

**YUNGSHIN GLOBAL HOLDING  
CORPORATION AND  
SUBSIDIARIES**

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

**For the Six Months Ended June 30, 2023 and 2022**

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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.

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## **Independent Auditors' Review Report**

To the Board of Directors of YungShin Global Holding Corporation,

### **Introduction**

The consolidated balance sheets of YungShin Global Holding Corporation (the "Corporation") and its subsidiaries (collectively, the "Group") as of June 30, 2023, and the Consolidated Statements of Comprehensive Income from April 1 to June 30, 2023, and from January 1 to June 30, 2023, the Consolidated Statements of Changes in Equity and the Consolidated Statements of Cash Flows from January 1 to June 30, 2023, and related notes to Consolidated Financial Statements (including the Summary of Significant 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 (TWSRE) 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 stated in Note 4(2) of the consolidated financial statements, some of the non-material subsidiaries listed in the above consolidated financial statements are based on the financial statements of the investee companies that have not been reviewed by the CPAs during the same period. The total assets on June 30, 2023 were NT\$1,650,142 thousand, accounting for 14.22% of total consolidated assets; the total liabilities were NT\$666,544 thousand, accounting for 16.01% of total consolidated liabilities. The comprehensive income (loss) for the three months and six months ended June 30, 2023 were NT\$(16,685) thousand and NT\$(37,241) thousand, accounting for (8.74)% and (10.68)% of the consolidated comprehensive income (loss), respectively.

Besides the above-mentioned in the previous paragraph, as stated in Note 6(7) of the consolidated financial statements, investments accounted for using the equity method of YungShin Global Holding Corporation and its subsidiaries amounted to NT\$1,041,748 thousand as of June 30, 2023. The shares of profit (loss) of associates accounted for using the equity method were NT\$34,406 thousand and NT\$65,337 thousand for the three months and six months ended June 30, 2023, respectively. Those amounts were recognized based on financial statements of the investees for the same period and have not been reviewed by the CPA.

## Qualified Conclusion

Based on our reviews, except for possible effects from financial statements of the investees mentioned in the paragraph titled "Basis for Qualified Conclusion" if they were reviewed by independent auditors, we did not discover matters which would lead us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial status of YungShin Global Holding Corporation and subsidiaries as of June 30, 2023, and its consolidated financial performance for the three months and six months ended June 30, 2023 and its consolidated cash flows for the six months then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by Financial Supervisory Commission.

## Other Matters

The consolidated financial statements of YungShin Global Holding Corporation and its subsidiaries for the six months ended June 30, 2022 were reviewed by other auditors. Due to some non-material subsidiaries and investments using the equity method included in the consolidated financial statements were consolidated based on the financial statements of the invested companies that have not been reviewed by the CPAs during the same period, a review report with a qualified opinion was issued on August 10, 2022.

KPMG Taiwan

CPA: Min-Ju Chao  
Lily Lu

Competent Securities Authority's Approval Document No. : Financial-Supervisory-Securities-Auditing No.1050036075  
Financial-Supervisory-Securities-Sixth No.0940100754

August 9, 2023

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

**June 30, 2023, December 31, 2022 and June 30, 2022**

**Unit: In Thousands of New Taiwan Dollars**

		2023.6.30		2022.12.31		2022.6.30				2023.6.30		2022.12.31		2022.6.30	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11xx	<b>ASSETS</b>														
	<b>CURRENT ASSETS:</b>														
1100	Cash and cash equivalents (Note 6(1))	\$ 1,926,653	17	1,956,548	16	2,288,335	19	21xx	<b>LIABILITIES AND EQUITY</b>						
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	63,482	1	63,482	1	63,482	-	2100	<b>CURRENT LIABILITIES:</b>	\$ 946,174	8	1,554,511	13	1,787,089	15
1136	Financial assets at amortized cost - current (Note 6(4))	78,107	1	2,000	-	2,000	-	2100	Short-term borrowings (Notes 6(10), (14) and 8)	8,549	-	8,912	-	9,718	-
1150	Notes receivable, net (Note 6(5) and (22))	219,729	2	318,498	3	229,981	2	2130	Contract liabilities - current (Note 6(22))	13,771	-	677	-	4,714	-
1170	Accounts receivable, net (Note 6(5) and (22))	1,200,217	10	1,337,037	11	1,175,179	10	2150	Notes payable	517,360	5	424,785	4	470,985	4
1180	Accounts receivable from related parties (Notes 6(5), (22) and 7)	45,456	-	75,411	1	32,448	-	2170	Accounts payable	22,273	-	21,030	-	17,491	-
1200	Other receivables (Note 7)	61,488	-	32,677	-	78,667	1	2181	Accounts payable to related parties (Note 7)	574,978	5	673,407	6	655,923	5
1220	Current tax assets	8	-	95	-	88	-	2200	Other payables (Note 7)	649,029	6	-	-	452,939	4
130x	Inventories (Note 6(6))	2,723,871	23	2,719,323	23	2,849,931	24	2216	Dividends payable (Note 6(19))	147,271	1	143,690	1	140,436	1
1410	Prepayments	184,500	2	166,374	1	211,231	2	2230	Current tax liabilities	11,503	-	14,322	-	12,295	-
1470	Other current assets	11,175	-	15,342	-	18,465	-	2280	Lease liabilities - current (Note 6(16))	2,311	-	113,328	1	3,116	-
	<b>Total current assets</b>	<b>6,514,686</b>	<b>56</b>	<b>6,686,787</b>	<b>56</b>	<b>6,949,807</b>	<b>58</b>	2322	Long-term borrowings due within one year (Note 6(10), (15) and 8)						
15xx	<b>NON-CURRENT ASSETS:</b>							2365	Refund liabilities - current (Note 6(22))	17,150	-	34,108	-	15,402	-
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))	24,000	-	-	-	-	-	2399	Other current liabilities	20,682	-	30,068	-	36,219	1
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3))	72,774	1	51,556	1	50,106	1		<b>Total current liabilities</b>	<b>2,931,051</b>	<b>25</b>	<b>3,018,838</b>	<b>25</b>	<b>3,606,327</b>	<b>30</b>
1550	Investments accounted for using the equity method (Note 6(7))	1,041,748	9	1,074,868	9	970,436	8	25xx	<b>NON-CURRENT LIABILITIES:</b>						
1600	Property, plant and equipment (Notes 6(10), (14), (15), 7 and 8)	3,611,080	31	3,697,322	31	3,757,374	31	2527	Contract liabilities - non-current (Note 6(22))	350,933	3	350,933	3	350,933	3
1755	Right-of-use assets (Note 6(11))	34,190	-	40,506	-	36,427	-	2540	Long-term borrowings (Notes 6(10), (15) and 8)	242,760	2	133,683	1	940,523	8
1760	Investment properties, net (Note 6(12))	31,074	-	32,420	-	33,829	-	2550	Provision of employee benefits - non-current	60,990	1	57,885	1	54,961	1
1780	Intangible assets (Note 6(13))	12,416	-	20,740	-	30,788	-	2570	Deferred tax liabilities	369,875	3	356,424	3	369,401	3
1840	Deferred tax assets	176,061	2	162,048	2	134,233	1	2580	Lease liabilities - non-current (Note 6(16))	10,583	-	13,918	-	11,955	-
1900	Other non-current assets (Notes 6(5) and 8)	86,781	1	86,465	1	101,486	1	2640	Net defined benefit liabilities - non-current	54,135	1	75,084	1	51,197	-
	<b>Total non-current assets</b>	<b>5,090,124</b>	<b>44</b>	<b>5,165,925</b>	<b>44</b>	<b>5,114,679</b>	<b>42</b>	2675	Refund liabilities - non-current (Note 6(22))	142,772	1	142,772	1	-	-
								2670	Other non-current liabilities	268	-	24	-	34	-
									<b>Total non-current liabilities</b>	<b>1,232,316</b>	<b>11</b>	<b>1,130,723</b>	<b>10</b>	<b>1,779,004</b>	<b>15</b>
									<b>TOTAL LIABILITIES</b>	<b>4,163,367</b>	<b>36</b>	<b>4,149,561</b>	<b>35</b>	<b>5,385,331</b>	<b>45</b>
1xxx	<b>TOTAL ASSETS</b>	<b>\$ 11,604,810</b>	<b>100</b>	<b>11,852,712</b>	<b>100</b>	<b>12,064,486</b>	<b>100</b>	2xxx	<b>Equity attributable to owners of the Corporation (Notes 6(7), (9), (18) and (19)):</b>						
								31xx	Share Capital	2,664,230	23	2,664,230	22	2,664,230	22
								3110	Capital surplus	2,354,792	20	2,340,374	20	2,141,222	17
								3200	Retained Earnings:						
								3310	Legal reserve	881,899	7	800,994	7	800,994	7
								3320	Special reserve	312,829	3	391,162	3	391,162	3
								3350	Unappropriated earnings	1,038,257	9	1,277,400	11	967,191	8
									Total retained earnings	2,232,985	19	2,469,556	21	2,159,347	18
								3400	Other equity	(354,552)	(3)	(312,829)	(3)	(377,552)	(3)
								3500	Treasury shares	(1,439)	-	(1,439)	-	(1,439)	-
									Total equity attributed to the owners of the parent company	6,896,016	59	7,159,892	60	6,585,808	54
								36xx	<b>Non-controlling Interests (Note 6(9))</b>	545,427	5	543,259	5	93,347	1
								3xxx	<b>TOTAL EQUITY</b>	<b>7,441,443</b>	<b>64</b>	<b>7,703,151</b>	<b>65</b>	<b>6,679,155</b>	<b>55</b>
								2-3xxx	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 11,604,810</b>	<b>100</b>	<b>11,852,712</b>	<b>100</b>	<b>12,064,486</b>	<b>100</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

