amount		Carrying amount		Carrying amount	
	CNY	TWD	CNY	TWD	CNY	TWD
Buildings	\$ 80,377	\$ 357,276	\$ 80,945	\$ 350,249	\$ 86,344	\$ 369,725

	Three months ended June 30,			
	2024		2023	
	Depreciation charge		Depreciation charge	
	CNY	TWD	CNY	TWD
Buildings	\$ 8,930	\$ 39,829	\$ 9,261	\$ 40,542

	Six months ended June 30,			
	2024		2023	
	Depreciation charge		Depreciation charge	
	CNY	TWD	CNY	TWD
Buildings	\$ 17,877	\$ 78,891	\$ 18,803	\$ 82,803

- D. For the six months ended June 30, 2024 and 2023, the additions to right-of-use assets were CNY \$17,068 (TWD \$75,321) and CNY \$11,533 (TWD \$50,788), respectively.

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

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
<u>Items affecting profit or loss</u>				
Interest expense on lease liabilities	\$ 979	\$ 4,370	\$ 847	\$ 3,707
Expense on short-term lease contracts	229	1,020	169	738
Expense on leases of low-value assets	5	23	2	9
	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
<u>Items affecting profit or loss</u>				
Interest expense on lease liabilities	\$ 2,044	\$ 9,020	\$ 1,764	\$ 7,768
Expense on short-term lease contracts	433	1,911	387	1,704
Expense on leases of low-value assets	9	40	3	13

F. For the six months ended June 30, 2024 and 2023, the Group's total cash outflow for leases were CNY \$20,034 (TWD \$88,411) and CNY \$21,044 (TWD \$92,671), respectively.

G. As of June 30, 2024, the Group has a committed lease contract that has not yet been signed for the lease of part of the plant of General Biologicals Corporation in Artificial Intelligence Area Park in Hsinchu. The total expected amount of the lease payment (tax included) was CNY \$25,626 (TWD \$113,906).

(9) Intangible assets

		2024							
		Goodwill		Licences and trademarks		Software and others		Total	
		CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1									
Cost		\$ 1,529	\$ 6,616	\$ 16,366	\$ 70,816	\$ 45,045	\$ 194,910	\$ 62,940	\$ 272,342
Accumulated amortisation and impairment		-	-	(3,309)	(14,319)	(40,960)	(177,234)	(44,269)	(191,553)
		<u>\$ 1,529</u>	<u>\$ 6,616</u>	<u>\$ 13,057</u>	<u>\$ 56,497</u>	<u>\$ 4,085</u>	<u>\$ 17,676</u>	<u>\$ 18,671</u>	<u>\$ 80,789</u>
Balance at January 1		\$ 1,529	\$ 6,616	\$ 13,057	\$ 56,497	\$ 4,085	\$ 17,676	\$ 18,671	\$ 80,789
Additions—acquired separately		-	-	-	-	305	1,346	305	1,346
Reclassifications		-	-	-	-	342	1,509	342	1,509
Amortisation charge		-	-	(771)	(3,402)	(870)	(3,839)	(1,641)	(7,241)
Net exchange differences		-	180	-	1,516	-	475	-	2,171
Balance at June 30		<u>\$ 1,529</u>	<u>\$ 6,796</u>	<u>\$ 12,286</u>	<u>\$ 54,611</u>	<u>\$ 3,862</u>	<u>\$ 17,167</u>	<u>\$ 17,677</u>	<u>\$ 78,574</u>
		2023							
		Goodwill		Licences and trademarks		Software and others		Total	
		CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1									
Cost		\$ 3,213	\$ 14,163	\$ 22,426	\$ 98,852	\$ 41,271	\$ 181,922	\$ 66,910	\$ 294,937
Accumulated amortisation and impairment		(1,684)	(7,423)	(7,827)	(34,500)	(36,339)	(160,182)	(45,850)	(202,105)
		<u>\$ 1,529</u>	<u>\$ 6,740</u>	<u>\$ 14,599</u>	<u>\$ 64,352</u>	<u>\$ 4,932</u>	<u>\$ 21,740</u>	<u>\$ 21,060</u>	<u>\$ 92,832</u>
Balance at January 1		\$ 1,529	\$ 6,740	\$ 14,599	\$ 64,352	\$ 4,932	\$ 21,740	\$ 21,060	\$ 92,832
Additions - acquired separately		-	-	-	-	708	3,118	708	3,118
Amortisation charge		-	-	(771)	(3,395)	(1,015)	(4,470)	(1,786)	(7,865)
Net exchange differences		-	(193)	-	(1,746)	30	(455)	30	(2,394)
Balance at June 30		<u>\$ 1,529</u>	<u>\$ 6,547</u>	<u>\$ 13,828</u>	<u>\$ 59,211</u>	<u>\$ 4,655</u>	<u>\$ 19,933</u>	<u>\$ 20,012</u>	<u>\$ 85,691</u>
At June 30									
Cost		\$ 3,213	\$ 13,758	\$ 22,426	\$ 96,028	\$ 41,805	\$ 179,009	\$ 67,444	\$ 288,795
Accumulated amortisation and impairment		(1,684)	(7,211)	(8,598)	(36,817)	(37,150)	(159,076)	(47,432)	(203,104)
		<u>\$ 1,529</u>	<u>\$ 6,547</u>	<u>\$ 13,828</u>	<u>\$ 59,211</u>	<u>\$ 4,655</u>	<u>\$ 19,933</u>	<u>\$ 20,012</u>	<u>\$ 85,691</u>

A. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management.

- B. Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risk relating to the relevant operating segments.

(10) Short-term borrowings

Type of borrowings	June 30, 2024		Interest rate range	Collateral
	CNY	TWD		
Bank borrowings				
Secured borrowings	\$ 94,831	\$ 421,525	1.77%~5.90%	Refer to Note 8
Unsecured borrowings	302,964	1,346,674	6.11%~6.12%	-
	<u>\$ 397,795</u>	<u>\$ 1,768,199</u>		
Type of borrowings	December 31, 2023		Interest rate range	Collateral
	CNY	TWD		
Bank borrowings				
Secured borrowings	\$ 163,211	\$ 706,215	6.07%~6.11%	Refer to Note 8
Unsecured borrowings	294,490	1,274,257	6.00%~6.31%	-
	<u>\$ 457,701</u>	<u>\$ 1,980,472</u>		
Type of borrowings	June 30, 2023		Interest rate range	Collateral
	CNY	TWD		
Bank borrowings				
Secured borrowings	\$ 36,362	\$ 155,700	5.73%	Refer to Note 8
Unsecured borrowings	109,084	467,100	6.10%	-
	<u>\$ 145,446</u>	<u>\$ 622,800</u>		

- A. The Group recognised interest expense in profit or loss for the three months and six months ended June 30, 2024 and 2023, from long-term and short-term borrowings, amounting to CNY \$6,697 (TWD \$29,878), CNY \$7,249 (TWD \$31,759), CNY \$13,559 (TWD \$59,836), and CNY \$13,714 (TWD \$60,392), respectively.
- B. The bank borrowing agreement specifies that the consolidated financial statements of the Group need to meet the criteria as agreed. During the period of the borrowings, the loan needs to be reviewed and maintained quarterly and semiannually and the bank will audit the covenants at any time when necessary. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group has not violated any of the loan covenants in the borrowing agreement.

(11) Other payables

	<u>June 30, 2024</u>		<u>December 31, 2023</u>		<u>June 30, 2023</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
Dividends payable	\$ 188,116	\$ 834,670	\$ -	\$ -	\$ 129,135	\$ 556,446
Wages and salaries payable	10,192	45,303	22,523	97,457	10,009	42,859
Tax payable	9,997	44,437	11,958	51,742	12,375	52,990
Social insurance fee payable	3,269	14,531	3,521	15,235	3,820	16,357
Others	31,938	143,470	58,898	254,855	54,585	230,243
	<u>\$ 243,512</u>	<u>\$ 1,082,411</u>	<u>\$ 96,900</u>	<u>\$ 419,289</u>	<u>\$ 209,924</u>	<u>\$ 898,895</u>

(12) Long-term borrowings

On June 30, 2024 and December 31, 2023: The Group had no outstanding long-term borrowings.

