

**YUNGSHIN GLOBAL HOLDING  
CORPORATION AND  
SUBSIDIARIES**

**Consolidated Financial Statements and  
Independent Auditors' Review Report**

**For the Three Months Ended March 31, 2023 and 2022**

**Address: No. 1191, Sec. 1, Zhongshan Rd., Dajia Dist., Taichung City  
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Notice to Readers

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

## Table of Contents

Item	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3-4
4. Consolidated Balance Sheets	5
5. Consolidated Statements of Comprehensive Income	6
6. Consolidated Statements of Changes in Equity	7
7. Consolidated Statements of Cash Flows	8
8. Notes to Consolidated Financial Statements	
(1) General Information	9
(2) Approval of Financial Statements	9
(3) Application of New and Amended Standards and Interpretations	9
(4) Summary of Significant Accounting Policies	10-11
(5) Critical accounting Judgements and Key Sources of Estimation Uncertainty And Assumptions	11-12
(6) Descriptions of Material Accounting Items	12-38
(7) Related Parties Transactions	38-42
(8) Pledged Assets	42
(9) Significant Contingent Liabilities and Unrecognized Contract Commitments	42
(10) Losses due to Major Disasters	42
(11) Significant Subsequent Events	42
(12) Others	42-43
(13) Separately Disclosed Items	
1. Information on Significant Transactions	43-45
2. Information On Investee Companies	45
3. Information on Investments in Mainland China	45-46
4. Information on Major Shareholders	46
(14) Segment Information	46-47

## **Independent Auditors' Review Report**

To the Board of Directors of YungShin Global Holding Corporation:

### **Introduction**

The consolidated balance sheets of YungShin Global Holding Corporation and its subsidiaries as of March 31, 2023, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows from January 1 to March 31, 2023, as well as the notes to consolidated financial statements (including the summary of major accounting policies) have been reviewed by the CPAs. 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" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except for matters described in the following paragraph titled "Basis for Qualified Conclusion", we conducted our reviews in compliance with Standards on Review Engagements No. 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As described in Note 4(2) to the consolidated financial statements, certain non-major subsidiaries included in the above consolidated financial statements are based on the unreviewed financial statements of the investees for the same period. The total assets amounted to NT\$1,603,061 thousand as of March 31, 2023, representing 13.99% of the consolidated total assets. The total liabilities amounted to NT\$661,345 thousand, representing 15.86% of the consolidated total liabilities. The comprehensive (loss) income from January 1 to March 31, 2023 amounted to NT\$(20,556) thousand, representing (13.03)% of the consolidated comprehensive income.

In addition to the above paragraph, as stated in Note 6(7) to the consolidated financial statements, the investment of YungShin Global Holding Corporation and its subsidiaries using the equity method amounted to NT\$1,090,097 thousand as of March 31, 2023, and the share of profit of associates accounted for using equity method amounted to NT\$30,931 thousand from January 1 to March 31, 2023, which are based on the unreviewed financial statements of the investees for the same period.

## Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the investees as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material aspects, the consolidated financial position of the YungShin Global Holding Corporation and its subsidiaries as at March 31, 2023, and consolidated financial performance and consolidated cash flows for the three months ended March 31, 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Other Matters

The consolidated financial statements of YungShin Global Holding Corporation and its subsidiaries as of and for the three months ended March 31, 2022 have been reviewed by other CPAs, and a qualified review report was issued on May 11, 2022, as certain non-major subsidiaries included in the consolidated financial statements and investments accounted for using equity method were prepared based on the unreviewed financial statements of the investees for the same period.

KPMG

CPAs:           Min-Ju Chao  
                      Lily Lu

Securities       Financial-Supervisory-Securities-  
Competent       Auditing-1050036075  
Authorities     :   Financial-Supervisory-Securities-  
Approval       Auditing-0940100754  
Certification  
No.  
May 10, 2023

**March 31, 2023, and 2022, Reviewed, Not Audited**  
**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

March 31, 2023, December 31, 2022 and March 31, 2022

Unit: Thousands of New Taiwan Dollars

		2023.3.31		2022.12.31		2022.3.31				2023.3.31		2022.12.31		2022.3.31	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11xx	<b>ASSETS</b>														
	<b>CURRENT ASSETS:</b>														
1100	Cash and cash equivalents (Note 6(1))	\$ 1,789,836	16	1,956,548	16	1,452,669	12	21xx	<b>LIABILITIES AND EQUITY</b>	\$ 1,086,355	9	1,554,511	13	1,734,897	15
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	63,482	1	63,482	1	63,482	-	2100	Short-term borrowings (Notes 6(9), (13) and 8)	8,558	-	8,912	-	24,706	-
1136	Financial assets at amortized cost - current (Note 6(4))	2,000	-	2,000	-	2,000	-	2130	Contract liabilities - current (Note 6(21))	14,467	-	677	-	17,760	-
1150	Notes receivable, net (Notes 6(5) and (21))	251,457	2	318,498	3	205,151	2	2150	Notes payable	527,193	5	424,785	4	482,958	4
1170	Accounts receivable, net (Notes 6(5) and (21))	1,181,052	10	1,337,037	11	1,427,677	12	2170	Accounts payable	24,074	-	21,030	-	23,678	-
1180	Accounts receivable from related parties (Notes 6(5), (21) and 7)	55,224	1	75,411	1	22,337	-	2181	Accounts payable to related parties (Note 7)	426,835	4	673,407	6	740,904	6
1200	Other receivables (Note 7)	27,493	-	32,677	-	41,797	-	2200	Other Payables (Note 7)	612,773	5	-	-	-	-
1220	Current tax assets	905	-	95	-	3,536	-	2216	Dividends payable (Note 6(18))	178,096	2	143,690	1	143,949	1
130x	Inventories (Note 6(6))	2,655,854	23	2,719,323	23	3,129,936	26	2230	Current tax liabilities	12,396	-	14,322	-	13,651	-
1410	Prepayments	246,555	2	166,374	1	209,080	2	2280	Lease liabilities - current (Note 6(15))	2,868	-	113,328	1	3,360	-
1470	Other current assets	18,647	-	15,342	-	15,326	-	2322	Long-term borrowings due within one year (Notes 6(9), (14) and 8)	14,930	-	34,108	-	10,345	-
	<b>Total current assets</b>	<u>6,292,505</u>	<u>55</u>	<u>6,686,787</u>	<u>56</u>	<u>6,572,991</u>	<u>54</u>	2365	Refund liabilities - current (Note 6(21))	32,003	-	30,068	-	73,010	1
15xx	<b>NON-CURRENT ASSETS:</b>							2399	Other current liabilities	2,940,548	25	3,018,838	25	3,269,218	27
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3))	48,767	-	51,556	1	48,860	1		<b>Total current liabilities</b>						
1550	Investments accounted for using the equity method (Note 6(7))	1,090,097	10	1,074,868	9	992,224	8	25xx	<b>NON-CURRENT LIABILITIES:</b>						
1600	Property, plant, and equipment (Notes 6(9), (13), (14), 7 and 8)	3,652,806	32	3,697,322	31	4,159,292	34	2527	Contract liabilities - non-current (Note 6(21))	350,933	3	350,933	3	350,933	3
1755	Right-of-use assets (Note 6(10))	36,177	-	40,506	-	74,811	1	2540	Long-term borrowings (Notes 6(9), (14) and 8)	243,243	2	133,683	1	941,639	8
1760	Investment properties, net (Note 6(11))	32,077	-	32,420	-	34,851	-	2550	Provision of employee benefits - non-current	59,432	1	57,885	1	53,661	-
1780	Intangible assets (Note 6(12))	15,590	-	20,740	-	39,988	-	2570	Deferred tax liabilities	361,268	3	356,424	3	349,110	3
1840	Deferred tax assets	164,860	2	162,048	2	132,107	1	2580	Lease liabilities - non-current (Note 6(15))	11,841	-	13,918	-	15,017	-
1900	Other non-current assets (Note 8)	124,114	1	86,465	1	105,057	1	2640	Net defined benefit liabilities - non-current	58,871	1	75,084	1	55,153	-
	<b>Total non-current assets</b>	<u>5,164,488</u>	<u>45</u>	<u>5,165,925</u>	<u>44</u>	<u>5,587,190</u>	<u>46</u>	2675	Refund liabilities - non-current (Note 6(21))	142,772	1	142,772	1	-	-
								2670	Other non-current liabilities	274	-	24	-	59,673	1
									<b>Total non-current liabilities</b>	1,228,634	11	1,130,723	10	1,825,186	15
									<b>TOTAL LIABILITIES</b>	4,169,182	36	4,149,561	35	5,094,404	42
								2xxx							
								31xx	<b>Equity attributable to owners of the Corporation (Notes 6(7), (8), (17) and (18)):</b>						
								3110	Share Capital	2,664,230	23	2,664,230	22	2,664,230	22
								3200	Capital surplus	2,355,785	21	2,340,374	20	2,147,745	18
									Retained earnings:						
								3310	Legal reserve	800,994	7	800,994	7	726,190	6
								3320	Special reserve	391,162	4	391,162	3	304,005	2
								3350	Unappropriated earnings	837,032	7	1,277,400	11	1,307,944	11
									Total retained earnings	2,029,188	18	2,469,556	21	2,338,139	19
								3400	Other equity	(334,022)	(3)	(312,829)	(3)	(351,442)	(3)
								3500	Treasury shares	(1,439)	-	(1,439)	-	(1,439)	-
									Total equity attributable to owners of the Corporation	6,713,742	59	7,159,892	60	6,797,233	56
								36xx	<b>Non-controlling interests (Note 6(8))</b>	574,069	5	543,259	5	268,544	2
								3xxx	<b>TOTAL EQUITY</b>	7,287,811	64	7,703,151	65	7,065,777	58
1xxx	<b>TOTAL ASSETS</b>	<u>\$ 11,456,993</u>	<u>100</u>	<u>11,852,712</u>	<u>100</u>	<u>12,160,181</u>	<u>100</u>	2-3xxx	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 11,456,993</u>	<u>100</u>	<u>11,852,712</u>	<u>100</u>	<u>12,160,181</u>	<u>100</u>

(Please refer to the accompanying notes to the consolidated financial statements for details)

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee

**Reviewed, Not Audited**  
**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**January 1 to March 31, 2023 and 2022**