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**April 1 to June 30, 2023 and 2022, and January 1 to June 30, 2023 and 2022**

Unit: In Thousands of New Taiwan Dollars

	April 1 to June 30, 2023		April 1 to June 30, 2022		January 1 to June 30, 2023		January 1 to June 30, 2022		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	<b>Operating revenue (Notes 6(22) and 7)</b>								
5000	\$ 1,691,896	100	1,955,411	100	3,363,155	100	3,909,833	100	
5000	<b>Operating costs (Notes 6(6), (16), (17), 7 and 12)</b>								
	966,915	57	1,030,944	53	1,934,138	58	2,060,944	53	
5900	<b>Gross profit</b>								
	724,981	43	924,467	47	1,429,017	42	1,848,889	47	
6000	<b>OPERATING EXPENSES (Notes 6(5), (16), (17), (20), (23), 7 and 12):</b>								
6100	Selling and marketing expenses	300,895	18	467,763	24	578,098	17	926,072	23
6200	General and administrative expenses	123,553	7	145,561	7	232,249	7	270,828	7
6300	Research and development expenses	79,009	5	100,878	5	180,505	5	199,073	5
6450	Expected credit losses (gains on reversal)	(1,056)	-	820	-	(719)	-	(74)	-
	<b>Total operating expenses</b>	502,401	30	715,022	36	990,133	29	1,395,899	35
6900	<b>Income from Operations</b>								
	222,580	13	209,445	11	438,884	13	452,990	12	
7000	<b>NON-OPERATING INCOME AND EXPENSES (Notes 6(7), (8), (15), (24) and 7)</b>								
7100	Interest income	15,721	1	1,163	-	24,121	1	1,810	-
7010	Other income	4,220	-	4,189	-	9,826	-	18,991	-
7020	Other gains and losses	21,961	1	135,313	7	5,120	-	160,354	4
7050	Finance costs	(8,481)	-	(7,261)	-	(17,343)	-	(13,841)	-
7060	Share of profit or loss of associates and joint ventures accounted for using the equity method	34,406	2	26,366	1	65,337	2	44,072	1
	<b>Total non-operating income and expenses</b>	67,827	4	159,770	8	87,061	3	211,386	5
	<b>Profit before income tax of continuing operations</b>	290,407	17	369,215	19	525,945	16	664,376	17
7950	<b>Less: Tax expenses (Note 6(18))</b>	80,917	5	97,869	5	136,756	4	156,420	4
	<b>Net profit for the period</b>	209,490	12	271,346	14	389,189	12	507,956	13
8300	<b>OTHER COMPREHENSIVE INCOME (LOSS) (Notes 6(7) and (18)):</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	24,324	1	1,707	-	21,694	1	2,890	-
8320	Share of other comprehensive income of associates accounted for using the equity method	(2,511)	-	232	-	(2,511)	-	232	-
8349	Less: Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	<b>Total items that will not be reclassified subsequently to profit or loss</b>	21,813	1	1,939	-	19,183	1	3,122	-
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>								
8361	Exchange differences on translating foreign operations	(13,941)	(1)	(26,543)	(1)	(22,443)	(1)	8,073	-
8370	Share of other comprehensive income of associates accounted for using the equity method	(37,086)	(2)	(9,175)	-	(52,560)	(2)	13,299	1
8399	Less: Income tax relating to items that may be reclassified to profit or loss	(10,586)	(1)	(7,012)	-	(15,227)	-	2,622	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	(40,441)	(2)	(28,706)	(1)	(59,776)	(3)	18,750	1
8300	<b>OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>								
	(18,628)	(1)	(26,767)	(1)	(40,593)	(2)	21,872	1	
8500	<b>Total comprehensive income for the period</b>								
	\$ 190,862	11	244,579	13	348,596	10	529,828	14	
	<b>NET PROFIT FOR THE PERIOD</b>								
	<b>ATTRIBUTABLE TO:</b>								
8610	Owners of the Corporation	\$ 203,797	12	274,127	14	376,202	12	498,836	13
8620	Non-controlling interests	5,693	-	(2,781)	-	12,987	-	9,120	-
	<b>\$ 209,490</b>	<b>12</b>	<b>271,346</b>	<b>14</b>	<b>389,189</b>	<b>12</b>	<b>507,956</b>	<b>13</b>	
	<b>TOTAL COMPREHENSIVE INCOME</b>								
	<b>ATTRIBUTABLE TO:</b>								
8710	Owners of the Corporation	\$ 183,267	11	248,017	13	334,479	10	512,446	13
8720	Non-controlling interests	7,595	-	(3,438)	-	14,117	-	17,382	1
	<b>\$ 190,862</b>	<b>11</b>	<b>244,579</b>	<b>13</b>	<b>348,596</b>	<b>10</b>	<b>529,828</b>	<b>14</b>	
	<b>Earnings Per Share (Note 6(21))</b>								
9710	Basic earnings per share (Unit: New Taiwan Dollars)	\$ 0.77		1.03		1.41		1.87	
9810	Diluted earnings per share (Unit: New Taiwan Dollars)	\$ 0.77		1.03		1.41		1.87	

(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

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**January 1 to June 30, 2023 and 2022**

Unit: In Thousands of New Taiwan Dollars

	Equity attributed to the owners of the parent company						Other equity items			Treasury shares	Total equity attributed to the owners of the parent company	Non-controlling interests	Total equity
	Retained earnings					Total	Exchange differences on translating foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total				
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings								
<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
Appropriation of earnings:													
Legal reserve	-	-	74,804	-	(74,804)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	87,157	(87,157)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(452,919)	(452,919)	-	-	-	-	(452,919)	-	(452,919)
Changes in other capital surplus :													
Changes in capital surplus from investments in associates accounted for using the equity method	-	(178)	-	-	-	-	-	-	-	-	(178)	-	(178)
Net profit for the period	-	-	-	-	498,836	498,836	-	-	-	-	498,836	9,120	507,956
Other comprehensive income for the period	-	-	-	-	-	-	10,488	3,122	13,610	-	13,610	8,262	21,872
Total comprehensive income for the period	-	-	-	-	498,836	498,836	10,488	3,122	13,610	-	512,446	17,382	529,828
Cash reduction	-	-	-	-	-	-	-	-	-	-	-	(28,961)	(28,961)
Adjustment to capital surplus from dividends paid to subsidiary	-	73	-	-	-	-	-	-	-	-	73	-	73
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(147,456)	(147,456)
Changes in ownership interests in subsidiaries	-	(11,582)	-	-	-	-	-	-	-	-	(11,582)	12,804	1,222
Cash dividends of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(10,553)	(10,553)
<b>Balance on June 30, 2022</b>	<b>\$ 2,664,230</b>	<b>2,141,222</b>	<b>800,994</b>	<b>391,162</b>	<b>967,191</b>	<b>2,159,347</b>	<b>(393,099)</b>	<b>15,547</b>	<b>(377,552)</b>	<b>(1,439)</b>	<b>6,585,808</b>	<b>93,347</b>	<b>6,679,155</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:													
Legal reserve	-	-	80,905	-	(80,905)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(78,333)	78,333	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(612,773)	(612,773)	-	-	-	-	(612,773)	-	(612,773)
Net profit for the period	-	-	-	-	376,202	376,202	-	-	-	-	376,202	12,987	389,189
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(60,906)	19,183	(41,723)	-	(41,723)	1,130	(40,593)
Total comprehensive income for the period	-	-	-	-	376,202	376,202	(60,906)	19,183	(41,723)	-	334,479	14,117	348,596
Changes in capital surplus from investments in associates accounted for using the equity method	-	(1,221)	-	-	-	-	-	-	-	-	(1,221)	-	(1,221)
Changes in ownership interests in subsidiaries	-	15,639	-	-	-	-	-	-	-	-	15,639	24,288	39,927
Cash dividends of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(36,237)	(36,237)
<b>Balance on June 30, 2023</b>	<b>\$ 2,664,230</b>	<b>2,354,792</b>	<b>881,899</b>	<b>312,829</b>	<b>1,038,257</b>	<b>2,232,985</b>	<b>(396,990)</b>	<b>42,438</b>	<b>(354,552)</b>	<b>(1,439)</b>	<b>6,896,016</b>	<b>545,427</b>	<b>7,441,443</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