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	June 30, 2023	
				CNY	TWD
Unsecured borrowings					
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 16, 2021 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	5.99%	None	\$ 47,270	\$ 202,410
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from July 13, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	5.99%	None	18,181	77,851
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 17, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	5.99%	None	14,544	62,277
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 24, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	5.99%	None	14,544	62,277
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from November 14, 2022 to August 16, 2024; interest is payable monthly; principal is payable at maturity.	5.99%	None	21,817	93,420

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	June 30, 2023	
				CNY	TWD
Unsecured borrowings					
Fubon Bank	Borrowing period is from August 24, 2022 to February 25, 2024; interest is payable monthly; principal is payable at maturity.	6.08%	None	\$ 109,085	\$ 467,102
Cathay United Bank	Borrowing period is from August 17, 2022 to August 17, 2024; interest is payable monthly; principal is payable at maturity.	6.10%	None	109,085	467,102
Cathay United Bank	Borrowing period is from August 24, 2022 to August 17, 2024; interest is payable monthly; principal is payable at maturity.	6.10%	None	36,362	155,703
Less: Current portion				(109,085)	(467,102)
				<u>\$ 261,803</u>	<u>\$ 1,121,040</u>

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

(13) Pensions

A. (a) Taiwan subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. For employees eligible under the Labor Standards Law, pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement.

(b) The Group had no pension costs under the defined benefit pension plan for the three months and six months ended June 30, 2024 and 2023.

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

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

- (c) The subsidiary-Hong Kong Chlitina established a compulsory pension program, which allocates a fixed amount of money for pension benefit, and is managed by an independent trustee based on Hong Kong Employee Act. In addition, according to the regulations of that program, both the employer and the employee have to contribute 5% of the employees’ salary. From June 2014, the maximum relevant salary per month increased from HKD \$25,000 to HKD \$30,000. Other than the monthly contributions, the Group has no further obligations.
- (d) The pension costs under the defined contribution pension plans of the Group for the three months and six months ended June 30, 2024 and 2023 were CNY \$4,188 (TWD \$18,669), CNY \$4,469 (TWD \$19,570), CNY \$6,433 (TWD \$28,389) and CNY \$8,860 (TWD \$39,017), respectively.

(14) Share-based payments

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

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (shares in thousands)</u>	<u>Vesting conditions</u>
Cash capital increase reserved for employee preemption	2024.05.06	226	Vested immediately
Treasury stock transferred to employees	2023.03.09	503	Vested immediately

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

Six months ended June 30, 2024		
	No. of options (in thousands)	Weighted-average exercise price (in TWD dollars)
Options outstanding at January 1	-	\$ -
Options granted	226	156
Options exercised	(226)	(156)
Options outstanding at June 30	-	-
Options exercisable at June 30	-	-
Six months ended June 30, 2023		
	No. of options (in thousands)	Weighted-average exercise price (in TWD dollars)
Options outstanding at January 1	-	\$ -
Options granted	503	197.14
Options exercised	(503)	(197.14)
Options outstanding at June 30	-	-
Options exercisable at June 30	-	-

C. The fair value of stock options granted on May 6, 2024 and March 9, 2023 is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Unit: TWD dollars/year								
Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Cash capital increase reserved for employee preemption	2024.05.06	\$177.00	\$156.00	48.52% (Note)	0.028	-	1.10%	\$21.39
Treasury stock transferred to employees	2023.03.09	221.00	197.14	47.52% (Note)	0.164	-	0.98%	30.90

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

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

		Three months ended June 30,			
		2024		2023	
		CNY	TWD	CNY	TWD
Equity-settled		\$ 1,090	\$ 4,834	\$ -	\$ -
		Six months ended June 30,			
		2024		2023	
		CNY	TWD	CNY	TWD
Equity-settled		\$ 1,090	\$ 4,834	\$ 3,512	\$ 15,543

(15) Share capital

- A. As of June 30, 2024, the Company's authorized capital was TWD \$2,000,000, and the paid-in capital was CNY \$168,546 (TWD \$824,924), consisting of 82,492 thousand shares of ordinary stock, with a par value of TWD \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. On March 1, 2024, the Board of Directors has resolved to increase capital by issuing common stock of 3,000 thousand shares with a par value of TWD \$10 (in dollars) per share at an issuance price of TWD \$156 (in dollars) per share. The total amount of capital increase was TWD \$30,000 and the capital increase was set effective on May 16, 2024. The registration had been completed on May 16, 2024.
- C. Movements in the number of the Company's ordinary shares outstanding (in thousands) are as follows:

	2024	2023
At January 1	79,492	78,999
Cash capital increase	3,000	-
Purchase of treasury shares	- (10)
Employee stock options exercised	-	503
At June 30	82,492	79,492

(16) Capital surplus

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

	2024											
	Share premium		Employee stock options		Stock options		Others		Net change in equity of associates		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1	\$ 263,560	\$ 1,288,068	\$ 809	\$ 3,924	\$ 15	\$ 78	\$ 13,453	\$ 86,302	\$ 2,296	\$ 10,050	\$ 280,133	\$ 1,388,422
Share-based payment	-	-	1,090	4,834	-	-	-	-	-	-	1,090	4,834
Employee stock options exercised	1,090	4,834	(1,090)	(4,834)	-	-	-	-	-	-	-	-
Cash capital increase	98,894	438,000	-	-	-	-	-	-	-	-	98,894	438,000
At June 30	\$ 363,544	\$ 1,730,902	\$ 809	\$ 3,924	\$ 15	\$ 78	\$ 13,453	\$ 86,302	\$ 2,296	\$ 10,050	\$ 380,117	\$ 1,831,256

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

(17) Retained earnings

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

However, such distribution depends on the current earnings and the capital condition, and is subject to the approval of stockholders.

- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. The appropriations of earnings for 2023 and 2022 as resolved by the shareholders on June 25, 2024 and June 6, 2023, respectively, were as follows:

	2023			2022		
			Dividends per share (New Taiwan dollars)			Dividends per share (New Taiwan dollars)
	CNY	TWD		CNY	TWD	
Special reserve	\$ 21,321	\$ 94,603		Note	Note	
Cash dividends	<u>188,116</u>	<u>834,670</u>	\$ 10.12	<u>\$ 129,135</u>	<u>\$ 556,446</u>	\$ 7.00
	<u>\$ 209,437</u>	<u>\$ 929,273</u>		<u>\$ 129,135</u>	<u>\$ 556,446</u>	

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

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

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

(18) Operating revenue

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Revenue from contracts with customers	<u>\$ 228,265</u>	<u>\$ 1,018,104</u>	<u>\$ 257,424</u>	<u>\$ 1,128,234</u>
	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Revenue from contracts with customers	<u>\$ 456,933</u>	<u>\$ 2,016,444</u>	<u>\$ 471,081</u>	<u>\$ 2,074,499</u>

A. Disaggregation of revenue from contracts with customers

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

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Net sales of goods	\$ 210,340	\$ 938,375	\$ 240,219	\$ 1,052,846
Special affiliate income	1,050	4,669	3,473	15,239
Skincare service from company-operated salon and other income	16,875	75,060	13,732	60,149
	<u>\$ 228,265</u>	<u>\$ 1,018,104</u>	<u>\$ 257,424</u>	<u>\$ 1,128,234</u>
	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Net sales of goods	\$ 425,736	\$ 1,878,771	\$ 438,867	\$ 1,932,638
Special affiliate income	1,791	7,904	5,663	24,938
Skincare service from company-operated salon and other income	29,406	129,769	26,551	116,923
	<u>\$ 456,933</u>	<u>\$ 2,016,444</u>	<u>\$ 471,081</u>	<u>\$ 2,074,499</u>

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

B. Contract liabilities

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

	June 30, 2024		December 31, 2023	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers	<u>\$ 75,908</u>	<u>\$ 337,411</u>	<u>\$ 81,870</u>	<u>\$ 354,251</u>
	June 30, 2023		January 1, 2023	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers	<u>\$ 78,505</u>	<u>\$ 336,158</u>	<u>\$ 80,664</u>	<u>\$ 355,567</u>

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

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers at the beginning of the period	\$ 5,932	\$ 28,427	\$ 6,570	\$ 27,559

	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers at the beginning of the period	\$ 53,681	\$ 236,894	\$ 61,074	\$ 268,952

(19) Interest income

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Interest income from bank deposits	\$ 4,658	\$ 20,729	\$ 2,844	\$ 12,464
Interest income from financial assets measured at amortised cost	2,076	9,305	5,911	25,944
Other interest income	681	3,050	613	2,685
	<u>\$ 7,415</u>	<u>\$ 33,084</u>	<u>\$ 9,368</u>	<u>\$ 41,093</u>