**Unit: Thousands of New Taiwan Dollars**

		<b>January to March, 2023</b>		<b>January to March, 2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (Notes 6(21) and 7)</b>	\$ 1,671,259	100	1,954,422	100
5000	<b>Operating costs (Notes 6(6), (15), (16), 7 and 12)</b>	<u>967,223</u>	<u>58</u>	<u>1,030,000</u>	<u>53</u>
5900	<b>Gross profit</b>	<u>704,036</u>	<u>42</u>	<u>924,422</u>	<u>47</u>
6000	<b>OPERATING EXPENSES (Notes 6(5), (15), (16), (19), (22), 7 and 12):</b>				
6100	Selling and marketing expenses	277,203	17	458,309	24
6200	General and administrative expenses	108,696	7	125,267	6
6300	Research and development expenses	101,496	6	98,195	5
6450	Expected credit losses (gains on reversal)	<u>337</u>	<u>-</u>	<u>(894)</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>487,732</u>	<u>30</u>	<u>680,877</u>	<u>35</u>
6900	<b>Income from Operations</b>	<u>216,304</u>	<u>12</u>	<u>243,545</u>	<u>12</u>
7000	<b>NON-OPERATING INCOME AND EXPENSES (Notes 6(7), (14), (23) and 7):</b>				
7100	Interest income	8,400	-	647	-
7010	Other income	5,606	-	14,802	1
7020	Other gains and losses	(16,841)	(1)	25,041	1
7050	Finance costs	(8,862)	-	(6,580)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	<u>30,931</u>	<u>2</u>	<u>17,706</u>	<u>1</u>
	<b>Total non-operating income and expenses</b>	<u>19,234</u>	<u>1</u>	<u>51,616</u>	<u>3</u>
	<b>Profit before income tax of continuing operations</b>	235,538	13	295,161	15
7950	<b>Less: Tax expenses (Note 6(17))</b>	<u>55,839</u>	<u>3</u>	<u>58,551</u>	<u>3</u>
	<b>Net profit for the period</b>	<u>179,699</u>	<u>10</u>	<u>236,610</u>	<u>12</u>
8300	<b>OTHER COMPREHENSIVE INCOME (LOSS) (Notes 6(7) and (17)):</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(2,630)	-	1,183	-
8349	Less: Income tax relating to items that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total items that will not be reclassified subsequently to profit or loss</b>	<u>(2,630)</u>	<u>-</u>	<u>1,183</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translating foreign operations	(8,502)	-	34,616	2
8370	Share of other comprehensive income of associates accounted for using the equity method	(15,474)	(1)	22,474	1
8399	Less: Income tax relating to items that may be reclassified to profit or loss	<u>(4,641)</u>	<u>-</u>	<u>9,634</u>	<u>-</u>
	<b>Total items that may be reclassified subsequently to profit or loss</b>	<u>(19,335)</u>	<u>(1)</u>	<u>47,456</u>	<u>3</u>
8300	<b>OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<u>(21,965)</u>	<u>(1)</u>	<u>48,639</u>	<u>3</u>
8500	<b>Total comprehensive income for the period</b>	<u>\$ 157,734</u>	<u>9</u>	<u>285,249</u>	<u>15</u>
	<b>NET PROFIT ATTRIBUTABLE TO FOR THE PERIOD:</b>				
8610	Owners of the Corporation	\$ 172,405	10	224,709	11
8620	Non-controlling interests	<u>7,294</u>	<u>-</u>	<u>11,901</u>	<u>1</u>
		<u>\$ 179,699</u>	<u>10</u>	<u>236,610</u>	<u>12</u>
	<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
8710	Owners of the Corporation	\$ 151,212	9	264,429	14
8720	Non-controlling interests	<u>6,522</u>	<u>-</u>	<u>20,820</u>	<u>1</u>
		<u>\$ 157,734</u>	<u>9</u>	<u>285,249</u>	<u>15</u>
	<b>Earnings Per Share (Note 6(20))</b>				
9710	Basic earnings per share (Unit: New Taiwan Dollars)	<u>\$ 0.65</u>		<u>0.84</u>	
9810	Diluted earnings per share (Unit: New Taiwan Dollars)	<u>\$ 0.65</u>		<u>0.84</u>	

(Please refer to the accompanying notes to the consolidated financial statements for details)

**Chairman: Fang-Hsin Lee**

**President: Fang-Hsin Lee**

**Accounting Manager: Yu-Yi Lee**

**Reviewed, Not Audited**  
**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**January 1 to March 31, 2023 and 2022**

Unit: Thousands of New Taiwan Dollars

Equity attributable to owners of the Corporation

	Retained earnings						Other equity items			Treasury shares	Total equity attributable to owners of the Corporation	Non-controlling interests	Total Equity
	Share Capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating foreign operations	Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Total				
<b>Balance on January 1, 2022</b>	\$ 2,664,230	2,152,909	726,190	304,005	1,083,235	2,113,430	(403,587)	12,425	(391,162)	(1,439)	6,537,968	250,131	6,788,099
Net profit for the period	-	-	-	-	224,709	224,709	-	-	-	-	224,709	11,901	236,610
Other comprehensive income for the period	-	-	-	-	-	-	38,537	1,183	39,720	-	39,720	8,919	48,639
Total comprehensive income for the period	-	-	-	-	224,709	224,709	38,537	1,183	39,720	-	264,429	20,820	285,249
Disposal of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,749)	(7,749)
Changes in ownership interests in subsidiaries	-	(5,164)	-	-	-	-	-	-	-	-	(5,164)	5,342	178
<b>Balance on March 31, 2022</b>	<b>\$ 2,664,230</b>	<b>2,147,745</b>	<b>726,190</b>	<b>304,005</b>	<b>1,307,944</b>	<b>2,338,139</b>	<b>(365,050)</b>	<b>13,608</b>	<b>(351,442)</b>	<b>(1,439)</b>	<b>6,797,233</b>	<b>268,544</b>	<b>7,065,777</b>
<b>Balance on January 1, 2023</b>	\$ 2,664,230	2,340,374	800,994	391,162	1,277,400	2,469,556	(336,084)	23,255	(312,829)	(1,439)	7,159,892	543,259	7,703,151
Appropriation of earnings:													
Cash dividends on ordinary shares	-	-	-	-	(612,773)	(612,773)	-	-	-	-	(612,773)	-	(612,773)
Net profit for the period	-	-	-	-	172,405	172,405	-	-	-	-	172,405	7,294	179,699
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(18,563)	(2,630)	(21,193)	-	(21,193)	(772)	(21,965)
Total comprehensive income for the period	-	-	-	-	172,405	172,405	(18,563)	(2,630)	(21,193)	-	151,212	6,522	157,734
Changes in capital surplus from investments in associates accounted for using the equity method	-	(228)	-	-	-	-	-	-	-	-	(228)	-	(228)
Changes in ownership interests in subsidiaries	-	15,639	-	-	-	-	-	-	-	-	15,639	24,288	39,927
<b>Balance on March 31, 2023</b>	<b>\$ 2,664,230</b>	<b>2,355,785</b>	<b>800,994</b>	<b>391,162</b>	<b>837,032</b>	<b>2,029,188</b>	<b>(354,647)</b>	<b>20,625</b>	<b>(334,022)</b>	<b>(1,439)</b>	<b>6,713,742</b>	<b>574,069</b>	<b>7,287,811</b>

(Please refer to the accompanying notes to the consolidated financial statements for details)

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee

**Reviewed, Not Audited**  
**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**January 1 to March 31, 2023 and 2022**

Unit: Thousands of New Taiwan Dollars

	January to March, 2023	January to March, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before income tax	<u>\$ 235,538</u>	<u>295,161</u>
Adjustments for:		
Profit and loss items		
Depreciation	71,837	90,624
Amortization	5,211	5,813
Expected credit losses (gains on reversal)	337	(894)
Interest expenses	8,862	6,580
Interest income	(8,400)	(647)
Share-based compensation costs	-	178
Share of profit of associates accounted for using equity method	(30,931)	(17,706)
Gain on disposal of property, plant and equipment	(219)	(478)
Gain on disposal of non-current assets held for sale	-	(7,823)
Unrealized profit on foreign exchange	-	(2,713)
Gains on lease modifications	-	(9)
Write-downs and disposal of inventories	-	7,663
Gain on disposal of subsidiaries	-	(226)
Total profit and loss items	<u>46,697</u>	<u>80,362</u>
Changes in operating assets/liabilities:		
Net changes in operating assets:		
Notes receivable	67,549	77,467
Accounts receivable	155,140	29,760
Accounts receivable from related parties	20,187	(356)
Other receivables	8,142	(7,865)
Inventories	63,469	(37,952)
Prepayments	(80,181)	(33,621)
Other current assets	(3,305)	(493)
Total net changes in operating assets	<u>231,001</u>	<u>26,940</u>
Net changes in operating liabilities:		
Contract liabilities	(354)	(3,076)
Notes payable	13,790	15,697
Accounts payable	102,408	14,489
Accounts payable to related parties	3,044	(183)
Other payables	(245,264)	(152,093)
Provisions for liabilities	1,547	1,318
Other current liabilities	(17,243)	(18,450)
Net defined benefit liabilities	(16,213)	(9,210)
Other operating liabilities	-	(106)
Total net changes in operating liabilities	<u>(158,285)</u>	<u>(151,614)</u>
Total net changes in operating assets and liabilities	<u>72,716</u>	<u>(124,674)</u>
Total adjustments for:	<u>119,413</u>	<u>(44,312)</u>
Cash inflow from operations	354,951	250,849
Interest received	5,442	647
Interest paid	(10,170)	(6,862)
Income tax paid	(15,570)	(19,020)
<b>Net cash generated from operating activities</b>	<u>334,653</u>	<u>225,614</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(21)	(22)
Proceeds from disposal of non-current assets held for sale	-	55,637
Acquisition of property, plant and equipment	(25,672)	(19,172)
Proceeds from disposal of property, plant and equipment	441	762
Decrease in refundable deposits	1,221	19,160
Acquisition of intangible assets	(64)	(408)
Decrease (increase) in other non-current assets	(32,934)	241
Increase in prepayments for equipment	(6,348)	(1,800)
<b>Net cash inflow (outflow) from investing activities</b>	<u>(63,377)</u>	<u>54,398</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase in short-term borrowings	-	171,600
Decrease in short-term borrowings	(462,796)	(455,790)
Proceeds from long-term borrowings	110,000	600,000
Repayments of long-term borrowings	(110,821)	(351,087)
Increase in guarantee deposits	250	1,897
Repayment of the principal portion of lease liabilities	(3,929)	(3,752)
Disposal of subsidiaries' equity	39,927	-
Changes in non-controlling interests	-	(7,749)
<b>Net cash used in financing activities</b>	<u>(427,369)</u>	<u>(44,881)</u>
Effects of exchange rate changes on cash and cash equivalents	(10,619)	31,329
Net increase (decrease) in cash and cash equivalents	(166,712)	266,460
Balance of cash and cash equivalents at the beginning of period	1,956,548	1,186,209
Balance of cash and cash equivalents at the end of the period	<u>\$ 1,789,836</u>	<u>1,452,669</u>

(Please refer to the accompanying notes to the consolidated financial statements for details)

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee



**Reviewed, Not Audited**  
**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Three Months Ended March 31, 2023 and 2022**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

**1. General Information**

YungShin Global Holding Corporation (the "Corporation") was established in January 2011. The Corporation and its subsidiaries (collectively referred herein as the "Group") are mainly engaged in investing, manufacturing and selling medicines, animal drugs, agricultural chemicals, industrial medicine, and cosmetics.

The Corporation was incorporated on January 3, 2011, through a share swap with Yung Shin Pharmaceutical Industrial Company Limited, and the Corporation's shares have been traded on the Taiwan Stock Exchange in the Republic of China since January 3, 2011. Yung Shin Pharmaceutical Industrial Company Limited is a wholly-owned subsidiary of the Corporation.

**2. Approval of Financial Statements**

The consolidated financial statements were issued upon approval by the Board of Directors on May 10, 2023.

**3. Application of New and Amended Standards and Interpretations**

(1) Effect of adopting newly issued and amended standards and interpretations endorsed by the Financial Supervisory Commission (hereinafter referred to as the FSC)

The Group adopted the following newly amended IFRSs effective on January 1, 2023, which have no material impact on the consolidated financial statements.

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities Arising from Single Transaction"

(2) Newly Issued and Amended Standards and Interpretations Not Yet Endorsed by the FSC

The Group expects that the following standards and interpretations issued and amended by the IASB but not yet endorsed by the FSC will not have a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"
- Amendments to IFRS 17 "Insurance Contracts"
- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information "
- Amendment to IFRS 16 "Regulations on Sale and Leaseback Transactions"

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

**4. Summary of Significant Accounting Policies**

Except as described below, the significant accounting policies used in the consolidated financial statements are the same as those used in the consolidated financial statements for the year ended December 31, 2022. Please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2022 for relevant information.

(1) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the "Preparation Regulations") and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. These consolidated financial statements do not include all information required to be disclosed in the annual consolidated financial statements prepared in accordance with IFRSs, IASs, Interpretations and Explanatory Notes (hereinafter referred to as the "IFRSs" endorsed by the FSC) endorsed and issued by the FSC.

(2) Basis of consolidation

The preparation principles used in the consolidated financial statements are the same as those used in the consolidated financial statements for the year ended December 31, 2022. Please refer to Note 4(4) of the consolidated financial statements for the year ended December 31, 2022 for relevant information.