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**January 1 to June 30, 2023 and 2022**

**Unit: In Thousands of New Taiwan Dollars**

	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before income tax	\$ 525,945	664,376
Adjustments for:		
Profit and loss items		
Depreciation	140,677	200,796
Amortization	9,008	11,532
Gain on reversal of expected credit loss	(719)	(74)
Interest expenses	17,343	13,841
Interest income	(24,121)	(1,810)
Share-based remuneration payment cost	-	1,222
Share of profit or loss of associates accounted for using the equity method	(65,337)	(44,072)
Gain on disposal and scrap of property, plant and equipment	(219)	(292)
Gain on disposal of non-current assets held for sale	-	(7,823)
Unrealized profit on foreign exchange	-	(1,640)
Gains on lease modifications	-	(9)
Write-downs and disposal of inventories	-	16,007
Gain on disposal of subsidiaries	-	(120,097)
Total profit and loss items	<u>76,632</u>	<u>67,581</u>
Changes in operating assets/liabilities:		
Net changes in operating assets:		
Notes receivable	99,327	52,650
Accounts receivable	136,987	16,418
Accounts receivable from related parties	29,955	(10,467)
Other receivables	16,192	(46,613)
Inventories	(4,548)	(32,931)
Prepayments	(42,126)	(116,238)
Other current assets	4,167	(3,632)
Total net changes in operating assets	<u>239,954</u>	<u>(140,813)</u>
Net changes in operating liabilities:		
Contract liabilities	(363)	(2,396)
Notes payable	13,094	2,651
Accounts payable	92,575	36,971
Accounts payable to related parties	1,243	(6,370)
Other payables	(96,132)	22,614
Provisions for liabilities	3,105	2,618
Other current liabilities	(26,344)	(45,190)
Net defined benefit liabilities	(20,949)	(13,166)
Other operating liabilities	-	(377)
Total net changes in operating assets and liabilities	<u>(33,771)</u>	<u>(2,645)</u>
Total net changes in assets and liabilities related to operating activities	<u>206,183</u>	<u>(143,458)</u>
Total adjustments	<u>282,815</u>	<u>(75,877)</u>
Cash inflow from operations	808,760	588,499
Interest received	21,163	1,810
Interest paid	(18,651)	(14,137)
Income tax paid	(118,354)	(99,497)
<b>Net cash inflow from operating activities</b>	<u>692,918</u>	<u>476,675</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(21)	(22)
Acquisition of financial assets at amortized cost	(76,107)	-
Disposal of Subsidiaries	-	527,911
Proceeds from disposal of non-current assets held for sale	-	55,637
Acquisition of property, plant and equipment	(22,167)	(78,523)
Proceeds from disposal of property, plant and equipment	439	891
Decrease in refundable deposits	7,704	34,661
Purchase of intangible assets	(716)	(879)
Decrease (increase) in other non-current assets	(1,236)	408
Increase in prepayments for equipment	(33,581)	(21,669)
<b>Net cash inflow (outflow) from investing activities</b>	<u>(125,685)</u>	<u>518,415</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase in short-term borrowings	-	558,754
Decrease in short-term borrowings	(602,912)	(670,851)
Proceeds from long-term borrowings	110,000	600,000
Repayments of long-term borrowings	(111,620)	(351,891)
Increase in guarantee deposits	244	10,016
Repayment of the principal portion of lease liabilities	(7,093)	(7,392)
Cash dividends paid	-	(10,553)
Cash reduction	-	(28,961)
Disposal of equity in subsidiaries	39,927	-
Changes in non-controlling interests	-	(7,749)
<b>Net cash inflow (outflow) financing activities</b>	<u>(571,454)</u>	<u>91,373</u>
Effects of exchange rate changes on cash and cash equivalents	(25,674)	15,663
Net (decrease) increase in cash and cash equivalents	(29,895)	1,102,126
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>\$ 1,926,653</u>	<u>2,288,335</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



**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Six Months Ended June 30, 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 now a wholly-owned subsidiary of the Corporation.

**2. Approval of Financial Statements**

The consolidated financial statements were approved and released by the Board of directors on August 9, 2023.

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

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

The Group has applied the following newly amended IFRS effective January 1, 2023, which have not caused any material impact on its 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) New and amended standards and interpretations not yet endorsed by the FSC

The Group expects that the following standards and interpretation issued and amended 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"
- IFRS 17 "Insurance Contracts" and Amendments to IFRS 17
- 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"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

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

**4. Summary of Significant Accounting Policies**

Except as stated below, the significant accounting policies adopted in the consolidated statements are the same as those in the December 31, 2022 consolidated financial statements. Please refer to Note 4 of the December 31, 2022 consolidated financial statements 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 "Regulations of Preparation") and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRS, IAS, IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the FSC (hereafter referred to as the "IFRSs").

(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 listed as below :

Investment Company	Subsidiary Name	Business Activities	Proportion of Ownership (%)			Remark
			2023.6.30	2022.12.31	2022.6.30	
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 3
The Corporation	YSP International Company Limited (YSP INC)	Trade, investment, and other related businesses	100.00%	100.00%	100.00%	Note 3
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 3
YSP INC	Carlsbad Technology, Inc. (CTI)	Manufacturing and sale of medicine	74.13%	74.13%	74.13%	Note 3
YSP INC	Shanghai Yung Zip Pharmaceutical Trading Co., Ltd.	Import and export trading	100.00%	100.00%	100.00%	Notes 3 and 4
YSP INC	Yung Shin Company Limited	Sale of medicine	96.50%	96.50%	96.50%	Note 3

Note 1. Antec Biotech has completed the liquidation process in August 2022.

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

Note 2. On May 24, 2022, The Group passed a resolution of the shareholders' meeting to release of shares of Vetnostrum Animal Health Co., Ltd. As of June 30, 2023, a total of 26,736 thousand shares have been released for approximately NT\$625,544 thousand. In addition, Vetnostrum Animal Health Co., Ltd. issued 3,212 thousand new shares to employees on December 30, 2022 to execute stock options, and the Group did not participate in proportion to the shareholding. After the aforementioned transaction, the Group's shareholding percentage in Vetnostrum Animal Health Co., Ltd. was adjusted from 100.00% to 54.77%.

Note 3. The Corporation is not a major subsidiary. Its financial statements have not been reviewed by CPAs.

Note 4. Shanghai Yung Zip Pharmaceutical Trading Co., Ltd. changed its name to Yong Shin Tien Te (Shanghai) Pharmaceutical Trading Co., Ltd. on August 2, 2023.

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

(3) Employee benefits

Defined benefit plans for an interim period are calculated based on the actuarially determined pension cost rate on the end of the immediately preceding fiscal year. The calculation basis is from the beginning of the year to the end of the period, and it is adjusted for any significant market volatility, significant reductions, settlement or other significant one-off events.

(4) Income Tax

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

Income tax expense is measured at the amount by which the profit before tax during the reporting period by the management's best estimate of the expected effective tax rate for the year, it is apportioned into current income tax expenses and deferred income tax expenses according to the estimated proportion of current income tax expenses and deferred income tax expenses for the current year.

Income tax expenses recognized directly in equity 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 preparing of the consolidated financial statements in conformity with the Preparation Regulations 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 reporting amount of assets, liabilities, incomes and expenses. Actual results may differ from original estimates.

When the consolidated financial statements were prepared, the critical judgments exercised by the management in adopting the Group's accounting policies and the key sources of estimation uncertainty are consistent with Note 5 to the December 31, 2022 consolidated financial statements.

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

The Group holds 36.96% 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 stated below, there is no significant difference between the details of significant accounts in these consolidated financial statements and the December 31, 2022 consolidated financial statements. Please refer to Note 6 through Note 32 of the December 31, 2022 consolidated financial statements for relevant information.

(1) Cash and Cash Equivalents

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Cash on hand	\$ 825	325	575
Demand deposits and check deposits	1,601,698	1,952,223	2,283,760
Time deposits	324,130	4,000	4,000
	<u>\$ 1,926,653</u>	<u>1,956,548</u>	<u>2,288,335</u>

Please refer to Note 6(25) for the disclosure of 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 and non-current

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Financial assets mandatorily at FVTPL:			
Product development investment	\$ 63,482	63,482	63,482
agreements			
Private equity funds	24,000	-	-
Total	<u>\$ 87,482</u>	<u>63,482</u>	<u>63,482</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(25) for the amount re-measured at fair value and recognized in profit or loss.

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

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

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Equity instruments measured at fair value through other comprehensive income :			
Listed shares:			
Sawai Pharmaceutical Co., Ltd.	\$ 4,351	5,305	4,798
Ana Holding Inc.	736	651	545
	<u>5,087</u>	<u>5,956</u>	<u>5,343</u>
Unlisted shares:			
Missioncare Co., Ltd.	54,812	33,634	33,096
Missioncare Asset Management Co., Ltd.	12,854	11,949	11,649
Limited Liability Fengyuan Medical Waste Disposal Equipment Used Cooperatives	7	6	7
International Green Handle Co., Ltd.	14	11	11
	<u>67,687</u>	<u>45,600</u>	<u>44,763</u>
Total	<u>\$ 72,774</u>	<u>51,556</u>	<u>50,106</u>

Equity instruments held by the Group are strategic long-term investments, instead of trading purpose. Therefore, they have been designated to be measured at fair value through other comprehensive income.