	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Interest income from bank deposits	\$ 8,352	\$ 36,857	\$ 5,218	\$ 22,979
Interest income from financial assets measured at amortised cost	5,116	22,577	9,358	41,210
Other interest income	1,630	7,193	1,174	5,169
	<u>\$ 15,098</u>	<u>\$ 66,627</u>	<u>\$ 15,750</u>	<u>\$ 69,358</u>

(20) Other income

		Three months ended June 30,			
		2024		2023	
		CNY	TWD	CNY	TWD
Government grants revenue		\$ 24,436	\$ 107,836	\$ 11	(\$ 1,048)
Others		488	2,296	412	1,750
		<u>\$ 24,924</u>	<u>\$ 110,132</u>	<u>\$ 423</u>	<u>\$ 702</u>
		Six months ended June 30,			
		2024		2023	
		CNY	TWD	CNY	TWD
Government grants revenue		\$ 24,436	\$ 107,836	\$ 43,551	\$ 191,786
Others		3,513	15,503	2,931	12,907
		<u>\$ 27,949</u>	<u>\$ 123,339</u>	<u>\$ 46,482</u>	<u>\$ 204,693</u>

(21) Other gains and losses

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Losses on disposal of property, plant and equipment	(\$ 102)	(\$ 469)	(\$ 89)	(\$ 391)
Foreign exchange losses	(503)	(2,773)	(11,800)	(52,151)
Net gains (losses) on financial assets at fair value through profit or loss	133	484	(3,338)	(14,858)
Depreciation expense - investment property- buildings	(225)	(1,004)	(248)	(1,086)
Other losses	(993)	(4,369)	(656)	(2,875)
	<u>(\$ 1,690)</u>	<u>(\$ 8,131)</u>	<u>(\$ 16,131)</u>	<u>(\$ 71,361)</u>
	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Losses on disposal of property, plant and equipment	(\$ 505)	(\$ 2,229)	(\$ 116)	(\$ 511)
Foreign exchange losses	(12,255)	(54,081)	(4,364)	(19,218)
Net (losses) gains on financial assets at fair value through profit or loss	(2,058)	(9,082)	2,934	12,920
Depreciation expense - investment property- buildings	(451)	(1,990)	(497)	(2,189)
Other losses	(702)	(3,098)	(1,228)	(5,407)
	<u>(\$ 15,971)</u>	<u>(\$ 70,480)</u>	<u>(\$ 3,271)</u>	<u>(\$ 14,405)</u>

(22) Finance cost

		Three months ended June 30,			
		2024		2023	
		CNY	TWD	CNY	TWD
Interest expense - Bank borrowings		\$ 6,697	\$ 29,878	\$ 7,249	\$ 31,759
Interest expense - Lease liability		979	4,370	847	3,707
		<u>\$ 7,676</u>	<u>\$ 34,248</u>	<u>\$ 8,096</u>	<u>\$ 35,466</u>
		Six months ended June 30,			
		2024		2023	
		CNY	TWD	CNY	TWD
Interest expense - Bank borrowings		\$ 13,559	\$ 59,836	\$ 13,714	\$ 60,392
Interest expense - Lease liability		2,044	9,020	1,764	7,768
		<u>\$ 15,603</u>	<u>\$ 68,856</u>	<u>\$ 15,478</u>	<u>\$ 68,160</u>

(23) Employee benefit expense, depreciation and amortisation

		Three months ended June 30, 2024					
		Operating costs		Operating expenses		Total	
		CNY	TWD	CNY	TWD	CNY	TWD
Employee benefit expense							
Wages and salaries	\$	3,779	\$ 16,810	\$ 34,798	\$ 155,297	\$ 38,577	\$ 172,107
Labour and health insurance fees		165	736	2,831	12,621	2,996	13,357
Pension costs		247	1,101	3,941	17,568	4,188	18,669
Other employee benefit expense		104	464	2,511	11,256	2,615	11,720
Depreciation		1,403	6,261	16,038	71,517	17,441	77,778
Amortisation		21	93	740	3,306	761	3,399
		Three months ended June 30, 2023					
		Operating costs		Operating expenses		Total	
		CNY	TWD	CNY	TWD	CNY	TWD
Employee benefit expense							
Wages and salaries	\$	3,135	\$ 13,745	\$ 32,935	\$ 144,083	\$ 36,070	\$ 157,828
Labour and health insurance fees		163	715	3,076	13,470	3,239	14,185
Pension costs		203	889	4,266	18,681	4,469	19,570
Other employee benefit expense		86	377	3,693	16,226	3,779	16,603
Depreciation		898	3,932	16,514	72,304	17,412	76,236
Amortisation		21	92	883	3,867	904	3,959

Six months ended June 30, 2024						
	Operating costs		Operating expenses		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefit expense						
Wages and salaries	\$ 6,615	\$ 29,192	\$ 71,600	\$ 315,971	\$ 78,215	\$ 345,163
Labour and health insurance fees	345	1,522	5,537	24,435	5,882	25,957
Pension costs	489	2,158	7,696	33,962	8,185	36,120
Other employee benefit expense	203	896	6,230	27,493	6,433	28,389
Depreciation	2,886	12,736	31,762	140,166	34,648	152,902
Amortisation	41	180	1,600	7,061	1,641	7,241

Six months ended June 30, 2023						
	Operating costs		Operating expenses		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefit expense						
Wages and salaries	\$ 5,527	\$ 24,339	\$ 70,712	\$ 311,394	\$ 76,239	\$ 335,733
Labour and health insurance fees	311	1,370	6,069	26,726	6,380	28,096
Pension costs	404	1,779	8,456	37,238	8,860	39,017
Other employee benefit expense	171	753	5,155	22,701	5,326	23,454
Depreciation	1,792	7,891	33,084	145,692	34,876	153,583
Amortisation	41	181	1,745	7,684	1,786	7,865

- A. In accordance with the Company's Articles of Incorporation, the Company should distribute 1%~5% of the profit as employees' compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficit, the profit should be reserved to offset against the deficit. Employees entitled to receive the abovementioned employees' compensation, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements.
- B. For the three month and six months ended June 30, 2024 and 2023, employees' compensation was accrued at CNY \$1,056 (TWD \$4,684), CNY \$878 (TWD \$3,822), CNY \$1,562 (TWD \$6,893) and CNY \$2,650 (TWD \$11,670), respectively; directors' remuneration was accrued at CNY \$528 (TWD \$2,342), CNY \$439 (TWD \$1,911), CNY \$781 (TWD \$3,447), and CNY \$1,325 (TWD \$5,835), respectively. These were estimated based on the net income before tax less employees' compensation and directors' remuneration and then multiplied by the distribution ratio as regulated in the Company's Articles of Incorporation and recognised as salary expenses.

The employees' compensation and directors' remuneration for 2023 as approved by the Board of Directors on March 1, 2024 amounted to CNY \$4,961 (TWD \$21,795) and CNY \$2,481 (TWD \$10,898), respectively, which were in agreement with the amounts recognised in the financial statements for the year ended December 31, 2023. Aforementioned employees' compensation will be distributed in cash.

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

(24) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Current tax:				
Current tax on profits for the period	\$ 22,902	\$ 101,831	\$ 20,135	\$ 87,953
Prior year income tax overestimation	(\$ 1,560)	(\$ 6,884)	(\$ 30)	(\$ 132)
Deferred tax:				
Origination and reversal of temporary differences	179	832	1,441	6,351
Income tax expense	<u>\$ 21,521</u>	<u>\$ 95,779</u>	<u>\$ 21,546</u>	<u>\$ 94,172</u>

	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Current tax:				
Current tax on profits for the period	\$ 39,110	\$ 172,593	\$ 48,522	\$ 213,676
Prior year income tax overestimation	(1,560)	(6,884)	(30)	(132)
Deferred tax:				
Origination and reversal of temporary differences	1,094	4,827	1,236	5,443
Income tax expense	<u>\$ 38,644</u>	<u>\$ 170,536</u>	<u>\$ 49,728</u>	<u>\$ 218,987</u>

- B. The income tax returns of Chlitina Marketing Taiwan Branch, Chlitina Intelligence Taiwan Branch, K&S Biomedical Ltd. and WAN JU International Investment Limited through 2022 have been assessed and approved by the Tax Authority.