1) Subsidiaries included in the consolidated financial statements are as follows:

Investor Company	Subsidiary Name	Business Activities	Proportion of Ownership (%)			Remark
			2023.3.31	2022.12.31	2022.3.31	
The Corporation	Yung Shin Pharmaceutical Industrial Co., Ltd.	Manufacturing and sale of medicine and cosmetics	100.00%	100.00%	100.00%	
The Corporation	Antec Biotech Co., Ltd.	Extraction and manufacturing of trees	- %	- %	100.00%	Note 1
The Corporation	Chemix Inc. (Chemix)	Sale of medicine	100.00%	100.00%	100.00%	Note 5
The Corporation	YSP International Company Limited (YSP INC)	Trade, investment, and other related businesses	100.00%	100.00%	100.00%	Note 5
The Corporation	Vetnostrum Animal Health Co., Ltd.	Manufacturing and sale of medicine	54.77%	57.04%	100.00%	Note 2
Yung Shin Pharm. Ind. Co., Ltd.	Angel Associates (Taiwan), Inc.	Import and export trading	73.50%	73.50%	73.50%	Note 5
YSP INC	Carlsbad Technology, Inc. (CTI)	Manufacturing and sale of medicine	74.13%	74.13%	74.13%	Note 5
YSP INC	LTC Holding Company Limited (formerly Yung Shin China Holding Company Limited) (LTC Holding)	Trade, investment, and other related businesses	- %	- %	89.81%	Note 3
YSP INC	Shanghai Yung Zip Pharmaceutical Trading Co., Ltd.	Import and export trading	100.00%	100.00%	- %	Notes 4 and 5
YSP INC	Yung Shin Company Limited	Sale of medicine	96.50%	96.50%	96.50%	Note 5
LTC Holding	Tc Pharmaceuticals (Jiangsu) Co., Ltd. (formerly Yung Shin Pharmaceutical Ind. (Kunshan) Co., Ltd.)	Manufacturing of medicine	- %	- %	89.66%	Note 3
LTC Holding	Shanghai Yung Zip Pharmaceutical Trading Co., Ltd.	Import and export trading	- %	- %	100.00%	Note 4

## **YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**

### **Notes to Consolidated Financial Statements (Continued)**

Note 1. The liquidation of Antec Biotech Co., Ltd. was completed in August 2022.

Note 2. On May 24, 2022, the shareholders' meeting of the Group resolved the release of shares of Vetnostrum Animal Health Co., Ltd., as of March 31, 2023 a total of 26,736 thousand shares release for NT\$625,544 thousand. In addition, on December 30, 2022, Vetnostrum Animal Health Co., Ltd. issued 3,212 thousand new shares to employees to exercise their stock options. The Group did not participate in the capital increase proportionally. As a result of the above transaction, the Group's shareholding percentage in Vetnostrum Animal Health Co., Ltd. was adjusted from 100.00% to 54.77%.

Note 3. In June 2022, YSP INC, a subsidiary of the Corporation, sold the equity of LTC Holding and its subsidiary Tc Pharmaceuticals (Jiangsu) Co., Ltd. to Mr. Fang-Chuan Lee, a director of the Corporation.

Note 4. In June 2022, the Group was restructured to adjust its organization structure. YSP INC acquired all the equity of Shanghai Yung Zip Pharmaceutical Trading Co., Ltd. from LTC Holding.

Note 5. The Corporation is not a major subsidiary. Its financial statements have not been reviewed by CPAs.

2) Subsidiaries excluded from the consolidated financial statements: None.

#### **(3) Employee Benefits**

Defined benefit plans for an interim period is calculated on a financial year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations after the closing date and for significant reductions, settlements, or other significant one-off events.

#### **(4) Income Tax**

The Group measures and discloses its income tax expenses for the interim period in accordance with paragraph B12 of IAS 34, "Interim Financial Reporting," endorsed by the FSC.

Income tax expenses are calculated by multiplying net income before income taxes during the interim reporting period by management's best estimates of the estimated effective tax rate for the year and recognizing it in full as current income tax expenses.

Income tax expenses recognized directly in equity items or other comprehensive income are measured as the temporary difference between the carrying amounts of the related assets and liabilities for financial reporting purposes and their tax bases, using the applicable tax rates for expected realization or settlement.

#### **5. Critical accounting Judgements and Key Sources of Estimation Uncertainty And Assumptions**

The preparation of the consolidated financial statements in conformity with the Preparation Guidelines and IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, estimates and assumptions, which may affect the adoption of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from original estimates.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

In preparing the consolidated financial statements, the significant judgments made by management in adopting the Group's accounting policies and the key sources of estimation uncertainty are consistent with Note 5 to the consolidated financial statements for the year ended December 31, 2022.

The Group holds 37.09% of the voting rights of YSP SAH and is the single largest shareholder. The remaining holdings are not concentrated in specific shareholders, however the Group is unable to obtain more than half of the Board of Directors of YSP SAH. As a result, the Group is not able to dominate the relevant activities of YSP SAH and therefore does not have control over the company. Management of the Group believe that the Group has significant influence on YSP SAH and thus presents it as an associate.

**6. Descriptions of Material Accounting Items**

Except as described below, the descriptions on significant accounting items used in the consolidated financial statements are not materially different from those used in the consolidated financial statements for the year ended December 31, 2022. Please refer to Note 6 to Note 32 of the consolidated financial statements for the year ended December 31, 2022 for relevant information.

(1) Cash and cash equivalents

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Cash on hand	\$ 442	325	685
Demand deposits and check deposits	1,709,265	1,952,223	1,445,984
Time deposits	<u>80,129</u>	<u>4,000</u>	<u>6,000</u>
	<u><b>\$ 1,789,836</b></u>	<u><b>1,956,548</b></u>	<u><b>1,452,669</b></u>

Please refer to Note 6(24) for the disclosure of the interest rate risk and sensitivity analysis of the Group's financial assets and liabilities.

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

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Financial assets mandatorily at FVTPL:			
Product development investment agreements	<u><b>\$ 63,482</b></u>	<u><b>63,482</b></u>	<u><b>63,482</b></u>

The Group and other companies signed an investment agreement for product development cooperation. The agreement stipulates that when the product development results are authorized and the authorization fee is obtained, the royalties will be distributed in a certain proportion.

Please refer to Note 6(24) for the amount recognized at fair value through profit or loss.

(3) Financial assets at fair value through other comprehensive income - non-current

## YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

	2023.3.31	2022.12.31	2022.3.31
Equity instruments at fair value through other comprehensive income:			
Listed shares:			
Sawai Pharmaceutical Co., Ltd.	\$ 4,642	5,305	5,584
Ana Holding Inc.	658	651	603
	5,300	5,956	6,187
Unlisted shares:			
Missioncare Co., Ltd.	35,675	33,634	30,536
Missioncare Asset Management Co., Ltd.	7,773	11,949	12,118
Limited Liability Fengyuan Medical Waste Disposal Equipment Used Cooperatives	7	6	7
International Green Handle Co., Ltd.	12	11	12
	43,467	45,600	42,673
Total	\$ 48,767	51,556	48,860

The Group holds the investments in equity instruments as long-term strategic investments that are not held for trading purposes and are therefore designated as at fair value through other comprehensive income.

For the three months ended March 31, 2023 and 2022, the Group did not dispose of the strategic investments. There was no transfer of accumulated gains and losses in equity during the periods. Please refer to Note 6(24) for market risk information.

#### (4) Financial Assets At Amortized Cost - Current

	2023.3.31	2022.12.31	2022.3.31
Time deposits with original maturities of more than 3 months	\$ 2,000	2,000	2,000
Interest rates (%)	1.45	1.45	1.45

The Group assesses that these assets are held to maturity to collect the contractual cash flows and that the cash flows from these financial assets are solely attributable to the payment of principal and interest on the outstanding principal amount. Therefore, they are recognized as financial assets at amortized cost.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

(5) Notes Receivable And Accounts Receivable

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Notes receivable	\$ 251,757	319,306	205,447
Accounts receivable	1,188,853	1,344,014	1,447,804
Accounts receivable from related parties	55,224	75,411	22,337
Less: Loss allowance - notes receivable	(300)	(808)	(296)
Loss allowance - accounts receivable	(7,801)	(6,977)	(20,127)
	<u><u>\$ 1,487,733</u></u>	<u><u>1,730,946</u></u>	<u><u>1,655,165</u></u>

None of the Group's notes receivable and accounts receivable are discounted or provided as collateral.

The Group uses a simplified approach to estimate expected credit losses for all notes receivable and accounts receivable, i.e., it measures expected credit losses during the period. For this purpose, these notes receivable and accounts receivable are grouped according to common credit risk characteristics that represent the customer's ability to pay all amounts due under the terms of the contracts and incorporate forward-looking information, including macro economic and related industry information. Based on the Group's historical experience with credit losses, there are no significant differences in loss patterns among customer groups and therefore no further differentiation of customer groups has been made in the reserve matrix.

The expected credit loss analysis of notes receivable and accounts receivable of the Group is as follows:

	<u>2023.3.31</u>		
	<u>Carrying Amount of Notes Receivable and Accounts Receivable</u>	<u>Weighted Average Expected Credit Loss Rate (%)</u>	<u>Allowance for Expected Credit Losses During the Period</u>
Not past due	\$ 1,443,910	0.38	5,523
1~30 days past due	38,635	0.82	315
31~60 days past due	7,649	1.86	142
61~90 days past due	1,177	5.35	63
91~120 days past due	103	15.53	16
121~180 days past due	637	2.35	15
181~270 days past due	1,545	10.68	165
271~365 days past due	316	-	-
Over 365 days past due	1,862	100.00	1,862
	<u><u>\$ 1,495,834</u></u>		<u><u>8,101</u></u>

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

	<b>2022.12.31</b>		
	<b>Carrying Amount of Notes Receivable and Accounts Receivable</b>	<b>Weighted Average Expected Credit Loss Rate (%)</b>	<b>Allowance for Expected Credit Losses During the Period</b>
Not past due	\$ 1,700,764	0.30	5,069
1~30 days past due	23,525	1.85	436
31~60 days past due	5,555	2.97	165
61~90 days past due	458	12.45	57
91~120 days past due	728	1.92	14
121~180 days past due	1,144	1.66	19
181~270 days past due	3,438	7.16	246
271~365 days past due	1,340	-	-
Over 365 days past due	1,779	100.00	1,779
	<b><u>\$ 1,738,731</u></b>		<b><u>7,785</u></b>

	<b>2022.3.31</b>		
	<b>Carrying Amount of Notes Receivable and Accounts Receivable</b>	<b>Weighted Average Expected Credit Loss Rate (%)</b>	<b>Allowance for Expected Credit Losses During the Period</b>
Not past due	\$ 1,652,452	1.08	17,776
1~30 days past due	10,645	1.37	146
31~60 days past due	6,027	2.29	138
61~90 days past due	1,918	8.24	158
91~120 days past due	1,412	2.41	34
121~180 days past due	568	25.70	146
181~270 days past due	520	6.92	36
271~365 days past due	99	42.42	42
Over 365 days past due	1,947	100.00	1,947
	<b><u>\$ 1,675,588</u></b>		<b><u>20,423</u></b>

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

Changes in loss allowance of notes receivable and accounts receivable of the Group are as follows:

	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Balance on January 1	\$ 7,785	20,726
Recognized losses (gains on reversal)	337	(894)
Difference of foreign exchange	(21)	591
Balance at end of period	<b><u>\$ 8,101</u></b>	<b><u>20,423</u></b>

None of the Group's notes receivable and accounts receivable are discounted or provided as collateral.

(6) Inventories

	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31</b>
Finished goods	\$ 1,116,418	1,011,157	1,154,932
Work in process	146,999	296,061	294,399
Raw materials	1,227,304	1,222,491	1,527,642
Supplies	163,321	142,378	142,581
Inventory in transit	1,812	47,236	10,382
	<b><u>\$ 2,655,854</u></b>	<b><u>2,719,323</u></b>	<b><u>3,129,936</u></b>

In addition to the transfer of inventories from normal sales to operating costs, the Group's total expenses and losses directly included in operating costs are as follows:

	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Write-downs and doubtful losses of inventories (gains on reversal)	\$ 2,174	(2,890)
Inventories loss on scraps	17,354	10,553
Gain on physical inventories	(459)	(38)
Revenue from sale of scraps	(58)	(103)
Total	<b><u>\$ 19,011</u></b>	<b><u>7,522</u></b>

None of the Group's inventories were pledged as collateral.