The Group did not dispose of its strategic investments for the six months ended June 30, 2023 and 2022, there was no transfer of accumulated gains and losses within equity during these periods.

Please refer to Note 6(25) for market risk information.

(4) Financial assets at amortized cost - current

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Time deposits with original maturities of more than 3 months	\$ 78,107	2,000	2,000
Interest Rates (%)	<u>1.45~2.35</u>	<u>1.45</u>	<u>1.45</u>

The Group assesses that the asset is held to maturity to receive contractual cash flows. The asset is classified as financial assets at amortized cost because the cash flows from the financial asset are solely the payment of principal and interest on the outstanding principal amount.

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

(5) Notes receivable and accounts receivable

	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Notes receivable	\$ 219,979	319,306	230,264
Accounts receivable	1,207,027	1,344,014	1,181,940
Accounts receivable from related parties	45,456	75,411	32,448
Debt collection (under other non-current assets)	36	-	-
Less: Loss allowance—notes receivable	(250)	(808)	(283)
Loss allowance - accounts receivable	(6,810)	(6,977)	(6,761)
Loss allowance - debt collection (under other non-current assets)	(36)	-	-
	<b>\$ 1,465,402</b>	<b>1,730,946</b>	<b>1,437,608</b>

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

The Group adopts a simplified method to estimate the expected credit loss for all notes receivable and accounts receivable (including related parties), that is, using the lifetime expected credit loss. For this purpose, these notes receivable and accounts receivables are categorized based on common credit risk characteristics of customers' capability to pay for amount due in accordance with the contracts with forward-looking information incorporated, including general economic and related industry information. Due to the historical experience of credit losses of the Group, there is no significant difference in the loss patterns of different client's groups. Therefore, the provision matrix does not further distinguish the customer base.

The expected credit loss analysis of the Group's notes receivable and accounts receivable was as follows:

	<b>2023.6.30</b>		
	<b>Carrying amount of notes receivable and accounts receivable</b>	<b>Average weighted expected credit loss rate (%)</b>	<b>Allowance for expected credit losses during the period</b>
Not past due	\$ 1,318,364	0.38	4,965
1 ~ 30 days past due	147,958	0.17	254
31 ~ 60 days past due	963	1.14	11
61 ~ 90 days past due	75	0.00	-
91 ~ 120 days past due	56	0.00	-
121 ~ 180 days past due	14	0.00	-
181 ~ 270 days past due	780	0.77	6
271 ~ 365 days past due	2,463	1.42	35
Over 365 days past due	1,789	100.00	1,789
	<b>\$ 1,472,462</b>		<b>7,060</b>

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

The carrying amount of the above accounts receivable did not include the account receivable due from a specific customer, amounting to NT\$36 thousand. The recoverable of this account receivable are unstable. Therefore, the Group has specifically recorded an allowance for loss for this uncollected payment, and the amount was excluded from the above calculation of allowance for expected credit loss.

	<b>2022.12.31</b>		
	<b>Carrying amount of notes receivable and accounts receivable</b>	<b>Average weighted 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>\$ 1,738,731</b>		<b>7,785</b>

	<b>2022.6.30</b>		
	<b>Carrying amount of notes receivable and accounts receivable</b>	<b>Average weighted expected credit loss rate (%)</b>	<b>Allowance for expected credit losses during the period</b>
Not past due	\$ 1,306,227	0.39	5,111
1 ~ 30 days past due	130,851	0.03	43
31 ~ 60 days past due	16	0.00	-
61 ~ 90 days past due	3,616	5.01	181
91 ~ 120 days past due	24	4.17	1
121 ~ 180 days past due	2,128	0.00	-
271 ~ 365 days past due	82	0.00	-
Over 365 days past due	1,708	100.00	1,708
	<b>\$ 1,444,652</b>		<b>7,044</b>

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

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

	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Balance on January 1	\$ 7,785	20,726
Gain on reversal of impairment loss recognized	(719)	(74)
Difference of foreign exchange	30	401
Disposal of Subsidiaries	-	(14,009)
Balance at end of period	<u>\$ 7,096</u>	<u>7,044</u>

The Group's notes receivable and accounts receivable were not discounted or provided as collaterals.

(6) Inventories

	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Finished goods	\$ 1,157,324	1,011,157	1,077,559
Work in process	229,451	296,061	264,079
Raw materials	1,132,641	1,222,491	1,354,098
Supplies	170,733	142,378	146,504
Inventory in transit	33,722	47,236	7,691
	<u>\$ 2,723,871</u>	<u>2,719,323</u>	<u>2,849,931</u>

The Group transferred the inventory from normal sales to operating costs. In addition, it includes other expenses and losses directly in operating costs as follows:

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Write-downs of inventories (gain on reversal)	\$ 5,660	(11,678)	7,834	(14,568)
Loss for inventory obsolescence	10,794	20,022	28,148	30,575
Gain on physical inventories	(334)	(34)	(793)	(72)
Revenue from sale of scraps	(94)	(142)	(152)	(245)
Total	<u>\$ 16,026</u>	<u>8,168</u>	<u>35,037</u>	<u>15,690</u>

The Group did not pledge any inventories as collateral.

(7) Investments accounted for using equity method

Investments of the Group under equity method at reporting date are listed as below:

	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Associate	<u>\$ 1,041,748</u>	<u>1,074,868</u>	<u>970,436</u>



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

1) Associate

Relevant information on the associates that are material to the Group is as follows:

Name of Associate	Nature of Relationship with the Group	Principal Place of Business/ Country of Registration	Proportion of Ownership and Voting Rights		
			2023.6.30	2022.12.31	2022.6.30
YSP SAH	Biopharmaceutical research and technical services	Malaysia	36.96%	37.13%	37.14%

The fair values of the associates as listed companies that are material to the Group were as follows:

	2023.6.30	2022.12.31	2022.6.30
YSP SAH	\$ 822,294	935,394	678,085

Summary financial information on the associates that are material to the Group was as follows:

	2023.6.30	2022.12.31	2022.6.30
Current assets	\$ 2,385,017	2,340,256	2,240,995
Non-current assets	1,139,173	980,427	939,959
Current liabilities	(593,462)	(460,409)	(587,149)
Non-current liabilities	(352,008)	(212,560)	(193,995)
Net assets	<u>\$ 2,578,720</u>	<u>2,647,714</u>	<u>2,399,810</u>
Net assets attributable to non-controlling interests	\$ 40,110	40,739	37,760
Net assets attributable the owners of investee	<u>\$ 2,538,610</u>	<u>2,606,975</u>	<u>2,362,050</u>

	April 1 to June 30, 2023	April 1 to June 30, 2022	January 1 to June 30, 2023	January 1 to June 30, 2022
Operating revenue	\$ 539,436	521,604	1,201,438	1,065,957
Net profit of continuing operations for the period	\$ 84,652	56,653	159,551	100,143
Other comprehensive income	(100,572)	(24,090)	(142,208)	35,272
Total comprehensive income	<u>\$ (15,920)</u>	<u>32,563</u>	<u>17,343</u>	<u>135,415</u>

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

	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
The Group's shares of associates' net assets at the beginning of the period	\$ 967,957	855,280
Total comprehensive income attributable to the Group for the period	6,465	50,296
Cash dividends of associates	(34,991)	(28,244)
The Group's share of associates' net assets at the end of the period	939,431	877,332
Less: Capital surplus	(1,221)	(178)
The Group's carrying amount of the associates interest at the end of the period	<b>\$ 938,210</b>	<b>877,154</b>

2) Guarantee

As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group did not pledge any investments accounted for under the equity method 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 by CPAs.

(8) Disposal of Subsidiaries

1) Globecare Trading (Shanghai) Co., Ltd. completed the liquidation process in January 2022, and its profits on disposal of subsidiaries amounted to NT\$226 thousand which was the cumulative difference on translation arising from reclassification of equity to profit or loss.