(25) Earnings per share

	Three months ended June 30, 2024				
	Amount after tax		Weighted average	Earnings per share	
	(In thousands of CNY)	(In thousands of TWD)	number of ordinary shares outstanding (shares in thousands)	(CNY dollars)	(TWD dollars)
<u>Basic earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 48,800	\$ 216,127	80,992	\$ 0.60	\$ 2.68
<u>Diluted earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 48,800	\$ 216,127	80,992		
Assumed conversion of all dilutive potential ordinary shares	-	-	43		
Employees' compensation	-	-	2		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 48,800	\$ 216,127	81,037	\$ 0.60	\$ 2.68
	Three months ended September 30, 2023				
	Amount after tax		Weighted average	Earnings per share	
	(In thousands of CNY)	(In thousands of TWD)	number of ordinary shares outstanding (shares in thousands)	(CNY dollars)	(TWD dollars)
<u>Basic earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 36,292	\$ 157,559	79,364	\$ 0.46	\$ 1.99
<u>Diluted earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 36,292	\$ 157,559	79,364		
Assumed conversion of all dilutive potential ordinary shares	-	-	58		
Employees' compensation	-	-	16		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 36,292	\$ 157,559	79,438	\$ 0.46	\$ 1.98

Six months ended June 30, 2024					
	Amount after tax		Weighted average	Earnings per share	
	(In thousands of CNY)	(In thousands of TWD)	number of ordinary shares outstanding (shares in thousands)	(CNY dollars)	(TWD dollars)
<u>Basic earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 65,351	\$ 288,392	80,242	\$ 0.81	\$ 3.59
<u>Diluted earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 65,351	\$ 288,392	80,242		
Assumed conversion of all dilutive potential ordinary shares					
Employees' compensation	-	-	80		
Employees' stock options	-	-	1		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 65,351	\$ 288,392	80,323	\$ 0.81	\$ 3.59
Six months ended June 30, 2023					
	Amount after tax		Weighted average	Earnings per share	
	(In thousands of CNY)	(In thousands of TWD)	number of ordinary shares outstanding (shares in thousands)	(CNY dollars)	(TWD dollars)
<u>Basic earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 125,982	\$ 554,787	79,177	\$ 1.59	\$ 7.01
<u>Diluted earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 125,982	\$ 554,787	79,177		
Assumed conversion of all dilutive potential ordinary shares					
Employees' compensation	-	-	87		
Employees' stock options	-	-	12		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 125,982	\$ 554,787	79,276	\$ 1.59	\$ 7.00

(26) Supplemental cash flow information

A. Investing activities with partial cash payments

	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Purchase of property, plant and equipment	\$ 135,372	\$ 595,593	\$ 7,305	\$ 32,169
Less: Opening balance of prepayment for buildings (shown as other non-current assets)	(37,144)	(163,396)	-	-
Cash paid during the period	<u>\$ 98,228</u>	<u>\$ 432,197</u>	<u>\$ 7,305</u>	<u>\$ 32,169</u>

B. Financing activities with no cash flow effects

	June 30, 2024		December 31, 2023		June 30, 2023	
	CNY	TWD	CNY	TWD	CNY	TWD
Dividends payable	<u>\$ 188,116</u>	<u>\$ 834,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,135</u>	<u>\$ 556,446</u>

(27) Changes in liabilities from financing activities

	2024					
	Short-term borrowings		Lease liabilities			
	CNY	TWD	CNY	TWD	CNY	TWD
At January 1	\$ 457,701	\$ 1,980,472	\$ 82,598	\$ 357,401		
Changes in cash flow from financing activities (71,629)	(316,100)	(17,548)	(77,440)		
Increase in lease liabilities	-	-	17,068	75,321		
Impact of changes in foreign exchange rate	11,723	103,827	1,564	16,685		
At June 30	<u>\$ 397,795</u>	<u>\$ 1,768,199</u>	<u>\$ 83,682</u>	<u>\$ 371,967</u>		
	2023					
	Short-term borrowings		Lease liabilities		Long-term borrowings	
	CNY	TWD	CNY	TWD	CNY	TWD
At January 1	\$ 104,503	\$ 460,649	\$ 93,842	\$ 413,655	\$ 390,145	\$ 1,719,759
Changes in cash flow from financing activities	34,959	153,950	(18,890)	(83,186)	-	-
Proceeds from long-term borrowings	-	-	-	-	(34,868)	(153,550)
Increase in lease liabilities	-	-	11,533	50,788	-	-
Impact of changes in foreign exchange rate	5,984	8,201	(840)	(14,525)	15,611	21,933
At June 30	<u>\$ 145,446</u>	<u>\$ 622,800</u>	<u>\$ 85,645</u>	<u>\$ 366,732</u>	<u>\$ 370,888</u>	<u>\$ 1,588,142</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

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

Note: SHANGHAI ZHONGYE TRADE CO., LTD. (Shanghai Zhongye) had completed the liquidation and dissolution in April 2024.

(2) Significant related party transactions and balances

A. Operating revenue

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Sales of goods and OEM income:				
Other related parties	\$ 225	\$ 1,000	\$ 25	\$ 108
Six months ended June 30,				
	2024		2023	
	CNY	TWD	CNY	TWD
Sales of goods and OEM income:				
Other related parties	\$ 342	\$ 1,509	\$ 37	\$ 163

There were no significant differences in the price between related parties and other customers. The collection term for related parties is 60 days after monthly billings. For other customers, advance payment is required.

B. Purchases

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Purchases of goods				
Associate	\$ 851	\$ 3,799	\$ 21	\$ 74
Other related parties	3,256	14,501	3,704	16,225
Processing fees				
Other related parties	419	1,862	82	358
	\$ 4,526	\$ 20,162	\$ 3,807	\$ 16,657
Six months ended June 30,				
	2024		2023	
	CNY	TWD	CNY	TWD
Purchases of goods				
Associate	\$ 1,684	\$ 7,434	\$ 686	\$ 3,019
Other related parties	6,039	26,651	7,277	32,048
Processing fees				
Other related parties	700	3,089	182	801
	\$ 8,423	\$ 37,174	\$ 8,145	\$ 35,868

The purchase price from related parties was based on mutual agreement. Except for the credit term of Dongguan Gb that is 100% of the payment for purchases being prepaid at the effective date of the order, and the credit term of U-NEURON BIOMEDICAL that is 50% of the payment for purchases being prepaid within 10 workdays from the effective date of the order and the remaining 50% of the payment for purchases being prepaid within 30 workdays after the delivery day.

The credit term of remaining related parties was 60 days after monthly billings. There was no significant difference when compared to transactions with non-related parties.

C. Receivables from related parties

	June 30, 2024		December 31, 2023		June 30, 2023	
	CNY	TWD	CNY	TWD	CNY	TWD
Accounts receivable:						
Other related parties						
Kelti China	\$ 220	\$ 979	\$ 208	\$ 899	\$ -	\$ -
Other receivables:						
Other related parties	\$ 325	\$ 1,445	\$ 320	\$ 1,389	\$ 281	\$ 1,203

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

D. Payables to related parties

	June 30, 2024		December 31, 2023		June 30, 2023	
	CNY	TWD	CNY	TWD	CNY	TWD
Accounts payable:						
Associate	\$ 80	\$ 357	\$ 124	\$ 537	\$ 20	\$ 84
Other related parties						
Kelti China	2,198	9,770	2,157	9,332	2,035	8,716
Others	2,698	11,989	3,657	15,824	2,939	12,586
	<u>\$ 4,976</u>	<u>\$ 22,116</u>	<u>\$ 5,938</u>	<u>\$ 25,693</u>	<u>\$ 4,994</u>	<u>\$ 21,386</u>
Other payables:						
Associate	\$ -	\$ -	\$ 4	\$ 17	\$ -	\$ -
Other related parties	821	3,650	1,077	4,660	720	3,084
	<u>\$ 821</u>	<u>\$ 3,650</u>	<u>\$ 1,081</u>	<u>\$ 4,677</u>	<u>\$ 720</u>	<u>\$ 3,084</u>

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

E. Services expense

		Three months ended June 30,			
		2024		2023	
		CNY	TWD	CNY	TWD
Other related parties					
Kelti China		\$ 481	\$ 2,140	\$ 501	\$ 2,193
		Six months ended June 30,			
		2024		2023	
		CNY	TWD	CNY	TWD
Other related parties					
Kelti China		\$ 851	\$ 3,755	\$ 1,031	\$ 4,540

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

F. Leasing arrangements - lessee

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

(b) Acquisition of right-of-use assets

		Six months ended June 30,			
		2024		2023	
		CNY	TWD	CNY	TWD
Other related parties					
Jing Yung Gi		\$ 14,961	\$ 65,949	\$ -	\$ -

For the three months ended June 30, 2024 and 2023, the Group did not acquire right-of-use assets from other related parties of the Group.