(7) Investments accounted for using equity method

Investments accounted for using equity method of the Group during the reporting period are as follows:

	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31</b>
Associate	<b><u>\$ 1,090,097</u></b>	<b><u>1,074,868</u></b>	<b><u>992,224</u></b>



**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

1) Associate

Information on associates that are significant to the Group is as follows:

Associate Name	Nature of Relationship with the Group	Principal Place of Business/ Country of Incorporation	Proportion of Ownership and Voting Rights		
			2023.3.31	2022.12.31	2022.3.31
YSP SAH	Biopharmaceutical research and technical services	Malaysia	37.09%	37.13%	37.17%

Fair value of listed associates that are significant to the Group is as follows:

	2023.3.31	2022.12.31	2022.3.31
YSP SAH	\$ 842,858	935,394	688,449

Aggregate financial information of associates that are significant to the Group is as follows.

	2023.3.31	2022.12.31	2022.3.31
Current assets	\$ 2,406,224	2,340,256	952,694
Non-current assets	970,715	980,427	2,172,883
Current liabilities	(493,946)	(460,409)	(452,379)
Non-current liabilities	(198,715)	(212,560)	(231,802)
Net assets	<u>\$ 2,684,278</u>	<u>2,647,714</u>	<u>2,441,396</u>
Net assets attributable to non-controlling interests	<u>\$ 41,779</u>	<u>40,739</u>	<u>37,245</u>
Net assets attributable to owners of investees	<u>\$ 2,642,499</u>	<u>2,606,975</u>	<u>2,404,151</u>

## YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Operating revenue	<u>\$ 662,002</u>	<u>544,353</u>
Net profit of continuing operations for the period	74,899	43,490
Other comprehensive income	<u>(41,636)</u>	<u>59,362</u>
Total comprehensive income	<u>\$ 33,263</u>	<u>102,852</u>
The Group's share of net assets of associates at the beginning of the period	\$ 967,957	855,280
Total comprehensive income for the period attributable to the Group	<u>12,320</u>	<u>38,224</u>
The Group's share of net assets of associates at the end of the period	980,277	893,504
Add: Capital surplus	<u>(228)</u>	<u>-</u>
Carrying amount of the Group's interest in associates at the end of the period	<u>\$ 980,049</u>	<u>893,504</u>

2) Collateral

As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group's investments accounted for using equity method were not pledged as collateral.

3) Unreviewed investments accounted for using equity method

Investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have not been reviewed.

(8) Subsidiaries with significant non-controlling interests

Except as described below, there were no significant changes in the Group's subsidiaries with significant non-controlling interests from January 1 to March 31, 2023 and 2022. Please refer to Note 30 to the consolidated financial statements for the year ended December 31, 2022 for relevant information.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

The non-controlling interests in subsidiaries that are significant to the Group are as follows:

<u>Subsidiary Name</u>	<u>Principal Place of Business/ Country of Incorporation</u>	<u>Proportion of Ownership and Voting Rights of the non-controlling interests</u>		
		<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Vetnostrum Animal Health Co., Ltd.	Taiwan	45.23%	42.96%	- %

Aggregated financial information of the above subsidiaries is as follows. Such information is prepared in accordance with IFRSs endorsed by the FSC and reflecting fair value adjustments and adjustments for differences in accounting policies made by the Group at the date of acquisition. Such financial information represents the amount before elimination of the inter-Group transactions:

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Current assets	\$ 679,104	716,742	645,827
Non-current assets	738,002	756,308	1,199,021
Current liabilities	(331,900)	(411,241)	(286,188)
Non-current liabilities	(10,444)	(12,001)	(251,009)
Net assets	<u>\$ 1,074,762</u>	<u>1,049,808</u>	<u>1,307,651</u>
Net assets attributable to non-controlling interests	<u>\$ 486,121</u>	<u>451,034</u>	<u>-</u>

	<u>January to March, 2023</u>	<u>January to March, 2022</u>
Operating revenue	<u>\$ 313,709</u>	<u>315,013</u>
Net profit for the period	24,955	37,875
Other comprehensive income (loss) for the period	-	-
Total comprehensive income for the period	<u>\$ 24,955</u>	<u>37,875</u>
Net assets attributable to non-controlling interests for the period	<u>\$ 10,798</u>	<u>-</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 10,798</u>	<u>-</u>
Cash generated from operating activities	\$ 71,748	75,531
Cash generated from investing activities	(3,080)	(5,638)
Cash generated from financing activities	(70,000)	(60,000)
Increase (decrease) in cash and cash equivalents	<u>\$ (1,332)</u>	<u>9,893</u>

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

From January 1, 2023 to March 31, 2023, the Group reduced its shareholding in Vetnostrum Animal Health Co., Ltd. due to the share release. The percentage of shareholding was adjusted from 57.04% to 54.77%.

As the above transaction did not change the Group's control over the subsidiary, the Group treated it as an equity transaction.

	<b>January to March, 2022</b>
Cash consideration received	\$ 39,927
Carrying amount of the subsidiary's net assets transferred to non-controlling interests based on the relative changes in equity	(24,288)
Equity transaction differences (recognized as capital surplus)	<u><u>\$ 15,639</u></u>

(9) Property, Plant And Equipment

The changes in the costs, depreciation and impairment losses of the Group's property, plant and equipment are as follows:

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction Process	Total
Costs or recognized costs:								
Balance on January 1, 2023	\$ 2,176,957	3,294,449	3,777,621	43,730	176,776	709,903	100,600	10,280,036
Addition	-	1,134	4,231	-	-	1,335	18,972	25,672
Disposal	-	(84)	(866)	(825)	-	(519)	-	(2,294)
Reclassification (Note)	-	10,652	2,476	-	-	643	(13,359)	412
Effects of exchange rate changes	(1,200)	(4,400)	(3,236)	6	(125)	(193)	1	(9,147)
Balance on March 31, 2023	<u>\$ 2,175,757</u>	<u>3,301,751</u>	<u>3,780,226</u>	<u>42,911</u>	<u>176,651</u>	<u>711,169</u>	<u>106,214</u>	<u>10,294,679</u>
Balance on January 1, 2022	\$ 2,168,487	3,733,456	4,005,380	45,288	188,285	797,267	57,852	10,996,015
Addition	-	210	5,136	1,045	631	2,035	10,115	19,172
Disposal	-	(2,716)	(9,137)	-	(223)	(3,036)	-	(15,112)
Reclassification	-	1,171	7,651	-	-	758	(9,580)	-
Effects of exchange rate changes	2,348	28,423	20,586	272	1,014	4,536	105	57,284
Balance on March 31, 2022	<u>\$ 2,170,835</u>	<u>3,760,544</u>	<u>4,029,616</u>	<u>46,605</u>	<u>189,707</u>	<u>801,560</u>	<u>58,492</u>	<u>11,057,359</u>
Depreciation and impairment losses:								
Balance on January 1, 2023	\$ -	2,500,767	3,243,639	33,172	163,321	641,815	-	6,582,714
Depreciation	-	24,006	33,202	851	1,008	8,272	-	67,339
Disposal	-	(84)	(866)	(603)	-	(519)	-	(2,072)
Effects of exchange rate changes	-	(2,949)	(2,861)	1	(119)	(180)	-	(6,108)
Balance on March 31, 2023	<u>\$ -</u>	<u>2,521,740</u>	<u>3,273,114</u>	<u>33,421</u>	<u>164,210</u>	<u>649,388</u>	<u>-</u>	<u>6,641,873</u>
Balance on January 1, 2022	\$ -	2,658,406	3,260,130	31,094	165,807	675,666	-	6,791,103
Depreciation	-	29,737	41,406	1,175	1,813	11,581	-	85,712
Disposal	-	(2,716)	(9,056)	-	(186)	(2,870)	-	(14,828)
Reclassifications	-	(73)	73	-	-	-	-	-
Effects of exchange rate changes	-	17,343	14,530	179	736	3,292	-	36,080
Balance on March 31, 2022	<u>\$ -</u>	<u>2,702,697</u>	<u>3,307,083</u>	<u>32,448</u>	<u>168,170</u>	<u>687,669</u>	<u>-</u>	<u>6,898,067</u>
Carrying amount:								
Balance on January 1, 2023	<u>\$ 2,176,957</u>	<u>793,682</u>	<u>533,982</u>	<u>10,558</u>	<u>13,455</u>	<u>68,088</u>	<u>100,600</u>	<u>3,697,322</u>
Balance on March 31, 2023	<u>\$ 2,175,757</u>	<u>780,011</u>	<u>507,112</u>	<u>9,490</u>	<u>12,441</u>	<u>61,781</u>	<u>106,214</u>	<u>3,652,806</u>
Balance on March 31, 2022	<u>\$ 2,170,835</u>	<u>1,057,847</u>	<u>722,533</u>	<u>14,157</u>	<u>21,537</u>	<u>113,891</u>	<u>58,492</u>	<u>4,159,292</u>

Note: Transferred from prepayments for equipment.

Please refer to Note 8 for details of long and short-term borrowings and financing limit pledged as collateral as of March 31, 2023, December 31, 2022 and March 31, 2022.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

(10) Right-of-use assets

The changes in the costs, depreciation and impairment losses of the Group's leased lands, buildings and structures, transportation equipment and machinery and equipment are as follows:

	<b>Lands, buildings and structures</b>	<b>Transportation equipment</b>	<b>Machinery and equipment</b>	<b>Total</b>
Costs of right-of-use assets:				
Balance on January 1, 2023	\$ 46,255	29,709	4,375	80,339
Effects of exchange rate changes	(411)	-	(62)	(473)
Balance on March 31, 2023	<b><u>\$ 45,844</u></b>	<b><u>29,709</u></b>	<b><u>4,313</u></b>	<b><u>79,866</u></b>
Balance on January 1, 2022	\$ 106,859	32,824	4,162	143,845
Addition	4,163	432	353	4,948
Lease modifications	(476)	(2,690)	-	(3,166)
Effects of exchange rate changes	3,369	-	(90)	3,279
Balance on March 31, 2022	<b><u>\$ 113,915</u></b>	<b><u>30,566</u></b>	<b><u>4,425</u></b>	<b><u>148,906</u></b>
Depreciation and impairment losses of right-of-use assets:				
Balance on January 1, 2023	\$ 18,659	17,239	3,935	39,833
Depreciation	2,028	2,023	17	4,068
Effects of exchange rate changes	(153)	-	(59)	(212)
Balance on March 31, 2023	<b><u>\$ 20,534</u></b>	<b><u>19,262</u></b>	<b><u>3,893</u></b>	<b><u>43,689</u></b>
Balance on January 1, 2022	\$ 55,962	11,033	3,155	70,150
Depreciation	1,903	2,324	19	4,246
Lease modifications	(476)	(1,491)	-	(1,967)
Effects of exchange rate changes	1,735	-	(69)	1,666
Balance on March 31, 2022	<b><u>\$ 59,124</u></b>	<b><u>11,866</u></b>	<b><u>3,105</u></b>	<b><u>74,095</u></b>
Carrying amount:				
Balance on January 1, 2023	<b><u>\$ 27,596</u></b>	<b><u>12,470</u></b>	<b><u>440</u></b>	<b><u>40,506</u></b>
Balance on March 31, 2023	<b><u>\$ 25,310</u></b>	<b><u>10,447</u></b>	<b><u>420</u></b>	<b><u>36,177</u></b>
Balance on March 31, 2022	<b><u>\$ 54,791</u></b>	<b><u>18,700</u></b>	<b><u>1,320</u></b>	<b><u>74,811</u></b>

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

(11) Investment Properties

	<b>Lands, buildings and structures</b>
Carrying Amount:	
Balance on January 1, 2023	<u>\$ 32,420</u>
Balance on March 31, 2023	<u>\$ 32,077</u>
Balance on March 31, 2022	<u>\$ 34,851</u>

There were no significant additions, disposals, impairments or reversals of investment property of the Group as of January 1 to March 31, 2023 and 2022. Please refer to Note 16 of the consolidated financial statements for the year ended December 31, 2022 for relevant information. The fair value of the Group's investment properties is not materially different from the information disclosed in Note 16 to the consolidated financial statements for the year ended December 31, 2022.