2) In December 2021, the Group entered into an agreement to dispose of its holding equity of Yung Shin China Holding Company Limited (YSP CNH) and its subsidiary, Yung Shin Pharmaceutical Ind. (Kunshan) Co., Ltd. (Yung Shin Kunshan). The Group completed the disposal of the subsidiaries on June 30, 2022 and lost control over the subsidiaries.

a. Consideration received

	<b>YSP CNH and Yung Shin Pharmaceutical Ind. (KunShan) Co., Ltd.</b>
Cash and cash equivalents	<b>\$ 695,145</b>

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

	<b>YSP CNH and Yung Shin Pharmaceutical Ind. (KunShan) Co., Ltd.</b>
<b>b. Analysis of assets and liabilities over which the Group lost control</b>	
Current assets	
Cash and cash equivalents	\$ 167,234
Accounts receivable, net	264,137
Other receivables	31,003
Current tax assets	11,779
Inventories	265,383
Prepayments	80,466
Non-current assets	
Investments accounted for using equity method	9,907
Property, plant and equipment	353,035
Right-of-use assets	34,966
Intangible assets	3,864
Deferred tax assets	3,623
Other non-current assets	7,772
Current liabilities	
Short-term borrowings	(123,550)
Contract liabilities - current	(15,668)
Accounts payable	(35,501)
Other payables	(259,581)
Current tax liabilities	(7,617)
Lease liabilities - current	(1,073)
Other current liabilities	(4,994)
Non-current liabilities	
Lease liabilities - non-current	(603)
Other non-current liabilities	(67,487)
Net assets disposed	<u><u>\$ 717,095</u></u>

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

c. Gain on disposal of subsidiaries

	<b>YSP CNH and Yung Shin Pharmaceutical Ind. (KunShan) Co., Ltd.</b>
Consideration received	\$ 695,145
Net assets disposed	(717,095)
Non-controlling interests	139,707
Exchange differences on translating foreign operations	2,114
Gain on disposal	<b><u>\$ 119,871</u></b>

d. Net cash inflow on disposal of subsidiaries

	<b>YSP CNH and Yung Shin Pharmaceutical Ind. (KunShan) Co., Ltd.</b>
Consideration received in cash and cash equivalents	\$ 695,145
Less: Balance of cash and cash equivalents disposed	(167,234)
	<b><u>\$ 527,911</u></b>

(9) Subsidiaries with significant non-controlling interests

Except as stated below, there was no significant change in the Group's subsidiaries with significant non-controlling interests for the six months ended June 30, 2023 and 2022. Please refer to Note 30 of the December 31, 2022 consolidated financial statements for relevant information.

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

<u>Subsidiary Name</u>	<u>Principal place of business/country of registration</u>	<u>Proportion of non-controlling interests in ownership interests and voting rights</u>		
		<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Vetnostrum Animal Health Co., Ltd.	Taiwan	45.23%	42.96%	- %

The summary financial information of the above subsidiaries is stated as follows, prepared in accordance with IFRS endorsed by the FSC and reflecting adjustments made by the Group to the fair value and differences in accounting policies on the acquisition date, with the amount before elimination of the transactions between the Group, is as follows:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Current assets	\$ 670,584	716,742	682,712
Non-current assets	1,124,018	1,155,590	1,180,259
Current liabilities	(371,993)	(411,241)	(382,010)
Non-current liabilities	(107,380)	(107,840)	(229,489)
Net assets	<b><u>\$ 1,315,229</u></b>	<b><u>1,353,251</u></b>	<b><u>1,251,472</u></b>
Net assets attributable to non-controlling interests	<b><u>\$ 457,389</u></b>	<b><u>451,034</u></b>	<b><u>-</u></b>

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

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Operating revenue	<u>\$ 276,708</u>	<u>290,632</u>	<u>590,417</u>	<u>605,645</u>
Net profit for this period	\$ 16,878	25,279	42,095	63,426
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>\$ 16,878</u>	<u>25,279</u>	<u>42,095</u>	<u>63,426</u>
Net profit for the period attributable to non-controlling interests	<u>\$ 7,506</u>	<u>-</u>	<u>18,304</u>	<u>-</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 7,506</u>	<u>-</u>	<u>18,304</u>	<u>-</u>

	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Cash flows from operating activities	\$ 128,735	81,231
Cash flows from investing activities	(4,412)	(4,733)
Cash flows from financing activities	(114,254)	(56,778)
Increase in cash and cash equivalents	<u>\$ 10,069</u>	<u>19,720</u>

For the six months ended June 30, 2023, the Group reduced its shareholding in Vetnostrum Animal Health Co., Ltd. due to the release of shares, and the shareholding was adjusted from 57.04% to 54.77%.

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

	<b>January 1 to June 30, 2023</b>
Consideration received in cash	\$ 39,927
Carrying amount of the subsidiary's net assets transfer to non-controlling interest based on relative changes in equity.	<u>(24,288)</u>
Differences arising from equity transactions (recognized as capital surplus)	<u>\$ 15,639</u>

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

(10) Property, plant and equipment

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

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in Process	Total
Cost or deemed cost:								
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
Additions	-	7,093	5,085	99	688	3,616	4,617	21,198
Disposal	-	(84)	(4,042)	(819)	(176)	(2,349)	-	(7,470)
Reclassification (Note)	-	10,877	5,559	-	-	872	9,390	26,698
Effect of changes in exchange rate	(586)	(851)	2,265	(65)	491	43	39	1,336
Balance on June 30, 2023	<b>\$ 2,176,371</b>	<b>3,311,484</b>	<b>3,786,488</b>	<b>42,945</b>	<b>177,779</b>	<b>712,085</b>	<b>114,646</b>	<b>10,321,798</b>
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
Additions	-	6,460	12,298	1,330	905	5,991	51,539	78,523
Disposal	-	(2,716)	(10,849)	-	(282)	(3,790)	-	(17,637)
Reclassifications	-	12,920	14,514	-	-	937	(28,371)	-
Disposal of Subsidiaries	-	(508,615)	(297,772)	(3,453)	(15,340)	(102,967)	(2,068)	(930,215)
Effect of changes in exchange rate	3,849	26,181	24,534	154	1,236	3,453	54	59,461
Balance on June 30, 2022	<b>\$ 2,172,336</b>	<b>3,267,686</b>	<b>3,748,105</b>	<b>43,319</b>	<b>174,804</b>	<b>700,891</b>	<b>79,006</b>	<b>10,186,147</b>
Depreciation and impairment loss:								
Balance on January 1, 2023	\$ -	2,500,767	3,243,639	33,172	163,321	641,815	-	6,582,714
Depreciation	-	47,850	65,254	1,672	2,117	15,664	-	132,557
Disposal	-	(84)	(4,042)	(599)	(176)	(2,349)	-	(7,250)
Reclassifications	-	(63)	(340)	-	-	340	-	(63)
Effect of changes in exchange rate	-	322	1,997	(50)	462	29	-	2,760
Balance on June 30, 2023	<b>\$ -</b>	<b>2,548,792</b>	<b>3,306,508</b>	<b>34,195</b>	<b>165,724</b>	<b>655,499</b>	<b>-</b>	<b>6,710,718</b>
Balance on January 1, 2022	\$ -	2,658,406	3,260,130	31,094	165,807	675,666	-	6,791,103
Depreciation	-	69,339	89,120	2,449	4,047	26,122	-	191,077
Disposal	-	(2,716)	(10,467)	-	(242)	(3,613)	-	(17,038)
Reclassifications	-	(73)	73	-	-	-	-	-
Disposal of Subsidiaries	-	(299,383)	(189,783)	(2,403)	(9,947)	(75,664)	-	(577,180)
Effect of changes in exchange rate	-	17,861	19,111	109	1,023	2,707	-	40,811
Balance on June 30, 2022	<b>\$ -</b>	<b>2,443,434</b>	<b>3,168,184</b>	<b>31,249</b>	<b>160,688</b>	<b>625,218</b>	<b>-</b>	<b>6,428,773</b>
Carrying amount								
Balance on June 30, 2023	<b>\$ 2,176,371</b>	<b>762,692</b>	<b>479,980</b>	<b>8,750</b>	<b>12,055</b>	<b>56,586</b>	<b>114,646</b>	<b>3,611,080</b>
Balance on January 1, 2023	<b>\$ 2,176,957</b>	<b>793,682</b>	<b>533,982</b>	<b>10,558</b>	<b>13,455</b>	<b>68,088</b>	<b>100,600</b>	<b>3,697,322</b>
Balance on June 30, 2022	<b>\$ 2,172,336</b>	<b>824,252</b>	<b>579,921</b>	<b>12,070</b>	<b>14,116</b>	<b>75,673</b>	<b>79,006</b>	<b>3,757,374</b>

Note: Transferred from prepayments for equipment.

Please refer to Note 8 for those pledged as collaterals for long-term and short-term borrowings and credit facilities as of June 30, 2023, December 31, 2022 and June 30, 2022.