(c) Lease liability

i. Balance at end of the financial reporting period

	June 30, 2024		December 31, 2023		June 30, 2023	
	CNY	TWD	CNY	TWD	CNY	TWD
Other related parties						
Jing Yung Gi	\$ 13,540	\$ 60,184	\$ -	\$ -	\$ -	\$ -
Chen, Wu-Kang	10,856	48,254	12,033	52,067	12,692	54,347
Kelti China	7,037	31,281	9,754	42,204	1,414	6,055
Others	1,160	5,156	2,085	9,022	3,977	17,030
	<u>\$ 32,593</u>	<u>\$ 144,875</u>	<u>\$ 23,872</u>	<u>\$ 103,293</u>	<u>\$ 18,083</u>	<u>\$ 77,432</u>

ii. Interest expense

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Other related parties	<u>\$ 360</u>	<u>\$ 1,607</u>	<u>\$ 98</u>	<u>\$ 427</u>
	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Other related parties	<u>\$ 757</u>	<u>\$ 3,339</u>	<u>\$ 251</u>	<u>\$ 1,105</u>

(d) As of June 30, 2024, the Group had a lease that has not yet been signed but committed with an associate, General Biologicals Corp. Refer to Note 6(8) G. for details.

(3) Key management compensation

	Three months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Short-term employee benefits	\$ 1,624	\$ 7,243	\$ 1,335	\$ 5,814
Post-employment benefits	72	321	69	302
Share-based payments	284	1,254	-	-
	<u>\$ 1,980</u>	<u>\$ 8,818</u>	<u>\$ 1,404</u>	<u>\$ 6,116</u>
	Six months ended June 30,			
	2024		2023	
	CNY	TWD	CNY	TWD
Short-term employee benefits	\$ 3,235	\$ 14,276	\$ 3,919	\$ 17,258
Post-employment benefits	144	635	115	506
Share-based payments	284	1,254	2,337	10,350
	<u>\$ 3,663</u>	<u>\$ 16,165</u>	<u>\$ 6,371</u>	<u>\$ 28,114</u>

8. PLEDGED ASSETS

Pledged asset	Book value						Purpose
	June 30, 2024		December 31, 2023		June 30, 2023		
	CNY	TWD	CNY	TWD	CNY	TWD	
Time deposits with maturity within three months (shown as financial assets at amortised cost-current)	\$ 36,503	\$ 162,250	\$ -	\$ -	\$ -	\$ -	Bank borrowings and bank credit facilities
Time deposits with maturity over three months (shown as financial assets at amortised cost-current)	\$ 69,353	\$ 308,275	\$ 177,404	\$ 767,625	\$ 181,812	\$ 778,519	Bank borrowings and bank credit facilities

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Capital expenditures

	June 30, 2024		December 31, 2023		June 30, 2023	
	CNY	TWD	CNY	TWD	CNY	TWD
Contract signed	\$ 4,554	\$ 20,243	\$ 8,263	\$ 35,754	\$ 10,366	\$ 44,387

B. In June 2017, the Group had signed a donation agreement with Shanghai Tongji University Education Development Foundation, committing to donate CNY \$2,000 every year to reach the total amount of CNY \$10,000 from 2017 to 2021. This donation will be used to help to establish Shanghai Tongji University and Chlitina Holding Limited Education Foundation to support the School of Medicine's recruitment and the School of Economics and Management's development of scientific research. As of June 30, 2024, the Group has paid the aforementioned donation amounting to CNY \$2,000. As of August 22, 2024, the Group is still negotiating the subsequent aforementioned agreement with the relevant departments of Tongji University.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On August 12, 2024, the Company issued the second unsecured convertible bonds within the territory of R.O.C. in the amount of TWD \$1,100,000 with a par value of TWD \$100, at an issuance price of 100.5% of face value, and the coupon rate is 0%. The issuance period is three years.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure and the confidence of investors, creditors and market, to return compensation on shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the liability ratio. This ratio is calculated as total liability divided by total assets.

During 2024, the Group's strategy was to maintain the liability ratio within reasonable range, which was unchanged from 2023. The liability ratios at June 30, 2024, December 31, 2023 and June 30, 2023 were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Liability ratio	45%	42%	49%

(2) Financial instruments

A. Financial instruments by category

	June 30, 2024		December 31, 2023		June 30, 2023	
	CNY	TWD	CNY	TWD	CNY	TWD
<u>Financial assets</u>						
Financial assets at amortised cost						
Cash and cash equivalents	\$ 1,240,901	\$ 5,515,805	\$ 1,069,155	\$ 4,626,234	\$ 964,094	\$ 4,128,251
Financial assets at amortised cost	107,310	476,993	268,901	1,163,535	481,575	2,062,104
Accounts receivable (including related parties)	1,427	6,344	960	4,153	1,406	6,020
Other receivables (including related parties)	19,679	87,474	26,693	115,505	26,533	113,614
	<u>\$ 1,369,317</u>	<u>\$ 6,086,616</u>	<u>\$ 1,365,709</u>	<u>\$ 5,909,427</u>	<u>\$ 1,473,608</u>	<u>\$ 6,309,989</u>
Financial assets at fair value through profit or loss						
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 64,041</u>	<u>\$ 284,662</u>	<u>\$ 65,291</u>	<u>\$ 282,514</u>	<u>\$ 53,972</u>	<u>\$ 231,108</u>

	June 30, 2024		December 31, 2023		June 30, 2023	
	CNY	TWD	CNY	TWD	CNY	TWD
<u>Financial liabilities</u>						
Financial liabilities at amortised cost						
Short-term borrowings	\$ 397,795	\$ 1,768,199	\$ 457,701	\$ 1,980,472	\$ 145,446	\$ 622,800
Accounts payable (including related parties)	25,274	112,341	20,095	86,950	15,299	65,512
Other payables (including related parties)	244,333	1,086,061	97,981	423,966	210,644	901,979
Guarantee deposits received	85,903	381,839	90,664	392,303	87,954	376,619
Long-term borrowings (including current portion)	-	-	-	-	370,888	1,588,142
	<u>\$ 753,305</u>	<u>\$ 3,348,440</u>	<u>\$ 666,441</u>	<u>\$ 2,883,691</u>	<u>\$ 830,231</u>	<u>\$ 3,555,052</u>
Lease liabilities (including current and non-current)	<u>\$ 83,682</u>	<u>\$ 371,967</u>	<u>\$ 82,598</u>	<u>\$ 357,401</u>	<u>\$ 85,645</u>	<u>\$ 366,732</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (the Group's treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	CNY	TWD
June 30, 2024				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:TWD	\$ 22,933	32.4500	\$ 167,418	\$ 744,173
USD:HKD	18,490	7.8099	134,983	599,999
CNY:HKD	12,552	1.0698	12,552	55,794
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:CNY	\$ 94	7.7003	\$ 686	\$ 3,049
USD:NTD	46,500	32.4500	339,464	1,508,917
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	CNY	TWD
December 31, 2023				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:TWD	\$ 9,104	30.7050	\$ 64,603	\$ 279,537
USD:HKD	41,493	7.8150	294,438	1,274,033
CNY:HKD	14,736	1.1013	14,736	63,763
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:CNY	\$ 1,567	7.0961	\$ 11,120	\$ 48,116
USD:TWD	64,500	30.7050	457,701	1,980,472
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	CNY	TWD
June 30, 2023				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:TWD	\$ 8,810	31.1400	\$ 64,069	\$ 274,343
USD:HKD	65,405	7.8359	475,645	2,036,712
CNY:HKD	15,139	1.0775	15,139	64,825
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:CNY	\$ 1,217	7.2723	\$ 8,850	\$ 37,896
USD:TWD	71,000	31.1400	516,334	2,210,942

- iv. The total exchange (losses) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2024 and 2023, amounted to a loss of CNY \$503 (TWD \$2,773), a loss of CNY \$11,800 (TWD \$52,151), a loss of CNY \$12,255 (TWD \$54,081) and a loss CNY \$4,364 (TWD \$19,218), respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Six months ended June 30, 2024					
Sensitivity analysis					
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
		CNY	TWD	CNY	TWD
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : TWD	3%	\$ 5,023	\$ 22,325	\$ -	\$ -
USD : HKD	3%	4,049	18,000	-	-
CNY : HKD	3%	377	1,674	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : CNY	3%	\$ 21	\$ 91	\$ -	\$ -
USD : TWD	3%	10,184	45,268	-	-
Six months ended June 30, 2023					
Sensitivity analysis					
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
		CNY	TWD	CNY	TWD
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : TWD	3%	\$ 24	\$ 103	\$ -	\$ -
USD : HKD	3%	1,922	8,230	-	-
CNY : HKD	3%	454	1,945	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : CNY	3%	\$ 266	\$ 1,137	\$ -	\$ -
USD : TWD	3%	15,490	66,328	-	-