(12) Intangible assets

	<b>Computer software</b>	<b>Trademark rights</b>	<b>Others</b>	<b>Total</b>
Carrying amount:				
Balance on January 1, 2023	<u>\$ 12,821</u>	<u>7,410</u>	<u>509</u>	<u>20,740</u>
Balance on March 31, 2023	<u>\$ 8,308</u>	<u>7,119</u>	<u>163</u>	<u>15,590</u>
Balance on March 31, 2022	<u>\$ 30,216</u>	<u>7,730</u>	<u>2,042</u>	<u>39,988</u>

There were no significant additions, disposals, impairments or reversals of intangible assets of the Group as of January 1 to March 31, 2023 and 2022. Please refer to Note 12 for the amortization amount of the current period.

(13) Short-term borrowings

The details, terms and conditions of the Group's short-term borrowings are as follows:

	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31</b>
Secured bank borrowings	\$ 486,355	514,511	503,142
Unsecured bank borrowings	<u>600,000</u>	<u>1,040,000</u>	<u>1,231,755</u>
Total	<u>\$ 1,086,355</u>	<u>1,554,511</u>	<u>1,734,897</u>
Unutilized amount	<u>\$ 2,542,787</u>	<u>2,083,775</u>	<u>1,963,063</u>
Interest rates (%)	<u>0.48~6.04</u>	<u>0.48~5.48</u>	<u>0.48~3.85</u>

Please refer to Note 8 for the Group's pledged assets as collateral for bank borrowings.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

(14) Long-term borrowings

The details, terms and conditions of the Group's long-term borrowings are as follows:

	<b>2023.3.31</b>		
	<u>Interest rates (%)</u>	<u>Maturity year</u>	<u>Amount</u>
Secured bank borrowings	0.85~1.10	2025	\$ 4,511
Unsecured bank borrowings	0.93~1.63	2025~2026	<u>241,600</u>
Subtotal			246,111
Less: Due within one year			<u>(2,868)</u>
			<u><b>\$ 243,243</b></u>
Unutilized amount			<u><b>\$ 1,457,089</b></u>
	<b>2022.12.31</b>		
	<u>Interest rates (%)</u>	<u>Maturity year</u>	<u>Amount</u>
Secured bank borrowings	0.85~1.10	2025	\$ 5,411
Unsecured bank borrowings	0.93~1.38	2023~2026	<u>241,600</u>
Subtotal			247,011
Less: Due within one year			<u>(113,328)</u>
			<u><b>\$ 133,683</b></u>
Unutilized amount			<u><b>\$ 1,175,501</b></u>
	<b>2022.3.31</b>		
	<u>Interest rates (%)</u>	<u>Maturity year</u>	<u>Amount</u>
Secured bank borrowings	0.85~1.10	2025	\$ 147,999
Unsecured bank borrowings	0.30~0.75	2023~2026	<u>797,000</u>
Subtotal			944,999
Less: Due within one year			<u>(3,360)</u>
			<u><b>\$ 941,639</b></u>
Unutilized amount			<u><b>\$ 1,118,325</b></u>

Please refer to Note 8 for the Group's pledged assets as collateral for bank borrowings.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

(15) Lease liabilities

The carrying amounts of the Group's lease liabilities are as follows:

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Current	\$ 12,396	14,322	13,651
Non-current	11,841	13,918	15,017
Total	<u>\$ 24,237</u>	<u>28,240</u>	<u>28,668</u>

Please refer to Note 6(24) Financial Instruments for maturity analysis.

The amount of leases recognized in profit or loss is as follows:

	<u>January to March, 2023</u>	<u>January to March, 2022</u>
Interest expenses on lease liabilities	<u>\$ 164</u>	<u>74</u>
Expenses relating to low-value lease assets	<u>\$ 1,944</u>	<u>2,214</u>

The amount of leases recognized in statements of cash flows is as follows:

	<u>January to March, 2023</u>	<u>January to March, 2022</u>
Total cash outflow for leases	<u>\$ 11,106</u>	<u>6,040</u>

Prior to commencement of the lease, a subsidiary in the mainland region leased land for the use of plants from the People's Republic of China under prepaid rent with terms of 41 years, the right-of-use assets are transferred upon obtaining the land certificate with fixed amortization of installments during the lease period.

The Group leases a number of machines and transportation equipment for business use, and their lease terms range from 2 to 4 years. At the end of the lease term, the lease agreement do not entitle the Group to renew the lease agreements or acquire the assets.

The Group also leases a number of land and buildings for use as plants and offices. The lease terms range from 2 to 10 years. At the end of the lease term, the Group has no preferential right to acquire the leased building.

The Group has elected to apply the recognition exemption to certain leases of office equipment and other equipment that qualify as low-value asset leases, and thus did not recognize right-of-use assets and lease liabilities for these leases.

(16) Employee Benefits

1) Defined benefit plans

The Group used the actuarially determined pension cost as of December 31, 2022 and 2021 to measure and disclose the pension costs for the interim period as there were no significant market fluctuations, and no significant reductions, liquidations or other significant one-time events after the end of the previous financial year.



**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

The pension costs under the defined benefit plans for January 1 to March 31, 2023 and 2022 amounted to NT\$430 and NT\$372, respectively.

The Group makes monthly contributions to the pensions provided for its appointed managers at 1% of their gross salaries. The pension costs recognized by the Group under the above pension plans for January 1 to March 31, 2023 and 2022 amounted to NT\$1,547 thousand and NT\$1,318 thousand, respectively.

2) Defined contribution plans

The Group's pension system under the "Labor Pension Act" is a government-administered defined contribution pension plan that contributes 6% of employees' monthly salaries to the individual accounts of the Bureau of Labor Insurance. The pension costs recognized by the Group under the above pension plans for January 1 to March 31, 2023 and 2022 amounted to NT\$12,160 thousand and NT\$13,839 thousand, respectively.

(17) Income Tax

The details of the Group's income tax expenses for January 1 to March 31, 2023 and 2022 are as follows:

	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Current income tax expenses	<b><u>\$ 55,839</u></b>	<b><u>58,551</u></b>

The details of the Group's income tax expenses (gains) recognized under other comprehensive income for January 1 to March 31, 2023 and 2022 are as follows:

	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	<b><u>\$ (4,641)</u></b>	<b><u>9,634</u></b>

The Corporation tax return has been assessed by tax authorities through 2020.

(18) Capital and Other Equity

Except as described below, there were no significant changes in the Group's capital and other equity between January 1, 2023 and March 31, 2022. Please refer to Note 23 of the consolidated financial statements for the year ended December 31, 2022 for relevant information.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

On March 29, 2023, the Board of Directors resolved the distribution of earnings for 2022. The cash dividends were authorized by a special resolution of the Board of Directors in accordance with the Corporation's Articles of Incorporation, pending the resolution of the shareholders' meeting. On May 24, 2022, the shareholders' meeting resolved the distribution of earnings for the year 2021, and the amount of dividends to be distributed to owners is as follows:

	<b>2022</b>	<b>2021</b>
Dividends distributed to owners of ordinary shares:		
Cash dividend	<u><u>\$ 612,773</u></u>	<u><u>452,919</u></u>
Distribution rate (NT\$)	<u><u>\$ 2.30</u></u>	<u><u>1.70</u></u>

The distribution of earnings for the year 2022 has not been paid as of March 31, 2023 and is recorded under other current liabilities.

Information on the distribution of earnings approved by the Board of Directors and resolved at the shareholders' meeting can be found on the MOPS.

(19) Share-based payments

Except as described below, there were no significant changes in the Group's share-based payments from January 1 to March 31, 2023 and 2022. Please refer to Note 28 to the consolidated financial statements for the year ended December 31, 2022 for relevant information. Information about employee stock options issued by the subsidiary Vetrostrum Animal Health Co. Ltd. from January 1 to March 31, 2023 and 2022 is as follows:

	<b>January to March, 2023</b>		<b>January to March, 2022</b>	
	<b>Number of stock options</b>	<b>Weighted average exercise price (NT\$)</b>	<b>Number of stock options</b>	<b>Weighted average exercise price (NT\$)</b>
Outstanding as of January 1	193	\$ 16.50	4,625	18.90
Number of options granted for the period	-	-	-	-
Number of options lost for the period	-	-	<u>(935)</u>	-
Outstanding as of March 31	<u><u>193</u></u>	16.50	<u><u>3,690</u></u>	18.90
Exercisable as of March 31	<u><u>193</u></u>	16.50	<u><u>-</u></u>	-

The costs of remuneration recognized from January 1 to March 31, 2023 and 2022 amounted to NT\$0 and NT\$178 thousand respectively.

(20) Earnings Per Share

The calculations of basic earnings per share and diluted earnings per share are as follows:

## YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

1) Basic earnings per share		<b>January to March, 2023</b>	<b>January to March, 2022</b>
Net income attributable to equity holders of the Corporation's ordinary shares	\$	<u>172,405</u>	<u>224,709</u>
Weighted average number of ordinary shares outstanding		<u>266,365</u>	<u>266,365</u>
Basic earnings per share (NT\$)	\$	<u>0.65</u>	<u>0.84</u>
2) Diluted earnings per share		<b>January to March, 2023</b>	<b>January to March, 2022</b>
Net income attributable to equity holders of the Corporation's ordinary shares	\$	<u>172,405</u>	<u>224,709</u>
Weighted average number of ordinary shares outstanding		266,365	266,365
Effect of potentially dilutive ordinary shares			
Effect of employees' stock compensation		74	74
Weighted average number of ordinary shares outstanding (diluted)		<u>266,439</u>	<u>266,439</u>
Diluted earnings per share (NT\$)	\$	<u>0.65</u>	<u>0.84</u>
(21) Revenue from contracts with customers			
1) Breakdown of revenue		<b>January to March, 2023</b>	<b>January to March, 2022</b>
Major regional markets:			
Taiwan	\$	1,367,809	1,269,320
U.S.A.		122,221	140,479
China		20,584	403,005
Japan		<u>160,645</u>	<u>141,618</u>
	\$	<u>1,671,259</u>	<u>1,954,422</u>
Main product/service lines:			
Human drugs	\$	1,090,060	1,366,153
Health food		176,179	176,941
Animal drugs		364,792	356,681
Others		<u>40,228</u>	<u>54,647</u>
	\$	<u>1,671,259</u>	<u>1,954,422</u>

## YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

2) Contract balance

	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31</b>
Notes receivable	\$ 251,757	319,306	205,447
Accounts receivable	1,188,853	1,344,014	1,447,804
Accounts receivable from related parties	55,224	75,411	22,337
Less: Loss allowance - notes receivable	(300)	(808)	(296)
Loss allowance - accounts receivable	(7,801)	(6,977)	(20,127)
<b>Total</b>	<b>\$ 1,487,733</b>	<b>1,730,946</b>	<b>1,655,165</b>
<b>Contract liabilities - current</b>			
Customer loyalty programs	\$ 8,549	8,549	8,549
Sales revenue received in advance	9	363	16,157
<b>Total</b>	<b>\$ 8,558</b>	<b>8,912</b>	<b>24,706</b>
<b>Refund liabilities</b>			
Current	\$ 14,930	34,108	10,345
Non-current	142,772	142,772	-
<b>Total</b>	<b>\$ 157,702</b>	<b>176,880</b>	<b>10,345</b>
<b>Contract liabilities - non-current</b>			
Sales revenue received in advance	<b>\$ 350,933</b>	<b>350,933</b>	<b>350,933</b>

Please refer to Note 6(5) for the disclosure of notes receivable and accounts receivable and their impairment losses.