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

(11) Right-of-use assets

The changes in the costs, depreciation, and impairment loss of land, buildings and structures, transportation equipment and machinery equipment leased by the Group were as follows:

	Lands, buildings and structures	Transportation equipment	Machinery and equipment	Total
Cost of right-of-use assets:				
Balance on January 1, 2023	\$ 46,255	29,709	4,375	80,339
Additions	-	854	-	854
Effect of exchange rate changes	342	-	(301)	41
Balance on June 30, 2023	<b>\$ 46,597</b>	<b>30,563</b>	<b>4,074</b>	<b>81,234</b>
Balance on January 1, 2022	\$ 106,859	32,824	4,162	143,845
Additions	4,710	853	353	5,916
Decrease in the period	(773)	(3,609)	-	(4,382)
Lease modification	(78,428)	(1,958)	-	(80,386)
Effect of changes in exchange rate	2,752	-	(386)	2,366
Balance on June 30, 2022	<b>\$ 35,120</b>	<b>28,110</b>	<b>4,129</b>	<b>67,359</b>
Depreciation and impairment losses of right-of-use assets:				
Balance on January 1, 2023	\$ 18,659	17,239	3,935	39,833
Depreciation	3,234	4,094	36	7,364
Effect of changes in exchange rate	137	(290)	-	(153)
Balance on June 30, 2023	<b>\$ 22,030</b>	<b>21,043</b>	<b>3,971</b>	<b>47,044</b>
Balance on January 1, 2022	\$ 55,962	11,033	3,155	70,150
Depreciation	3,834	4,511	36	8,381
Decrease in the period	(773)	(2,410)	-	(3,183)
Lease modification	(44,713)	(707)	-	(45,420)
Effect of changes in exchange rate	1,298	-	(294)	1,004
Balance on June 30, 2022	<b>\$ 15,608</b>	<b>12,427</b>	<b>2,897</b>	<b>30,932</b>
Carrying amount:				
Balance on June 30, 2023	<b>\$ 24,567</b>	<b>9,520</b>	<b>103</b>	<b>34,190</b>
Balance on January 1, 2023	<b>\$ 27,596</b>	<b>12,470</b>	<b>440</b>	<b>40,506</b>
Balance on June 30, 2022	<b>\$ 19,512</b>	<b>15,683</b>	<b>1,232</b>	<b>36,427</b>

(12) Investment properties

	Lands, buildings and structures
Carrying Amount:	
Balance on June 30, 2023	<b>\$ 31,074</b>
Balance on January 1, 2023	<b>\$ 32,420</b>
Balance on June 30, 2022	<b>\$ 33,829</b>

There was no significant addition, disposal, provision for impairment, or reversal of the Group's investment property during the six months ended June 30, 2023 and 2022. Please refer to Note 16 of the December 31, 2022 consolidated financial statements for other relevant information.

There is no significant difference between the fair value of the Group's investment properties and those disclosed in Note 16 to the December 31, 2022 consolidated financial statements.

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

(13) Intangible assets

	<b>Computer software</b>	<b>Trademark</b>	<b>Others</b>	<b>Total</b>
Carrying amount				
Balance on June 30, 2023	\$ 4,903	7,408	105	12,416
Balance on January 1, 2023	\$ 12,821	7,410	509	20,740
Balance on June 30, 2022	\$ 21,445	7,826	1,517	30,788

There was no significant addition, disposal, provision for impairment, or reversal of the Group's intangible assets during the six months ended June 30, 2023 and 2022. Please refer to Note 12 for the amortization amount of the current period.

(14) Short-term borrowings

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

	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Secured bank loans	\$ 486,174	514,511	497,089
Unsecured bank loans	460,000	1,040,000	1,290,000
Total	\$ 946,174	1,554,511	1,787,089
Unutilized amount	\$ 2,173,456	2,083,775	1,604,089
Interest Rates (%)	0.47~6.51	0.48~5.48	0.48~1.38

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

(15) Long-term borrowings

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

	<b>2023.6.30</b>		
	<b>Range of Interest Rates (%)</b>	<b>Year of maturity</b>	<b>Amount</b>
Secured bank loans	0.85~1.10	2025	\$ 3,471
Unsecured bank loans	1.05~1.76	2025~2026	241,600
Subtotal			245,071
Less: due within one year			(2,311)
			\$ 242,760
Unutilized amount			\$ 1,457,089



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

	<b>2022.12.31</b>		
	<b>Range of Interest Rates (%)</b>	<b>Year of maturity</b>	<b>Amount</b>
Secured bank loans	0.85~1.10	2025	\$ 5,411
Unsecured bank loans	0.93~1.38	2023~2026	241,600
Subtotal			247,011
Less: due within one year			(113,328)
			<b>\$ 133,683</b>
Unutilized amount			<b>\$ 1,175,501</b>

	<b>2022.6.30</b>		
	<b>Range of Interest Rates (%)</b>	<b>Year of maturity</b>	<b>Amount</b>
Secured bank loans	0.97~1.10	2025	\$ 146,639
Unsecured bank loans	0.68~1.00	2023~2026	797,000
Subtotal			943,639
Less: due within one year			(3,116)
			<b>\$ 940,523</b>
Unutilized amount			<b>\$ 977,441</b>

Please refer to Note 8 for the Group pledged assets as collaterals for bank borrowings.

(16) Lease liabilities

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

	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Current	\$ 11,503	14,322	12,295
Non-current	10,583	13,918	11,955
Total	<b>\$ 22,086</b>	<b>28,240</b>	<b>24,250</b>

Please refer to Note 6(25) Financial instruments for maturity analysis. The amounts of leases recognized in profit or loss are as follows:

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Interest expense of lease liabilities	<b>\$ 137</b>	<b>64</b>	<b>301</b>	<b>138</b>
Expenses related to low-value lease assets	<b>\$ 3,502</b>	<b>2,126</b>	<b>5,446</b>	<b>4,340</b>

The amounts of leases recognized in the cash flow statement are as follows:

	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Total cash outflow for leases	<b>\$ 12,840</b>	<b>11,870</b>

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

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 elects to apply the recognition exemptions to leases of various 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.

(17) Employee benefits

1) Defined benefit plans

As there were no major market fluctuation, major reduction, settlement, or other major one-off events after the end date of the immediately preceding fiscal year, the Group measured and disclosed pension costs for interim periods at the actuarially determined pension costs as of December 31, 2022 and 2021.

The pension expenses recognized by the Group under the defined benefit plans for the three months and six months ended June 30, 2023 and 2022 were NT\$431 thousand, NT\$408 thousand, NT\$861 thousand and NT\$780 thousand, 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 plan for the three months and six months ended June 30, 2023 and 2022 were NT\$1,558 thousand, NT\$1,300 thousand, NT\$3,105 thousand and NT\$2,618 thousand, respectively.

2) Defined contribution plans

The pension system applicable to the Group under the "Labor Pension Act" is a defined contribution plan under government administration, to which the Group contributes 6% of employees' monthly salary and wages to their personal accounts at the Bureau of Labor Insurance. The pension costs recognized by the Group under the above pension plan for the three months and six months ended June 30, 2023 and 2022 were NT\$12,058 thousand, NT\$13,660 thousand, NT\$24,218 thousand and NT\$27,499 thousand, respectively.

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

(18) Tax expenses

The amount of the Group's income tax expenses for the three months and six months ended June 30, 2023 and 2022 were as follows:

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Current tax expenses				
Current income tax expenses	\$ 73,127	84,369	122,293	133,853
Current income tax from adjustment of prior period	(202)	(8,057)	(202)	(14,996)
	<u>72,925</u>	<u>76,312</u>	<u>122,091</u>	<u>118,857</u>
Deferred tax expenses				
Origination and reversal of temporary differences	7,992	21,557	14,665	37,563
Tax expenses	<u>\$ 80,917</u>	<u>97,869</u>	<u>136,756</u>	<u>156,420</u>

The amount of the Group's income tax expenses (benefits) recognized in other comprehensive income or loss for the three months and six months ended June 30, 2023 and 2022 were as follows:

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>\$ (10,586)</u>	<u>(7,012)</u>	<u>(15,227)</u>	<u>2,622</u>

The Corporation has submitted tax return applications until the year of 2020, as prescribed by the tax authority, upon settlement and audit.

(19) Capital and other equities

Except as stated below, there was no significant change in the Group's capital and other equity for the six months ended June 30, 2023 and 2022. Please refer to Note 23 of the December 31, 2022 consolidated financial statements for relevant information.

1) Retained Earnings

The Corporation passed the 2022 profit distribution proposal by the board of directors on March 29, 2023. According to the Corporation's articles of association, the cash dividend is authorized to the board of directors to make a special resolution. In addition, the remaining part has been resolved by the shareholders' meeting on May 25, 2023. On May 24, 2022, the shareholders' regular meeting resolved the 2021 earning distribution proposal. The dividends distributed to owners are as follows:

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

	2022	2021
Dividends distributed to owners of ordinary shares:		
Cash dividends	\$ 612,773	452,919
Distribution ratio (NT\$)	\$ 2.30	1.70

The earnings distribution for the year 2022 and 2021 has not yet been paid as of June 30, 2023 and 2022, and is recorded under dividends payable.

Information related to earning distribution approved and resolved by the Corporation's Board of Directors and shareholders' meeting is available on the Market Observation Post System website of the Taiwan Stock Exchange.

2) Treasury shares

Angel Associates (Taiwan), Inc., the investee of the Yung Shin Pharm. Ind. Co., Ltd., acquired 55 thousand shares of Yung Shin Pharm. Ind. Co., Ltd. on November 12, 2001 before the amendments to the Company Act. The purpose of holding shares is solely for investing.