Price risk

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

- ii. The Group's investments in equity securities comprise shares issued by companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six months ended June 30, 2024 and 2023 would have increased/decreased by CNY \$640 (TWD \$2,847) and CNY \$540 (TWD \$2,311), respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term borrowings and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group's borrowings at variable rate were mainly denominated in US Dollars.
- ii. If the borrowing interest rate of USD had increased/decreased by 1% with all other variables held constant, profit, net of tax for the six months ended June 30, 2024 and 2023 would have decreased/increased by CNY \$136 (TWD \$598) and CNY \$137 (TWD \$604), respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

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

- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On June 30, 2024, December 31, 2023 and June 30, 2023, the Group has no written-off financial assets that are still under recourse procedures.
- viii. The Group's accounts receivable are with customers who have optimal credit rating, and the expected credit loss rate is 0.03%. As of June 30, 2024, December 31, 2023 and June 30, 2023, the carrying amount of accounts receivable (including related parties) amounted to CNY \$1,427 (TWD \$6,344), CNY \$960 (TWD \$4,153) and CNY \$1,406 (TWD \$6,020), respectively. Because the Group expects that the impairment from expected credit loss is insignificant, no loss allowance was recognised.
- ix. For investments in debt instruments at amortised cost, the credit rating levels are presented below:

June 30, 2024								
Lifetime								
Financial assets at amortised cost	12 months		Significant increase in credit risk		Impairment of credit		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
	\$ 107,310	\$ 476,993	\$ -	\$ -	\$ -	\$ -	\$ 107,310	\$ 476,993
December 31, 2023								
Lifetime								
Financial assets at amortised cost	12 months		Significant increase in credit risk		Impairment of credit		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
	\$ 268,901	\$ 1,163,535	\$ -	\$ -	\$ -	\$ -	\$ 268,901	\$ 1,163,535
June 30, 2023								
Lifetime								
Financial assets at amortised cost	12 months		Significant increase in credit risk		Impairment of credit		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
	\$ 481,575	\$ 2,062,104	\$ -	\$ -	\$ -	\$ -	\$ 481,575	\$ 2,062,104

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

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs on its mature liabilities on general and stressful conditions so that the Group approach the risk target that does not occur the unacceptable losses or breach their reputation.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are invested in interest bearing demand deposits, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.
- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

Non-derivative (In thousands of CNY)

financial liabilities:

	Less than 1 year	Between 1 and 2 years	Over 2 years
June 30, 2024			
Short-term borrowings	\$ 397,795	\$ -	\$ -
Accounts payable (including related parties)	25,274	-	-
Other payables (including related parties)	244,333	-	-
Lease liabilities	31,501	22,507	38,690
Guarantee deposits received	85,903	-	-

Non-derivative (In thousands of CNY)

financial liabilities:

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

Non-derivative (In thousands of CNY)

financial liabilities:

	Less than 1 year	Between 1 and 2 years	Over 2 years
June 30, 2023			
Short-term borrowings	\$ 145,446	\$ -	\$ -
Accounts payable (including related parties)	15,299	-	-
Other payables (including related parties)	210,644	-	-
Lease liabilities	25,805	22,391	47,462
Guarantee deposits received	87,954	-	-
Long-term borrowings (including current portion)	109,085	261,803	-

Non-derivative (In thousands of TWD)

<u>financial liabilities:</u>		Between 1	
	Less than 1 year	and 2 years	Over 2 years
June 30, 2024			
Short-term borrowings	\$ 1,768,199	\$ -	\$ -
Accounts payable (including related parties)	112,341	-	-
Other payables (including related parties)	1,086,061	-	-
Lease liabilities	140,021	100,043	171,977
Guarantee deposits received	381,839	-	-

Non-derivative (In thousands of TWD)

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

Non-derivative (In thousands of TWD)

<u>financial liabilities:</u>		Between 1	
	Less than 1 year	and 2 years	Over 2 years
June 30, 2023			
Short-term borrowings	\$ 622,800	\$ -	\$ -
Accounts payable (including related parties)	65,512	-	-
Other payables (including related parties)	901,979	-	-
Lease liabilities	110,497	95,878	203,232
Guarantee deposits received	376,619	-	-
Long-term borrowings (including current portion)	467,102	1,121,040	-

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

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in beneficiary certificates is included in Level 1.

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

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), financial assets at amortised cost, short-term borrowings, accounts payable (including related parties), other payables (including related parties), lease liabilities (including current and non-current), guarantee deposits received and long-term borrowings (including current portion) are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at June 30, 2024, December 31, 2023 and June 30, 2023 is as follows:

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

	(In thousands of CNY)			
June 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 31,630	\$ 31,630
Hybrid instrument	-	-	32,411	32,411
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,041</u>	<u>\$ 64,041</u>
December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 32,880	\$ 32,880
Hybrid instrument	-	-	32,411	32,411
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,291</u>	<u>\$ 65,291</u>

	(In thousands of CNY)			
June 30, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 30,982	\$ 30,982
Hybrid instrument	-	-	22,990	22,990
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,972</u>	<u>\$ 53,972</u>

	(In thousands of TWD)			
June 30, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 140,596	\$ 140,596
Hybrid instrument	-	-	144,066	144,066
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284,662</u>	<u>\$ 284,662</u>

	(In thousands of TWD)			
December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Unlisted shares	\$ -	\$ -	\$ 142,272	\$ 142,272
Hybrid instrument	-	-	140,242	140,242
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,514</u>	<u>\$ 282,514</u>

	(In thousands of TWD)			
June 30, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ -	\$ 132,665	\$ 132,665
Hybrid instrument	-	-	98,443	98,443
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,108</u>	<u>\$ 231,108</u>

D. The following chart is the movement of Level 3 for the six months ended June 30, 2024 and 2023:

	2024		2023	
	Equity instrument	Equity instrument	Equity instrument	Equity instrument
	CNY	TWD	CNY	TWD
At January 1	\$ 65,291	\$ 282,514	\$ 50,064	\$ 220,682
(Losses) gains recognised in the profit or loss	(2,196)	(9,691)	2,686	11,828
Effect of foreign exchange	946	11,839	1,222	(1,402)
At June 30	<u>\$ 64,041</u>	<u>\$ 284,662</u>	<u>\$ 53,972</u>	<u>\$ 231,108</u>

E. For the six months ended June 30, 2024 and 2023, there was no transfer into or out from Level 3.

F. Investment strategies segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price.

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

	Fair value at June 30, 2024		Fair value at December 31, 2023		Fair value at June 30, 2023		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value						
	CNY	TWD	CNY	TWD	CNY	TWD										
Non-derivative equity instrument:																
Unlisted shares	\$	31,630	\$	140,596	\$	32,880	\$	142,272	\$	30,982	\$	132,665	Market comparable companies	Price-to-book ratio and discount for lack of marketability	Not applicable	The higher the multiple and control premium, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
Hybrid instrument:																
Unlisted shares	\$	30,486	\$	135,510	\$	30,486	\$	131,913	\$	-	\$	-	Most recent non-active market	Not applicable	Not applicable	Not applicable
Unlisted shares		-		-		-		-		17,972		76,956	Market comparable companies	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of market ability	Not applicable	The higher the multiple and control premium, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value
Embedded option		1,925		8,556		1,925		8,329		5,018		21,487	Black- Scholes valuation model	Discount for lack of marketability	Not applicable	The higher the discount for lack of marketability, the lower the fair value

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding TWD \$300 million or 20% of the Company's paid-in capital: Refer to table 4.
- E. Acquisition of real estate reaching TWD \$300 million or 20% of paid-in capital or more: Refer to table 5.
- F. Disposal of real estate reaching TWD \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching TWD \$100 million or 20% of paid-in capital or more: Refer to table 6.
- H. Receivables from related parties reaching TWD \$100 million or 20% of paid-in capital or more: Refer to table 7.
- I. Trading in derivative instruments undertaken during the reporting period: Refer to Note 6(2).
- J. Significant inter-company transactions during the reporting period: Refer to table 8.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 10.