(22) Employees' compensation and directors' remuneration

In accordance with the Corporation's Articles of Incorporation, the Corporation shall accrue employees' compensation at rates that are not lower than 0.3% and remuneration of directors not higher than 2% at profit before tax. However, if the Corporation has accumulated losses, the amount of the indemnification should be reserved in advance.

Such employees' compensation may be distributed in the form of stock or cash and its payable to employees of affiliated companies who meet the criteria set by the Board of Directors. The aforementioned remuneration of directors shall be paid in cash only.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

The estimated amounts of employees' compensation and remuneration of directors for January 1 to March 31, 2023 and 2022 amounted to NT\$545 thousand and NT\$793 thousand, respectively, and NT\$3,631 thousand and NT\$5,285 thousand, respectively, which were based on the Corporation's profit before income tax before deducting employees' compensation and remuneration of directors during each of the period multiplied by the distribution percentages of employees' compensation and remuneration of directors as stipulated in the Corporation's Articles of Incorporation, and reported as operating expenses during the period. If the actual distribution amount differs from the estimated amount in the following year, the difference is accounted for as a change in accounting estimate and recognized as profit or loss in the following year.

The amount of remuneration of directors for 2022 resolved by the Board of Directors of the Group in 2023 amounted to NT\$18,053 thousand, which was not different from the amount estimated in the consolidated financial statements for 2022. The amount of remuneration of directors for 2021 resolved by the Board of Directors in 2022 amounted to NT\$15,715 thousand, which was different from the amount estimated in the consolidated financial statements for 2021 by NT\$7 thousand. The difference is mainly due to the difference in accounting estimates. The Corporation has treated the difference as a change in accounting estimates and recognized the difference as profit or loss for 2022. Relevant Information can be found on the "Market Observation Post System" website of Taiwan Stock Exchange.

(23) Non-operating income and expenses

1) Interest income

	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Interest on bank deposits	<b>\$ 8,400</b>	<b>647</b>

2) Other income

	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Rental income	1,487	1,346
Development and testing income	-	5,729
Other income	4,119	7,727
	<b>\$ 5,606</b>	<b>14,802</b>

## YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

3) Other gains and losses

	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Gain on disposal of property, plant and equipment	\$ 219	478
Gains on lease modifications	-	9
Gain on disposal of non-current assets held for sale	-	7,823
Net foreign exchange gains (losses)	(14,825)	18,039
Depreciation expenses of investment properties	(430)	(666)
Gain on disposal of subsidiaries	-	226
Others	(1,805)	(868)
	<b>\$ (16,841)</b>	<b>25,041</b>

4) Finance costs

	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Interest on bank loans	\$ 8,698	6,506
Interest on lease liabilities	164	74
	<b>\$ 8,862</b>	<b>6,580</b>

(24) Financial Instruments

1) Credit risk

a. Credit risk exposure

The carrying amount of financial assets represents the maximum amount of credit risk exposure.

b. Credit risk concentration

The accounts receivable of the Group cover a large number of customers and spread across different industries and geographical regions. The Group continuously evaluates the business and financial status of the customers and monitors the collection of accounts receivable.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

2) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest but excluding the effect of net amount agreements.

	Carrying Amount	Contractual cash flow	Within 1 year	1-2 years	2-5 years	Over 5 years
<b>March 31, 2023</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,086,355	1,117,381	1,117,381	-	-	-
Notes payable	14,467	14,467	14,467	-	-	-
Accounts payable (including related parties)	551,267	551,267	551,267	-	-	-
Other payables	426,835	424,202	424,202	-	-	-
Dividends payable	612,773	612,773	612,773	-	-	-
Long-term borrowings (including those due within one year)	246,111	253,892	6,484	114,417	132,991	-
Lease liabilities	24,237	24,823	12,598	11,776	449	-
Deposits received	274	274	-	-	-	274
	<u>\$ 2,962,319</u>	<u>2,999,079</u>	<u>2,739,172</u>	<u>126,193</u>	<u>133,440</u>	<u>274</u>
<b>December 31, 2022</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,554,511	1,566,492	1,566,492	-	-	-
Notes payable	677	677	677	-	-	-
Accounts payable (including related parties)	445,815	445,815	445,815	-	-	-
Other payables	673,407	673,407	673,407	-	-	-
Long-term borrowings (including those due within one year)	247,011	252,635	115,756	3,301	133,578	-
Lease liabilities	28,240	30,777	20,988	6,664	3,125	-
Deposits received	24	24	-	-	-	24
	<u>\$ 2,949,685</u>	<u>2,969,827</u>	<u>2,823,135</u>	<u>9,965</u>	<u>136,703</u>	<u>24</u>
<b>March 31, 2022</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,734,897	1,740,301	1,740,301	-	-	-
Notes payable	17,760	17,760	17,760	-	-	-
Accounts payable (including related parties)	506,636	506,636	506,636	-	-	-
Other payables	740,904	740,944	740,944	-	-	-
Long-term borrowings (including those due within one year)	944,999	956,442	20,055	847,067	89,320	-
Lease liabilities	28,668	30,206	14,721	11,079	4,406	-
Deposits received	56,777	56,777	-	-	-	56,777
	<u>\$ 4,030,641</u>	<u>4,049,066</u>	<u>3,040,417</u>	<u>858,146</u>	<u>93,726</u>	<u>56,777</u>

The Group does not expect the timing of cash flows for the maturity analysis to be significantly earlier or the actual amounts to be significantly different.

3) Exchange rate risk

a. Exchange rate risk exposure

The Group's financial assets and liabilities exposed to significant foreign currency exchange rate risk are as follows:

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

	2023.3.31			2022.12.31			2022.3.31		
	Foreign Currency	Exchange Rate	New Taiwan Dollar	Foreign Currency	Exchange Rate	New Taiwan Dollar	Foreign Currency	Exchange Rate	New Taiwan Dollar
<u>Financial Assets</u>									
<u>Monetary items</u>									
USD	\$ 43,277	30.45	1,317,794	42,759	30.71	1,313,136	21,458	28.63	614,235
RMB	19,789	4.43	87,691	23,654	4.41	104,300	25,356	4.51	114,335
JPY	130,123	0.23	29,772	112,669	0.23	26,184	75,562	0.24	17,780
<u>Financial Liabilities</u>									
<u>Monetary items</u>									
USD	1,756	30.45	53,459	1,013	30.71	31,113	5,846	28.63	167,342
RMB	1,796	4.43	7,956	-	-	-	1	4.51	5
JPY	8,020	0.23	1,835	3,828	0.23	890	19,739	0.24	4,645
EUR	1,005	33.15	33,316	947	32.72	30,992	1,134	31.92	36,197

b. Exchange rate sensitivity analysis

The Group's exchange rate risk arises mainly from foreign currency-denominated in cash and cash equivalents, accounts receivable (including related parties), other receivables, accounts payable (including related parties) and other payables, which result in foreign currency exchange gains or losses upon translation. As of March 31, 2023 and 2022, when the New Taiwan dollar depreciates or appreciates by 1% against the USD, JPY, EMB and EUR, with all other factors held constant, profit before income tax would increase or decrease by NT\$13,387 thousand and NT\$5,382 thousand from January 1 to March 31, 2023 and 2022, respectively. The analysis for both periods is performed on the same basis.

c. Exchange gains and losses on monetary items

Due to the variety of currencies in which the Group transacts, information on exchange gains and losses on monetary items is disclosed on a consolidated basis. The foreign currency exchange gains and losses (both realized and unrealized) from January 1 to March 31, 2023 and 2022 amounted to NT\$(14,825) thousand and NT\$18,039 thousand, respectively.

4) Interest rate analysis

The sensitivity analysis below was determined based on the exposure to interest rates for non-derivative instruments on the reporting date. For floating rate financial instruments, the analysis was prepared assuming the amount of each asset and liability outstanding on the reporting date during the year. The change rate used in reporting interest rates within the Group to key management is a 0.1% increase or decrease in interest rates, which represents the management's assessment of the range of reasonably possible changes in interest rates.



## YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

If interest rates increase or decrease by 0.1% with all other variables held constant, profit before income tax would decrease or increase by approximately NT\$333 thousand and NT\$670 thousand for January 1 to March 31, 2023 and 2022, respectively, primarily due to the Group's variable-rate bank borrowings.

5) Other price risks

If the price of equity securities had changed at the reporting date (the same basis was used in the analysis for both periods with all other variables held constant), the effect on the consolidated income statement items would be as follows:

<b>Price of securities on the reporting date</b>	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Increase by 1%	<b>\$ 488</b>	<b>489</b>
Decrease by 1%	<b>\$ (488)</b>	<b>(489)</b>

6) Fair Value Information

a. Categories and fair value of financial instruments

The Group's financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amounts and fair values of each category of financial assets and financial liabilities (including fair value hierarchy information, except for financial instruments not carried at fair value whose carrying amounts are a reasonable approximation of fair value and lease liabilities for which disclosure of fair value information is not required by regulation) are listed as follows:

	<b>2023.3.31</b>				
	<b>Carrying Amount</b>	<b>Fair Value</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>		
Financial assets at FVTPL					
Non-derivative financial assets mandatorily at FVTPL	\$ 63,482	-	-	63,482	63,482
Financial assets at FVTOCI					
Listed shares	5,300	5,300	-	-	5,300
Non-publicly quoted equity instruments measured at fair value	43,467	-	-	43,467	43,467
Subtotal	48,767	5,300	-	43,467	48,767
Total	<b>\$ 112,249</b>	<b>5,300</b>	-	<b>106,949</b>	<b>112,249</b>

## YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

	2022.12.31				
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Non-derivative financial assets mandatorily at FVTPL	\$ 63,482	-	-	63,482	63,482
Financial assets at FVTOCI					
Listed shares	5,956	5,956	-	-	5,956
Non-publicly quoted equity instruments measured at fair value	45,600	-	-	45,600	45,600
Subtotal	51,556	5,956	-	45,600	51,556
Total	<u>\$ 115,038</u>	<u>5,956</u>	<u>-</u>	<u>109,082</u>	<u>115,038</u>
	2022.3.31				
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Non-derivative financial assets mandatorily at FVTPL	\$ 63,482	-	-	63,482	63,482
Financial assets at FVTOCI					
Listed shares	6,187	6,187	-	-	6,187
Non-publicly quoted equity instruments measured at fair value	42,673	-	-	42,673	42,673
Subtotal	48,860	6,187	-	42,673	48,860
Total	<u>\$ 112,342</u>	<u>6,187</u>	<u>-</u>	<u>106,155</u>	<u>112,342</u>

b. Fair value evaluation techniques

If there is an active market for a financial instrument, the fair value is based on the quoted market price in the active market. Market prices announced by major exchanges are the basis for the fair value of listed equity instruments.

A financial instrument has an active market for public quotations if public quotations are obtained from an exchange, broker, underwriter, industry association, pricing service or competent authority in a timely manner and on a regular basis, and if the prices represent actual and frequent arm's-length market transactions. If these conditions are not met, the market is not considered active. In general, significant spreads, significant increases in spreads, or low trading volume are all indicators of an inactive market.

## YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

The fair values of financial instruments held by the Group that have an active market are presented by category and attribute:

- The fair value of listed stocks, which are financial assets with standard terms and conditions and traded in an active market, is determined by reference to quoted market prices.

Except for the above financial instruments with active markets, the fair values of the remaining financial instruments are obtained by using valuation techniques or by referring to quoted prices from counterparties. The fair value obtained through valuation techniques may be calculated by reference to the current fair value of other financial instruments with substantially similar conditions and characteristics, the cash flow discount method, or other valuation techniques, including the use of models based on market information available at the consolidated balance sheet date.