On January 3, 2021, Yung Shin Pharm. Ind. Co., Ltd. was established by the Corporation through share swap and Yung Shin Pharm. Ind. Co., Ltd. became a wholly-owned subsidiary of the Corporation. According to Order Tai-Cai-Zheng-3-Zi No. 0920124301, the shares of Yung Shin Pharm. Ind. Co., Ltd. held by Angel Associates (Taiwan), Inc. were exchanged into the shares of the Corporation through share swap.

Angel Associates (Taiwan) Inc. acquired the Corporation's shares transferred from earnings on September 5, 2015, therefore holding a total of 58 thousand shares of the Corporation as of June 30, 2023, December 31, 2022 and June 30, 2022.

Angel Associates (Taiwan) Inc. held the Corporation's shares with carrying amount amounting to NT\$1,958 thousand. As of June 30, 2023, December 31, 2022 and June 30, 2022, the market value were NT\$2,529 thousand, NT\$2,671 thousand and NT\$2,351 thousand, respectively.

The subsidiaries holding treasury shares are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

(20) Share-based payments

Except as described below, there was no material change in the share-based payment of the Group for the six months ended June 30, 2023 and 2022. Please refer to Note 28 of the consolidated financial statements for the year ended December 31, 2022 for relevant information.

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

Information about employee stock options issued by the subsidiary Vetnostrum Animal Health Co. Ltd. for the six months ended June 30, 2023 and 2022 were as follows:

	<u>January 1 to June 30, 2023</u>		<u>January 1 to June 30, 2022</u>	
	<u>Quantity of stock option</u>	<u>Weighted average exercise price (NT\$)</u>	<u>Quantity of stock option</u>	<u>Weighted average exercise price (NT\$)</u>
Outstanding as of January 1	193	\$ 16.50	4,625	18.90
Quantity of options granted	-	-	-	-
Quantity of options lost	-	-	(995)	-
Outstanding as of June 30	<u>193</u>	16.50	<u>3,630</u>	18.90
Exercisable as of June 30	<u>193</u>	16.50	<u>3,630</u>	18.90

From January 1, 2023 to August 8, 2023, the employees of Vetnostrum Animal Health Co., Ltd. have executed 77 thousand shares. The subscription price was NT\$16.5 per share, and the payment was NT\$1,271 thousand. Also, the board of directors resolved on August 8, 2023 to use August 8, 2023 as the base date for capital increase. As of August 9, 2023, the relevant statutory change registration procedures were still in progress.

The remuneration costs recognized for the three months and six months ended June 30, 2023 and 2022 were NT\$0 thousand, NT\$1,044 thousand, NT\$0 thousand and NT\$1,222 thousand, respectively.

(21) Earnings Per Share

The Corporation calculates basic earnings per share and diluted earnings per share as follows:

1) Basic earnings per share

	<u>April 1 to June 30, 2023</u>	<u>April 1 to June 30, 2022</u>	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
Net profit attributable to ordinary shareholders of the Corporation	<u>\$ 203,797</u>	<u>274,127</u>	<u>376,202</u>	<u>498,836</u>
Weighted average ordinary shares outstanding	<u>266,365</u>	<u>266,365</u>	<u>266,365</u>	<u>266,365</u>
Basic earnings per share (NT\$)	<u>\$ 0.77</u>	<u>1.03</u>	<u>1.41</u>	<u>1.87</u>

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

2) Diluted earnings per share

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Net profit attributable to ordinary shareholders of the Corporation	<u>\$ 203,797</u>	<u>274,127</u>	<u>376,202</u>	<u>498,836</u>
Weighted average ordinary shares outstanding	266,365	266,365	266,365	266,365
Effect of potentially dilutive ordinary shares				
Impact of employee stock compensation	<u>28</u>	<u>52</u>	<u>58</u>	<u>79</u>
Weighted average ordinary shares outstanding (diluted)	<u>266,393</u>	<u>266,417</u>	<u>266,423</u>	<u>266,444</u>
Diluted earnings per share (NT\$)	<u>\$ 0.77</u>	<u>1.03</u>	<u>1.41</u>	<u>1.87</u>

(22) Revenue from contracts with customers

1) Breakdown of Revenue

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Major regional markets :				
Taiwan	\$ 1,354,419	1,375,018	2,722,228	2,644,338
U.S.A.	137,472	124,230	259,693	264,709
China	22,912	346,302	43,496	749,307
Japan	177,093	109,861	337,738	251,479
	<u>\$ 1,691,896</u>	<u>1,955,411</u>	<u>3,363,155</u>	<u>3,909,833</u>
Main product/service lines:				
Human drugs	\$ 1,124,399	1,323,978	2,212,164	2,690,131
Health food	190,134	216,279	366,313	393,220
Animal drugs	323,536	337,576	690,623	694,257
Others	53,827	77,578	94,055	132,225
	<u>\$ 1,691,896</u>	<u>1,955,411</u>	<u>3,363,155</u>	<u>3,909,833</u>

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

2) Contract balance

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Notes receivable	\$ 219,979	319,306	230,264
Accounts receivable	1,207,027	1,344,014	1,181,940
Accounts receivable from related parties	45,456	75,411	32,448
Debt collection (under other non-current assets)	36	-	-
Less: Loss allowance - notes receivable	(250)	(808)	(283)
Less: Loss allowance - accounts receivable	(6,810)	(6,977)	(6,761)
Less: Debt collection (under other non-current assets)	(36)	-	-
<b>Total</b>	<b><u>\$ 1,465,402</u></b>	<b><u>1,730,946</u></b>	<b><u>1,437,608</u></b>
Contract liabilities - current			
Customer loyalty programs	\$ 8,549	8,549	8,549
Sales revenue received in advance	-	363	1,169
<b>Total</b>	<b><u>\$ 8,549</u></b>	<b><u>8,912</u></b>	<b><u>9,718</u></b>
Refund Liabilities			
Current	\$ 17,150	34,108	15,402
Non-current	142,772	142,772	-
<b>Total</b>	<b><u>\$ 159,922</u></b>	<b><u>176,880</u></b>	<b><u>15,402</u></b>
Contract liabilities - non-current			
Sales revenue received in advance	<b><u>\$ 350,933</u></b>	<b><u>350,933</u></b>	<b><u>350,933</u></b>

Please refer to Note 6(5) for notes receivable, accounts receivable and related impairment.

(23) Employee compensations and directors' remuneration

In accordance with the Corporation's Articles of Incorporation, the Corporation shall accrued employees' compensation and directors' remuneration at the rate that are not lower than 0.3% and not higher than 2% at profit before tax, respectively. 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 the employees of affiliated companies who meet the criteria established by the Board of Directors. The aforementioned remuneration of directors shall be paid in cash only.

The estimated amounts of the employees' remuneration of the Corporation for the three months and six months ended June 30, 2023 and 2022 were NT\$710 thousand, NT\$1,319 thousand, NT\$1,255 thousand, and NT\$2,112 thousand, respectively, and the estimated amounts of directors' remuneration for the periods then ended were NT\$4,735 thousand, NT\$8,796 thousand, NT\$8,366 thousand and NT\$14,081 thousand, respectively. The

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

amounts were estimated based on the Corporation's profit before tax prior of remuneration to employees and directors was deducted for each period, multiplied by the percentages of the profit for employee and directors' remuneration as stipulated in the Corporation's Articles of Incorporation, and the amounts were recognized in operating expenses for the period. If there is a difference between the amounts distributed in the following year and the estimated amounts, it will be treated as a change in accounting estimates, and the difference will be recognized in profit and loss for the following year.

The Group's 2022 employees' remuneration and remuneration for directors was decided by the board of directors in 2023 to be NT\$2,708 thousand and NT\$18,053 thousand, respectively, which was not different from the estimated amount in the 2022 consolidated financial statements. The 2021 employees remuneration and directors' remuneration was decided by the board of directors in 2022 to be NT\$2,357 thousand and NT\$15,708 thousand, respectively, with a difference of NT\$7 thousand from the estimated amount in the 2021 consolidated financial statements. The aforementioned difference was mainly due to difference in accounting estimates. The Corporation treated them according to the change in accounting estimates, and the difference was recognized as income loss for 2022. Relevant information can be obtained from MOPS (Market Observation Post System).

(24) Non-operating income and expenses

1) Interest income

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Interests on bank deposits	<u>\$ 15,721</u>	<u>1,163</u>	<u>24,121</u>	<u>1,810</u>

2) Other income

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Rental income	\$ (502)	871	985	2,217
Development and testing income	-	31	-	5,760
Other income	4,722	3,287	8,841	11,014
	<u>\$ 4,220</u>	<u>4,189</u>	<u>9,826</u>	<u>18,991</u>



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

3) Other gains and losses

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Gain (loss) on disposal of property, plant and equipment	\$ -	(186)	219	292
Gains on lease modifications	-	-	-	9
Gain on disposal of non-current assets held for sale	-	-	-	7,823
Foreign exchange gain, net	21,241	18,170	6,416	36,209
Depreciation of investment properties	(326)	(705)	(756)	(1,371)
Gain on disposal of subsidiaries	-	119,871	-	120,097
Others	1,046	(1,837)	(759)	(2,705)
	<b>\$ 21,961</b>	<b>135,313</b>	<b>5,120</b>	<b>160,354</b>

4) Finance costs

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Interest on bank loans	\$ 8,344	7,197	17,042	13,703
Lease liabilities interests	137	64	301	138
	<b>\$ 8,481</b>	<b>7,261</b>	<b>17,343</b>	<b>13,841</b>

(25) Financial Instruments

1) Credit risk

a. Exposure to credit risk

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

b. Concentration of credit risk

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.