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

(4) Major shareholders information

Major shareholders information: Refer to table 11.

14. SEGMENT INFORMATION

(1) General information

The Group is engaged in the manufacture, distribution, and business operations of beauty products under the brand of Chlitina, company-operated salon business and aesthetic medicine clinic. For the six months ended June 30, 2024 and 2023, the operating revenue, net profit and assets of the company-operated salon business and aesthetic medicine clinic were all less than 10% of their respective totals in the consolidated financial statements. In addition, management considers that the separate disclosure of company-operated salon business and aesthetic medicine clinic have no reference value. Hence, the information on assets, liabilities and capital expenditures were not disclosed.

(2) Measurement of segment information

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

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

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

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Loans to others
Six months ended June 30, 2024

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

No. (Note 1)	Creditor	Borrower	General ledger account	Related party	Maximum balance for the period	Ending balance	Amount actually drawn	Interest rate	Nature of loan (Note 2)	Transaction amounts	Reason for short-term financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company	Financing company's total financing amount limits	Footnote
													Item	Value			
1	Chlitina (China) Trade Limited	Crystal Asia Shanghai Limited	Other receivables	Yes	\$ 58,331	\$ 57,785	\$ -	Lower 10% of loan market rate	2	\$ -	Operating capital	\$ -	None	\$ -	\$ 5,213,817	\$ 5,213,817	Note 4, 5
2	Hong Kong Chlitina International Limited	Yong Li Trading Company Limited	Other receivables	Yes	32,545	32,450	-	Lower 10% of loan market rate	2	-	Operating capital	-	None	-	6,480,862	6,480,862	Note 4, 6
3	Yong Li Trading Company Limited	Vinh Le Company Limited	Other receivables	Yes	4,550	4,550	4,550	Lower 10% of loan market rate	2	-	Operating capital	-	None	-	20,357	20,357	Note 4, 7

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

(1) The Company is '0'.

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

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

Note 3: The limit on total financing and financing to a single entity shall not be more than 40%, except for inter-company transaction, and 20% of the Company's stockholders' equity, respectively. In addition,

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

Note 5: The line of credit to Crystal Asia Shanghai Limited amounted to CNY13,000.

Note 6: The line of credit to Yong Li Trading Company Limited amounted to USD1,000.

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Six months ended June 30, 2024

Table 2

Expressed in thousands of TWD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2024	Outstanding endorsement/ guarantee amount at June 30, 2024	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 (Note 4)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 4)	Provision of endorsements/ guarantees to the party in Mainland China (Note 4)	Footnote
		Relationship with the endorser/ guarantor (Note 2)	Company name											
1	Hong Kong Chilitina International Limited	3	Chilitina Holding Limited	\$ 1,296,172	\$ 1,280,000	\$ 908,600	\$ 162,250	\$ 162,250	17.30%	\$ 3,240,431	N	Y	N	
1	Hong Kong Chilitina International Limited	4	British Virgin IS. Chilitina Intelligence Limited Taiwan Branch	\$ 1,296,172	\$ 390,540	\$ 389,400	\$ 268,000	\$ 308,275	7.42%	\$ 3,240,431	N	N	N	

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

(1) The Company is '0'.

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

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

(1) Having business relationship with the Company.

(2) The Company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor company owns directly and indirectly more than 50% voting shares of the Company.

(4) The Company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company, and the limit on endorsements/guarantees provided for the endorsed/guaranteed company shall not be more than 10% of the Company's stockholders' equity. However, the endorsed/guaranteed company whose voting shares are 10% directly and indirectly owned by the Company is not subject to the limit.

(5) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(6) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

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

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

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

June 30, 2024

Table 3

Expressed in thousands of TWD
(Except as otherwise indicated)

Securities held by	Marketable securities (Note)	Relationship with the securities issuer	General ledger account	As of June 30, 2024				Footnote
				Number of shares (in thousand shares/thousand unit)				
					Book value	Ownership (%)	Fair value	
Hong Kong Chlittina International Limited	Onward Therapeutics SA	None	Financial assets at fair value through profit or loss - non- current	2,290	\$ 140,596	4.00%	\$ 140,596	None
Hainan Shoumao Investment Limited	Yingyi Stem Cell Biotechnology (Hainan) Co., Ltd.	None	Financial assets at fair value through profit or loss - non- current	-	144,066	5.62%	144,066	None

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

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

Six months ended June 30, 2024

Table 4

Expressed in thousands of TWD
(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 3)	Relationship with the investor (Note 3)		Beginning Balance		Addition (Note 4)		Disposal (Note 4)		Gain (loss) on disposal		Ending Balance		Footnote
						Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	

Chilitina (China) Trade
Limited

ICBC Credit
Suisse Salary
Monetary
Fund

Financial assets at
fair value through
profit or loss -
current

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

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

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

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

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Six months ended June 30, 2024

Table 5

Expressed in thousands of TWD
(Except as otherwise indicated)

If the counterparty is a related party, information as to the last transaction of

Real estate acquired by	Real estate	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to			Relationship between the original owner and		Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of		Other
							the counterparty	the real estate to	the counterparty	the acquirer	the acquirer				the real estate	In line with the Company's long-term development plan	
British Virgin IS. Chlitina Intelligence Limited Taiwan Branch	Land and buildings acquired	2024/4/12	\$ 387,531	\$ 387,531	Hua Nan Assets Management Co.	Non-related party	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Professional appraisal report	In line with the Company's long-term development plan	In accordance with the agreement	commitment

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

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

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

Note 4: The transaction of the land and buildings sale contract has been paid in full.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Six months ended June 30, 2024

Table 6

Expressed in thousands of TWD
(Except as otherwise indicated)

Differences in transaction terms compared to third party transactions												
Transaction				Percentage of total purchases (sales)					Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote	
Chlitina (China) Trade Limited	Weishuo (Shanghai) Daily Product Limited	Subsidiary	Purchases	\$ 298,865	82%	60 days after monthly billings	-	-	(\$ 102,450)	68%	Note 1	
British Virgin IS, Chlitina Intelligence Limited Taiwan Branch	Chlitina (China) Trade Limited	Subsidiary	Trademark license	102,021	100%	Note 2	-	-	31,564	100%	Note 1	

Note 1: The transactions have been eliminated upon consolidation.

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
Six months ended June 30, 2024

Table 7

Expressed in thousands of TWD
(Except as otherwise indicated)

	Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2024	Turnover rate	Overdue receivables			Footnote
						Amount	Action taken	Amount collected subsequent to the balance sheet date	
	Weishuo (Shanghai) Daily Product Limited	Chlitina (China) Trade Limited	Subsidiary	\$ 102,450	4.47	-	-	57,556	-

Note: The transactions have been eliminated upon consolidation.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
Six months ended June 30, 2024

Table 8
Expressed in thousands of TWD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	Weishuo (Shanghai) Daily Product Limited	Chlitina (China) Trade Limited	3	Sales	\$ 298,865	60 days after monthly billings	15%
1	Weishuo (Shanghai) Daily Product Limited	Chlitina (China) Trade Limited	3	Accounts receivable	102,450	60 days after monthly billings	1%
2	British Virgin IS. Chlitina Intelligence Limited Taiwan Branch	Chlitina (China) Trade Limited	3	Trademark right income	102,021	In accordance with mutual agreements	5%
2	British Virgin IS. Chlitina Intelligence Limited Taiwan Branch	Chlitina (China) Trade Limited	3	Accounts receivable	31,564	In accordance with mutual agreements	0%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

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

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

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

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

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investees

Six months ended June 30, 2024

Table 9

Expressed in thousands of TWD
(Except as otherwise indicated)

		Initial investment amount		Balance as at June 30, 2024				Share of profit (loss)		Footnote
		Balance as at June 30, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee			
Investor	Investee									
		\$	\$			\$	\$	\$	\$	
Chlitina Holding Limited	Chlitina Group Limited									
	Chlitina Group Limited	744,441	717,661	25,470,001	100	6,738,994	385,113	-	Note 1	
	Chlitina Group Limited	-	-	1	100	171,778	50,445	-	Note 1	
	Chlitina Group Limited	50,880	50,880	1,150,000	100	77	3	-	Note 1	
	Chlitina Group Limited	34,518	34,518	930,000	100	40	1	-	Note 1	
	Chlitina Group Limited	920	920	20,000	100	108	4	-	Note 1	
	Chlitina Group Limited	276,221	276,221	69,850,001	100	6,480,862	419,599	-	Note 1	
	Chlitina Group Limited	485,427	470,025	16,242,882	100	167,213	(9,305)	-	Note 1	
	Chlitina Group Limited	188	188	500	100	-	-	-	Note 1	
	Chlitina Group Limited	127,000	100,000	-	100	47,230	(25,330)	-	Note 1	

CHILITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investees

Six months ended June 30, 2024

Table 9

Expressed in thousands of TWD
(Except as otherwise indicated)

				Initial investment amount		Balance as at June 30, 2024						
Investor	Investee	Location	Main business activities	Balance as at		Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee		Share of profit (loss) of investee	Footnote
				June 30, 2024	December 31, 2023				\$	\$		
Hong Kong Chilitina International Limited	Hong Kong Crystal-Asia International Limited	Hong Kong	Investing	69,642	69,642	2,300,000	100	\$ 50,065	\$ 6,241	\$ -	-	Note 1
Hong Kong Chilitina International Limited	Hong Kong W-Champion International Limited	Hong Kong	Investing	61,865	61,865	2,950,000	100	57,111	67	-	-	Note 1
Hong Kong Chilitina International Limited	Hong Kong W-Amber International Limited	Hong Kong	Investing	857,939	857,939	180,603,060	100	225,085	(40,415)	-	-	Note 1
Hong Kong Chilitina International Limited	Yong Li Trading Company Limited	Vietnam	Dealer of skincare products	65,731	65,731	-	100	20,357	(6,063)	-	-	Note 1
Hong Kong Chilitina International Limited	HUAPAO SDN. BHD.	Malaysia	Dealer of skincare products	3,502	3,502	500,000	100	2,686	42	-	-	Note 1
Hong Kong Chilitina International Limited	General Biologicals Corp.	Taiwan	Manufacturing of medical appliances	177,624	177,624	11,805,203	19.73	165,177	(93,355)	-	-	Note 1, 2
Hong Kong Chilitina International Limited	U-NEURON BIOMEDICAL INC.	Taiwan	Cosmetic, biotechnology services	90,000	90,000	3,000,000	10.15	85,081	(32,988)	-	-	Note 1, 2
Hong Kong Chilitina International Limited	Hong Kong Jing Tai International Investment Limited	Hong Kong	Investment consulting and general trade	4,392	4,392	1,000,000	100	3,612	(96)	-	-	Note 1
Hong Kong Chilitina International Limited	PT PINING BEAUTY INDONESIA	Indonesia	Importing trade goods and management consulting	-	-	-	100	-	-	-	-	Note 1

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investees

Six months ended June 30, 2024

Table 9

Expressed in thousands of TWD
(Except as otherwise indicated)

			Initial investment amount		Balance as at June 30, 2024						
Investor	Investee	Location	Main business activities	Balance as at	Balance as at	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee	Share of profit (loss) of investee	Footnote
				June 30, 2024	December 31, 2023						
Yong Li Trading Company Limited	Vinh Le Company Limited	Vietnam	Dealer of skincare products	\$ 3,003	\$ 3,003	-	100	(\$ 4,110)	\$ 789	-	Note 1, 3
Chlitina (China) Trade Limited	Hong Kong Crystal International Services Limited	Hong Kong	Investing, dealer of skincare products and supplementary health care products	2,754	2,754	100,000	100	2,586 (3)	-	Note 1
W-Champion International Limited	W-Champion Marketing Limited	British Virgin Islands	Investing	31,783	31,783	930,000	100	40	1	-	Note 1
W-Amber International Limited	W-Amber Marketing Limited	British Virgin Islands	Investing	56,280	56,280	1,150,000	100	46	1	-	Note 1
Hong Kong Jing Tai International Investment Limited	WAN JU International Investment Limited	Taiwan	Investing	2,000	2,000	200,000	100	1,637 (36)	-	Note 1

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

Note 2: For the six months ended June 30, 2024, the investment loss on General Biologicals Corp. and U-Neuron Biomedical Inc. were \$18,154 and \$2,786, respectively.

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Six months ended June 30, 2024

Table 10

Expressed in thousands of TWD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated investment from Taiwan	Amount remitted from Taiwan to Mainland China/			Ending balance of accumulated investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)(B))	Book value as of June 30, 2024	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan	Amount remitted back to Taiwan for the period							
Chilitina (China) Trade Limited	Dealer of skincare products and health food	\$ 308,631	2	\$ -	\$ -	\$ -	\$ -	\$ 493,344	100	\$ 493,344	\$ 5,213,817	\$ -		
Shanghai Zhe Mei Technology Training Co., Ltd.	Cosmetology training services	78,302	2	-	-	-	-	3,568	100	3,568	23,612	-		
Weishuo (Shanghai) Daily Product Limited	Production and trading of skincare products	64,207	2	-	-	-	-	38,268	100	38,268	884,988	-		
Weihsu (Shanghai) Health Management Consulting Co.,Ltd	Investing, dealer of skincare products and supplementary health care products	641,701	2	-	-	-	-	(31,040)	100	(31,040)	13,666	-		
Crystal Asia Shanghai Limited	Dealer of skincare products and supplementary health care products	87,189	2	-	-	-	-	(8,294)	100	(8,294)	30,760	-		
Li Shuo Biotechnology (Shanghai) Co., Ltd.	Enterprise management consulting and investing	9,889	2	-	-	-	-	(754)	100	(754)	2,665	-		
Wuguan (Shanghai) Trade Limited	Dealer of skincare products and supplementary health care products	-	2	-	-	-	-	-	-	-	-	-	Note 5	

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Six months ended June 30, 2024

Table 10

Expressed in thousands of TWD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated investment from Taiwan	Amount remitted from Taiwan to			Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)(B))	Book value as of June 30, 2024	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan	Mainland China/Amount remitted back to Taiwan for the period							
		\$	2	\$	\$	\$	\$	\$	(\$	100	(\$	\$	\$	
Shanghai Yuanshuo Management Consulting Limited	Enterprise management consulting and investing	396,516	2	-	-	-	-	-	(30,448)	100	(30,448)	47,779	-	
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd.	Medical cosmetology services	29,810	2	-	-	-	-	-	(513)	100	(513)	19,852	-	
Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.	Medical cosmetology services	43,374	2	-	-	-	-	-	(4,988)	100	(4,988)	24,116	-	
Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	Medical cosmetology services	40,145	2	-	-	-	-	-	(11,697)	100	(11,697)	32,438	-	
Jinghe Clinic (Nanjing) Co., Ltd.	Dealer of general practice and foods	3,043	2	-	-	-	-	-	(1,938)	100	(1,938)	278	-	
Shanghai Hedeng Clinic Co., Ltd.	Dealer of general practice	3,246	2	-	-	-	-	-	(1,935)	100	(1,935)	391	-	
Shanghai Zhongye Trade Co., Ltd.	Retail of cosmetics and manicure service	-	2	-	-	-	-	-	-	-	-	-	-	Note 6
Hainan Shoumao Investment Limited	Enterprise management consulting and investing	151,515	2	-	-	-	-	-	(38)	100	(38)	153,409	-	

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Six months ended June 30, 2024

Table 10

Expressed in thousands of TWD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated investment from Taiwan	Amount remitted from Taiwan to				Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)(B))	Book value as of June 30, 2024	Accumulated amount of investment income remitted back to Taiwan
					Mainland China/		Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company				
					Amount remitted back to Taiwan for the period	Remitted to Mainland China						
Shanghai Jiekan Trading Co., Ltd.	Dealer of skincare products and health food	\$ 39,592	2	\$ -	\$ -	\$ -	-	(\$ 6,505)	100	(\$ 6,505)	\$ 20,109	\$ -
Shanghai Yongxiang Trading Co., Ltd.	Retail of cosmetics and manicure service	88,399	2	-	-	-	-	(5,432)	100	(5,432)	65,393	-
Company name	Ending balance of accumulated remittance from Taiwan to Mainland China	Investment amount authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA									
Not applicable to foreign issuer.	\$ -	\$ -	-	Note 4								

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

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

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

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

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

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

Note 5: Wuguan (Shanghai) Trade Limited had completed the liquidation and dissolution in February 2024.

Note 6: Shanghai Zhongye Trade Co., Ltd. had completed the liquidation and dissolution in April 2024.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
Major shareholders information
June 30, 2024

Table 11

Name of major shareholders	Shares		Footnote
	No. of shares held	Ownership (%)	
Custody account Fu Yuan Investment Co. Ltd. entrusted under Cathay United Bank	28,056,000	34.01%	Note 1, 2

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

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