The fair values of financial instruments held by the Group that have an inactive market are presented by category and attribute:

- Investments in non-derivative financial assets without publicly quoted prices: By referring to the most recent investment price.
- Equity instruments without publicly quoted prices: The fair value is estimated using market comparable companies method. The main assumptions are based on the multiplier of the net share price of the investee and the net share price derived from the quoted market prices of comparable listed companies. This estimate is adjusted for the effect of the lack of marketability discount on the equity securities.

c. Level 3 change details

	<b>Measured at FVTPL</b>	<b>Measured at FVTOCI</b>	<b>Total</b>
January 1, 2023	\$ 63,482	45,600	109,082
Total gains and losses			
Recognized in other comprehensive income	-	(2,133)	(2,133)
March 31, 2023	<b>\$ 63,482</b>	<b>43,467</b>	<b>106,949</b>
January 1, 2022	\$ 63,482	41,599	105,081
Total gains and losses			
Recognized in other comprehensive income	-	1,074	1,074
March 31, 2022	<b>\$ 63,482</b>	<b>42,673</b>	<b>106,155</b>

d. Quantitative information on fair value measurements of significant unobservable

## YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

inputs (Level 3)

The Group's fair value measurements classified as Level 3 are mainly financial assets at fair value through other comprehensive income and non-derivative financial assets mandatorily at fair value through profit or loss - product development investment agreements.

The Group's investments in equity instruments with inactive market have plural significant unobservable inputs. The significant unobservable inputs of the investments in equity instruments with inactive market are not correlated with each other as they are independent of each other.

The product development investment agreements of the Group are not included in the disclosure of quantitative information on significant unobservable inputs and sensitivity analysis of fair value to reasonably possible alternative assumptions as the relationship between significant unobservable inputs and fair value cannot be fully captured in practice.

The quantitative information for significant unobservable inputs is listed as follows:

Item	Valuation Technique	Significant Unobservable Input	Relationship Between Significant Unobservable Inputs and Fair Value
Financial assets at FVTOCI - investment in equity instruments with inactive market	Market method (comparable companies in the market)	<ul style="list-style-type: none"> <li>• PB Ratio multiplier (0.81~2.06, 0.73~1.34 and 0.82~1.76 as of 2023.3.31, 2022.12.31 and 2022.3.31, respectively)</li> <li>• Lack of marketability discount (all 35% as of 2023.3.31, 2022.12.31 and 2022.3.31)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the multiple, the higher the fair value</li> <li>• The higher the discount for lack of marketability, the lower the fair value</li> </ul>

- e. For Level 3 fair value measurements, the sensitivity analysis of the fair value to reasonably possible alternative assumptions

## YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

The Group's fair value measurement of financial instruments is reasonable. However, the use of different valuation models or valuation parameters may result in different valuation results. For financial instruments classified as Level 3, if the valuation parameters change, the effect on other comprehensive income for the period would be as follows:

	<u>Input Value</u>	<u>Upward or Downward Change</u>	<u>Fair value Changes Reflected in Other Comprehensive Income</u>	
			<u>Favorable Changes</u>	<u>Unfavorable Changes</u>
<b>March 31, 2023</b>				
Financial assets at FVTOCI				
Investment in equity instruments with an inactive market	PB Ratio multiplier	5%	\$ 2,211	(2,211)
	Lack of marketability discount	5%	3,372	(3,372)
<b>December 31, 2022</b>				
Financial assets at FVTOCI				
Investment in equity instruments with an inactive market	PB Ratio multiplier	5%	\$ 2,280	(2,280)
	Lack of marketability discount	5%	3,508	(3,508)
<b>March 31, 2022</b>				
Financial assets at FVTOCI				
Investment in equity instruments with an inactive market	PB Ratio multiplier	5%	\$ 2,224	(2,224)
	Lack of marketability discount	5%	3,336	(3,336)

Favorable and unfavorable changes in the Group represent fluctuations in fair value, which is calculated using valuation techniques based on varying degrees of unobservable input parameters. If the fair value of a financial instrument is affected by more than one input, the above table reflects the effect of changes in a single input and does not take into account the correlation and variability among the inputs.

There was no transfer in the fair value hierarchy of financial assets (liabilities) from January 1 to March 31, 2023 and 2022.

#### (25) Financial risk management

The Group's financial risk management objectives and policies have not changed significantly from those disclosed in Note 32(4) to the consolidated financial statements for the year ended December 31, 2022.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

(26) Capital Management

The Group's capital management objectives, policies and procedures are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2022. There were no significant changes in the aggregated quantitative information for the items under capital management from that disclosed in the consolidated financial statements for the year ended December 31, 2022. Please refer to Note 31 to the consolidated financial statements for the year ended December 31, 2022 for relevant information.

(27) Non-cash Transaction Investment and Financing Activities

1) The Group's non-cash transaction investing and financing activities for January 1 to March 31, 2023 and 2022 were the acquisition of right-of-use assets by lease. Please refer to Note 6(10) for details.

2) A reconciliation of the liabilities from financing activities is as follows:

	2023.1.1	Cash Flow		Non-cash Changes			2023.3.31
		Increase	Decrease	Lease Changes	Addition	Exchange rate changes	
Long-term borrowings	\$ 247,011	-	(821)	-	-	(79)	246,111
Short-term borrowings	1,554,511	-	(462,796)	-	-	(5,360)	1,086,355
Lease liabilities	28,240	-	(3,929)	-	-	(74)	24,237
Total liabilities from financing activities	<b>\$ 1,829,762</b>	<b>-</b>	<b>(467,546)</b>	<b>-</b>	<b>-</b>	<b>(5,513)</b>	<b>1,356,703</b>

	2022.1.1	Cash flow		Non-cash Changes			2022.3.31
		Increase	Decrease	Lease Changes	Addition	Exchange rate changes	
Long-term borrowings	\$ 696,260	600,000	(351,087)	-	-	(174)	944,999
Short-term borrowings	2,001,136	171,600	(455,790)	-	-	17,951	1,734,897
Lease liabilities	28,700	-	(3,752)	(1,208)	4,948	(20)	28,668
Total liabilities from financing activities	<b>\$ 2,726,096</b>	<b>771,600</b>	<b>(810,629)</b>	<b>(1,208)</b>	<b>4,948</b>	<b>17,757</b>	<b>2,708,564</b>

**7. Related Parties Transactions**

(1) Related party name and relationship

The related parties with whom the Group had transactions during the period covered by these consolidated financial statements are as follows:

<b>Related Party Name</b>	<b>Relationship with the Group</b>
Yung Zip Chemical Ind. Co., Ltd. (Yung Zip)	Associate
Y.S.P. Southeast Asia Holding Bhd. (YSP SAH)	Associate
Y.S.P. Industries (M) Sdn. Bhd. (YSPI)	Associate
Taiwan Way Chein Industrial Co., Ltd.	Associate
LTC Holding Company Limited(originally Yung Shin China Holding Company Limited) (LTC Holding)	Substantial related party (Note)
Tc Pharmaceuticals (Jiangsu) Co., Ltd. (formerly Yung Shin Pharmaceutical Ind. (Kunshan) Co., Ltd.)	Substantial related party (Note)

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

<b>Related Party Name</b>	<b>Relationship with the Group</b>
Fang-Chuan Lee, Fang-Yu Lee, etc.	Substantial related party
Yung Shin Amusement Co., Ltd.	Substantial related party
Yung Shin Social Welfare Foundation (Yung Shin Social Welfare)	Substantial related party
Tien Te Lee Biomedical Foundation (Biomedical Foundation)	Substantial related party
Yung Shin Elderly Nursing Home	Substantial related party
Bio-X Lab Co., Ltd.	Substantial related party
E & A Health Develop Co., Ltd.	Substantial related party
Yung Shin (Meishan) Forest Trading Co., Ltd. (Yung Shin Meishan)	Substantial related party
isRed Pharma & Biotech Research Co., Ltd. (isRed)	Substantial related party
Pan Pharm Alliance Co., Ltd.	Substantial related party

Note: On June 30, 2022, YSP INC, a subsidiary of the Corporation, transferred the equity of LTC Holding and its subsidiary Tc Pharmaceuticals (Jiangsu) Co., Ltd. to Mr. Fang-Chuan Lee, a director of the Corporation. Therefore, its relationship with the Group changed to that of a material related party after the date.

(2) Significant transactions with related parties

1) Operating revenue

<b>Relationship with the Group</b>	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Associate	\$ 33,105	21,938
Substantial related party	2,734	46
	<b><u>\$ 35,839</u></b>	<b><u>21,984</u></b>

Except for the transaction with YSPI that has no similar type of transactions to be compared with, the prices of other sales above are the same as the general sales. The collection terms to related parties are the same as those to third parties.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

2) Purchase of goods

<b>Relationship with the Group</b>	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Associate	\$ 14,163	13,389
Substantial related party	717	730
	<b>\$ 14,880</b>	<b>14,119</b>

The aforementioned purchasing price of goods from related parties is based on regular commercial terms and conditions. The payment term is the same with regular suppliers.

3) Receivables from related parties

<b>Financial Statement Account</b>	<b>Relationship with the Group</b>	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31</b>
Accounts receivable	Associate			
	YSPI	\$ 53,659	71,810	16,736
	Yung Zip	-	3,581	5,565
	Others	1,537	-	16
	Substantial related party	28	20	20
		<u>55,224</u>	<u>75,411</u>	<u>22,337</u>
Other receivables	Associate	184	704	983
	Substantial related party			
	LTC Holding	-	11,249	-
	Yung Shin Meishan	-	-	11,333
	Others	684	125	225
		<u>868</u>	<u>12,078</u>	<u>12,541</u>
		<b>\$ 56,092</b>	<b>87,489</b>	<b>34,878</b>

As of March 31, 2023, December 31, 2022 and March 31, 2022, no allowance for losses was provided for the above receivables.



## YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements (Continued)

4) Payables to related parties

<b>Financial Statement Account</b>	<b>Relationship with the Group</b>	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31</b>
Accounts payable	Associate			
	Yung Zip	\$ 22,636	20,158	20,736
	Others	1,438	872	2,942
		<u>24,074</u>	<u>21,030</u>	<u>23,678</u>
Other Payables	Associate	1,281	2,368	-
	Substantial related party	14	18	3,602
		<u>1,295</u>	<u>2,386</u>	<u>3,602</u>
		<b><u>\$ 25,369</u></b>	<b><u>23,416</u></b>	<b><u>27,280</u></b>

5) Operating expenses

<b>Relationship with the Group</b>	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Substantial related party	<u>\$ 3,747</u>	<u>7,781</u>

6) Lease income

The Group leased out investment properties of land and buildings to associates and substantial related parties. The Group received fixed monthly lease payments according to rental rate for similar assets.

<b>Relationship with the Group</b>	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Associate	\$ 164	164
Substantial related party	45	45
	<u>\$ 209</u>	<u>209</u>

7) Property transactions

<b>Relationship with the Group</b>	<b>January to March, 2023</b>		<b>January to March, 2022</b>	
	<b>Proceeds from Disposal</b>	<b>Gain on disposal</b>	<b>Proceeds from Disposal</b>	<b>Gain on disposal</b>
Substantial related party	<u>\$ -</u>	<u>-</u>	<u>686</u>	<u>686</u>

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

(3) Key management compensation

Key management compensation includes:

	<b>January to March, 2023</b>	<b>January to March, 2022</b>
Short-term employee benefits	\$ 4,669	3,755
Post-employment benefits	33	21
	<b>\$ 4,702</b>	<b>3,776</b>

**8. Pledged Assets**

The carrying amount of the assets pledged as collateral by the Group is as follows:

<b>Asset Name</b>	<b>Subject of Pledge</b>	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31</b>
Property, plant and equipment:				
Land	Long- and short-term borrowings	\$ 421,003	421,399	634,126
Buildings and structures	Long- and short-term borrowings	56,017	60,870	365,279
Other Non-Current Assets:				
Restricted assets	Natural gas guarantee	4,000	4,000	4,000
		<b>\$ 481,020</b>	<b>486,269</b>	<b>1,003,405</b>

**9. Significant Contingent Liabilities and Unrecognized Contract Commitments**

(1) Capital expenditure contracted for at the balance sheet date but unrecognized is as follows:

	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31</b>
Property, plant and equipment	<b>\$ 59,965</b>	<b>76,750</b>	<b>111,498</b>

(2) The Group appointed other biotechnology companies to authorize and transfer technology and research and development. Expenses that have not been recognized from signed contracts are as follows:

	<b>2023.3.31</b>	<b>2022.12.31</b>	<b>2022.3.31</b>
Authorization and transfer of technology and research and development	<b>\$ 58,747</b>	<b>61,114</b>	<b>71,748</b>

Except for aforementioned expenses, royalty to be paid in the future is based on an agreed upon percentage of product sales.

**10. Losses due to Major Disasters: None.**

**11. Significant Subsequent Events: None.**

**12. Others**

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

- (1) The employee benefits, depreciation, depletion and amortization expense functions are summarized as follows:

Function Nature	January to March, 2023			January to March, 2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefit expenses						
Salary	144,162	229,307	373,469	147,580	261,321	408,901
Labor and health insurance	19,529	19,285	38,814	18,900	20,185	39,085
Pension costs	6,594	7,543	14,137	6,425	9,104	15,529
Other employee benefit expenses	1,923	3,828	5,751	3,703	6,183	9,886
Depreciation (Note)	57,969	13,438	71,407	73,008	16,950	89,958
Amortization	553	4,658	5,211	652	5,161	5,813

Note: Depreciation expense of NT\$430 thousand and NT\$666 thousand incurred from January 1 to March 31, 2023 and 2022, respectively, on investment property is recorded under other gains and losses.

- (2) Operating seasons:

The Group's operations are not affected by seasonal or cyclical factors.

### 13. Separately Disclosed Items

- (1) Information on Significant Transactions

Information regarding significant transactions that should be disclosed by the Group in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the period from January 1 to March 31, 2023 is as follows:

- 1) Financing provided to others: None.
- 2) Endorsements/guarantees provided for others:

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

No. (Note 1)	Endorser/ Guarantor	Endorsee/ Guarantee Name of Company	Relationship (Note 2)	Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at End of Period (Note 5)	Actual Amount Used	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 4)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
0	The Corporation	Chemix	2	1,431,978	157,872	157,872	134,992	-	2.20%	3,579,946	Y	N	N
0	The Corporation	CTI	2	1,431,978	822,960	822,150	351,363	-	11.48%	3,579,946	Y	N	N

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

1. The Corporation 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 categories; the number of category in each case belongs to:

1. Having business relationship.
2. A company in which the Corporation directly and indirectly holds more than 50% of the voting shares.

Note 3. The total amount of endorsement and guarantee for a single enterprise by the Corporation shall not exceed 20% of the net value of the most recent financial statement of the Corporation at the time of providing endorsement and guarantee.

Note 4. The total amount of cumulative endorsement and guarantee shall not exceed 50% of the net value of the most recent financial statements of the Corporation.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

3) Marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures):

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	At The End Of The Period				Remarks
				Number of shares/units	Carrying Amount	Percentage of Ownership	Fair Value	
Chemix	Stock - Sawai Pharmaceutical Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	5,558	4,642	- %	4,642	
	Stock - Ana Holding Inc.	None	"	1,000	658	- %	658	
	Yung Shin Pharm. Ind. Co., Ltd.	None	"	3,161,052	35,675	2.17%	35,675	
	Stock - Missioncare Asset Management Co., Ltd.	None	"	1,338,947	7,773	2.13%	7,773	
	Stock - Limited Liability Fengyuan Medical Waste Disposal Equipment Used Cooperatives	None	"	1,000	7	0.07%	7	
	Stock - International Green Handle Co., Ltd.	None	"	1,567	12	0.07%	12	
Angel Associates (Taiwan), Inc.	Stock - YungShin Global Holding Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	58,059	1,958	0.02%	1,958	Note

Note: Marketable securities held for utilization of working capital, the book value of this security was transferred to treasury shares.

4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital:

Company Bought and Sold	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	January 1, 2023		Buy		Sell			At The End Of The Period		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Price	Carrying costs	Gain or loss on disposal	Number of shares	Amount (Note)
The Corporation	Vetnostrum Animal Health Co., Ltd.	Investments accounted for using equity method	-	-	37,764,975	901,957	-	-	1,501,000	39,927	24,288	-	36,263,975	892,141

Note: As the disposal of a subsidiary does not result in a loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the consideration received is recognized directly as capital surplus - difference between the actual acquisition or disposal price of a subsidiary and its carrying value.

- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 6) Disposal of real estate at price in excess of NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 9) Derivatives Trading: None.
- 10) Intercompany Relationships and Significant Intercompany Transactions:

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 3)	Payment Terms	% to Total Operating Revenue or Assets
1	Yung Shin Pharm. Ind. Co., Ltd.	Vetnostrum Animal Health Co., Ltd.	3	Accounts receivable	79,861	No significant difference from the average customer	0.70%
1	Yung Shin Pharm. Ind. Co., Ltd.	Vetnostrum Animal Health Co., Ltd.	3	Sales	56,396	No comparable customers	3.37%

# YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

## Notes to Consolidated Financial Statements (Continued)

Note 1. The method of filling in the number is as follows:

1. Parent company is "0."
2. The subsidiaries are numbered in order starting from "1."

Note 2. The type of relationship with the counterparty is indicated as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3. Business transactions between the parent company and its subsidiaries amounting to NT\$10,000 thousand are disclosed.

Note 4. All intra-group transactions, are eliminated upon consolidation.

### (2) Information on investee companies:

Information on the Group's investees from January 1 to March 31, 2023 is as follows (excluding Mainland China investees):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Held at the end of the period			Net Profit or Loss of the Investee	Investment Income (Loss)	Remarks
				At the end of the period	December 31, 2022	Number of shares	%	Carrying Amount			
The Corporation	Yung Shin Pharm. Ind. Co., Ltd.	Taiwan	Manufacturing and sale of medicine and cosmetics	4,151,196	4,151,196	93,048,922	100.00%	3,626,627	147,050	147,672	Subsidiary
	YSP INC	British Virgin Islands	Trade, investment, and other related businesses	667,496	667,496	10,000	100.00%	1,492,514	17,008	17,585	Subsidiary
	Vetnostrum Animal Health Co., Ltd.	Taiwan	Manufacturing and sale of medicine	722,173	752,064	36,263,975	54.77%	892,141	24,955	14,471	Subsidiary
	Chemix	Japan	Sale of medicine	270,248	270,248	192	100.00%	338,831	6,041	6,126	Subsidiary
	Yung Zip	Taiwan	Manufacture and sale of active pharmaceutical ingredients	152,968	152,968	8,817,302	20.81%	189,689	17,523	3,136	Associate
	Angel Associates (Taiwan), Inc.	Taiwan	Import and export trading	3,675	3,675	3,675	73.50%	9,347	355	-	Sub-subsidiary
Yung Shin Pharm. Ind. Co., Ltd.	CTI	U.S.A.	Manufacturing and sale of medicine	806,183	806,183	7,502,874	74.13%	237,016	(14,147)	-	Sub-subsidiary
YSP INC	YSPSAH	Malaysia	Biopharmaceutical research and technical services	500,615	500,615	52,365,605	37.09%	980,049	74,899	-	Associate
	Yung Shin Company Limited	Hong Kong	Sale of medicine	102,209	102,209	7,720	96.50%	51,584	1,750	-	Sub-subsidiary

Note 1. The investment gains or losses recognized by the Corporation is based on the financial statements of the investees that have been reviewed by CPAs of the parent company in Taiwan during the same period and is accounted for using equity method.

Note 2. The investment gains or losses recognized by the company is based on the self-prepared financial statements of the investees that have not been reviewed by CPAs during the same period and is accounted for using equity method.

Note 3. Gains or losses on reinvestment of subsidiaries are included in the income of subsidiaries. Transactions between the Corporation and each subsidiary of the Group, including business transactions, accounts receivable and payable, the carrying value of long-term equity investments (except for associates) and investment gains or losses recognized in the current period have been eliminated in the preparation of the consolidated financial statements.

### (3) Information on Investments in Mainland China:

#### 1) Name of the investee company in Mainland China, main business items and other related information:

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investments from Taiwan at the beginning of the period (Note 4)	Investment Flows		Accumulated Outward Remittance for Investments from Taiwan at the end of the period (Note 4)	Net Profit or Loss of the Investee	Percentage of Ownership in Direct or Indirect Investment	Recognized Investment Income (Loss) of the Period (Notes 2 and 3)	Carrying Amount at the End of the Period (Notes 2 and 3)	Accumulated Repatriation of Investment Income as of the Period
					Outflow	Inflow						
Shanghai Yung Zip Pharmaceutical Trading Co., Ltd.	International trade, trade between companies in the bonded areas, and trade agency in the bonded areas; Warehousing and simple commercial processing in the bonded areas	121,120	(2)	121,120	-	-	121,120	(764)	100.00%	(764)	89,234	-

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

1. Directly invest in a company in mainland China.
2. Reinvestment in Mainland China through a third regional company (YSP INTERNATIONAL COMPANY LIMITED).
3. Others

Note 2. The amount of long-term equity investments and investment gains or losses for the period have been eliminated in the preparation of the consolidated financial statements.

Note 3. The investment gains and losses and carrying amounts disclosed by the Corporation represent the amount of each direct or indirect investment in such items. The investment gains recognized by the company is based on the self-prepared financial statements of the investees that have not been reviewed by CPAs and is recognized using equity method.

Note 4. The calculation is based on historical exchange rates.

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

2) Upper Limit on the Amount of Investment in Mainland China:

Name of Associate	Accumulated Outward Remittance for Investments in Mainland China at the End of the Period	Investment Amounts Authorized by Investment Commission, M.O.E.A.	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, M.O.E.A.
The Corporation	121,120 (USD4,000 thousand)	891,881 (USD29,290 thousand)	4,372,687 (Note 1)

Note 1. 60% of the consolidated net equity.

Note 2. Except for the amount of remittance from Taiwan to Mainland China, which was calculated using the historical exchange rate, the rest was calculated using the exchange rate at the end of the period (USD:NTD=1:30.450) as of March 31, 2023.

3) Significant transactions with Mainland China investees:

Please refer to the "Information on Significant Transactions" for details of significant direct or indirect transactions between the Corporation and its investees in Mainland China from January 1 to March 31, 2023, which have been eliminated in the preparation of the consolidated statements.

4) Information on major shareholders:

According to the information provided by Taiwan Depository & Clearing Corporation, there is no shareholder who holds more than 5% of the Corporation's shares.

**14. Segment Information**

The Group considers the business from a geographic perspective, and divides reportable operating segments into four areas of business in Taiwan, USA, Mainland China and Japan. The Group derives its revenue primarily from the manufacturing and sale of pharmaceuticals and cosmetics.

Information and reconciliation of the operating divisions of the Group are as follows:

	January to March, 2023					
	Taiwan	U.S.A.	Mainland China	Japan	Adjustments and eliminations	Total
Revenue:						
Revenue from external customers	<u>\$ 1,367,809</u>	<u>122,221</u>	<u>20,584</u>	<u>160,645</u>	<u>-</u>	<u>1,671,259</u>
Reportable segment (loss) profit	<u>\$ 218,324</u>	<u>(13,081)</u>	<u>(8,005)</u>	<u>19,066</u>	<u>-</u>	<u>216,304</u>

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**

	January to March, 2022					
	Taiwan	U.S.A.	Mainland China	Japan	Adjustments and eliminations	Total
Revenue:						
Revenue from external customers	<u>\$1,269,320</u>	<u>140,479</u>	<u>403,005</u>	<u>141,618</u>	<u>-</u>	<u>1,954,422</u>
Reportable segment (loss) profit	<u>\$ 200,087</u>	<u>19,288</u>	<u>20,765</u>	<u>3,405</u>	<u>-</u>	<u>243,545</u>

A reconciliation of the Group's reportable operating segment profit or loss to the profit or loss before income tax of the continuing operations is as follows:

	January to March, 2023	January to March, 2022
Reportable segment profit or loss	\$ 216,304	243,545
Non-operating income and expenses	<u>19,234</u>	<u>51,616</u>
Profit or loss before income tax of continuing operations	<u>\$ 235,538</u>	<u>295,161</u>