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

2) Liquidity risk

The table below shows the contractual maturity dates for financial liabilities, including the effect of estimated interests but excluding of net amount agreements.

	Carrying Amount	Contractual cash flow	Within 1 Year	1-2 years	2-5 years	Above 5 years
<b>June 30, 2023</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 946,174	972,201	972,201	-	-	-
Notes payable	13,771	13,771	13,771	-	-	-
Accounts payable (including related parties)	539,633	539,633	539,633	-	-	-
Other payables	574,978	574,978	574,978	-	-	-
Dividends payable	649,029	649,029	649,029	-	-	-
Long-term borrowings (including those due within one year)	245,071	252,833	5,667	114,006	133,160	-
Lease liabilities	22,086	22,944	11,955	6,375	4,614	-
Deposits received	268	268	-	-	-	268
	<b>\$ 2,991,010</b>	<b>3,025,657</b>	<b>2,767,234</b>	<b>120,381</b>	<b>137,774</b>	<b>268</b>
<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
	<b>\$ 2,949,685</b>	<b>2,969,827</b>	<b>2,823,135</b>	<b>9,965</b>	<b>136,703</b>	<b>24</b>
<b>June 30, 2022</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,787,089	1,793,791	1,793,791	-	-	-
Notes payable	4,714	4,714	4,714	-	-	-
Accounts payable (including related parties)	488,476	488,476	488,476	-	-	-
Other payables	655,923	655,923	655,923	-	-	-
Dividends payable	452,939	452,939	452,939	-	-	-
Long-term borrowings (including those due within one year)	943,639	957,491	12,078	855,980	89,433	-
Lease liabilities	24,250	25,361	13,084	8,731	3,546	-
Deposits received	34	34	-	-	-	34
	<b>\$ 4,357,064</b>	<b>4,378,729</b>	<b>3,421,005</b>	<b>864,711</b>	<b>92,979</b>	<b>34</b>

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) Currency risk

a. Exchange rate risk exposure

The Group's financial assets and liabilities exposed to material exchange rate risk were as follows:

	2023.6.30			2022.12.31			2022.6.30		
	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD
<b>Financial Assets</b>									
<b>Monetary items</b>									
USD	\$ 36,740	31.14	1,144,073	42,759	30.71	1,313,136	41,412	29.72	1,230,765
RMB	25,792	4.31	111,153	23,654	4.41	104,300	22,847	4.43	101,173
JPY	249,982	0.22	53,746	112,669	0.23	26,184	141,885	0.22	30,959
<b>Financial Liabilities</b>									
<b>Monetary items</b>									
USD	2,389	31.14	74,401	1,013	30.71	31,113	5,577	29.72	165,748
JPY	5,399	0.22	1,161	3,828	0.23	890	3,672	0.22	4,653
EUR	414	33.81	14,000	947	32.72	30,992	1,714	31.05	53,220

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

b. Sensitivity analysis of exchange rate

The Group's exchange rate risk mainly comes from cash and cash equivalents, accounts receivable (including related parties), other accounts receivable, accounts payables (including related parties), and other accounts payables in foreign currencies, and foreign exchange gains and losses arise during translation. If the NTD depreciated or appreciated by 1% against USD, JPY, RMB, and EUR as of June 30, 2023 and 2022, with all other variables remaining unchanged, the Group's net income before tax for the six months ended June 30, 2023 and 2022 would have increased or decreased by NT\$12,194 thousands and NT\$11,393 thousands, respectively. The same basis was used for analyses for both periods.

c. Foreign exchange gains and losses on monetary items

As the Group has a large variety of transaction currencies, the exchange gains and losses of monetary items were disclosed on an aggregated basis. The foreign exchange gains (losses) (including realized and unrealized) for the three months and six months ended June 30, 2023 and 2022 were NT\$21,241 thousand, NT\$18,170 thousand, NT\$6,416 thousand, and NT\$36,209 thousand, respectively.

4) Interest rate analysis

The following sensitivity analysis is determined by the interest rate risk exposure of non-derivative instruments on the reporting date. For financial instruments with floating interest rates, the analysis is based on the assumption that the outstanding liabilities on the reporting date have been outstanding all year round. The rate of change used internally in reporting interest rates to the management from the Group is the 0.1% increase or decrease in interest rates, which represents the management's evaluation of the reasonable range of possible changes in interest rates.

If interest rate increases/decreases by 0.1%, held other variables constant, the profit before tax would have decreased/increased by NT\$475 thousand and NT\$223 thousand for the six months ended June 30, 2023 and 2022, respectively, mainly due to the Group's bank borrowing with variable interest rates.

5) Other price risks

If the price of equity securities changes on the reporting date (adopt the same basis of analysis for both periods, with the assumption that other variable factors remain unchanged), the impact on comprehensive income items were as follows:

<b>Securities price on reporting date</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Increase of 1%	\$ 728	501
Decrease of 1%	\$ (728)	(501)

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

6) Fair value information

a. Categories and fair value of financial instruments

The Group's financial assets at fair value through profit or loss through other comprehensive income are measured at fair value on a recurring basis. The carrying amount and fair value of financial assets and liabilities (including information of fair value hierarchy; however, the fair value of financial instruments not at fair value and whose carrying amounts are reasonable approximations of their fair value and lease liabilities is not required to be disclosed) were as follows:

	<b>2023.6.30</b>				
	<b>Carrying Amount</b>	<b>Fair Value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets at FVTPL					
Non-derivative financial assets mandatorily measured at FVTPL	\$ 87,482	-	-	87,482	87,482
Financial assets at FVTOCI					
Listed shares	5,087	5,087	-	-	5,087
Unquoted equity instruments measured at fair value	67,687	-	-	67,687	67,687
Subtotal	<u>72,774</u>	<u>5,087</u>	<u>-</u>	<u>67,687</u>	<u>72,774</u>
<b>Total</b>	<b><u>\$ 160,256</u></b>	<b><u>5,087</u></b>	<b><u>-</u></b>	<b><u>155,169</u></b>	<b><u>160,256</u></b>
	<b>2022.12.31</b>				
	<b>Carrying Amount</b>	<b>Fair Value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets at FVTPL					
Non-derivative financial assets mandatorily measured at FVTPL	\$ 63,482	-	-	63,482	63,482
Financial assets at FVTOCI					
Listed shares	5,956	5,956	-	-	5,956
Unquoted equity instruments measured at fair value	45,600	-	-	45,600	45,600
Subtotal	<u>51,556</u>	<u>5,956</u>	<u>-</u>	<u>45,600</u>	<u>51,556</u>
<b>Total</b>	<b><u>\$ 115,038</u></b>	<b><u>5,956</u></b>	<b><u>-</u></b>	<b><u>109,082</u></b>	<b><u>115,038</u></b>
	<b>2022.6.30</b>				
	<b>Carrying Amount</b>	<b>Fair Value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets at FVTPL					
Non-derivative financial assets mandatorily measured at FVTPL	\$ 63,482	-	-	63,482	63,482
Financial assets at FVTOCI					
Listed shares	5,343	5,343	-	-	5,343
Unquoted equity instruments measured at fair value	44,763	-	-	44,763	44,763
Subtotal	<u>50,106</u>	<u>5,343</u>	<u>-</u>	<u>44,763</u>	<u>50,106</u>
<b>Total</b>	<b><u>\$ 113,588</u></b>	<b><u>5,343</u></b>	<b><u>-</u></b>	<b><u>108,245</u></b>	<b><u>113,588</u></b>

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

b. Valuation Technique of Fair Value

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

If the publicly quoted price can be timely and regularly obtained from the stock exchange, broker, underwriter, industrial union, pricing service institution or competent authority, and the price represents actual and regular transaction at fair market, then the financial instrument is deemed to have the publicly quoted price at the active market. If the above conditions are not met, the market is deemed inactive. Generally speaking, a large difference in buying and selling price, a significant increase in buying and selling price, and few transactions are indexes of a non-active market.

The fair value of financial instruments held by the Group that are traded in an active market are presented by category and attribute as follows:

- The fair value of the listed stocks, which are financial assets with standard terms and conditions and traded in an active market, is determined based on market prices respectively.

Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained through valuation techniques or with reference to the quoted prices of counterparties. For the fair value obtained through the valuation techniques, the Company refers to the current fair value of other financial instruments with similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including calculations using models based on the market information available at the consolidated balance sheet date.

The fair value of financial instruments held by the Group that are not traded in an active market are presented by category and attribute as follows:

- Investments in non-derivative financial assets without publicly quoted prices: The fair value is estimated using discounted cash flow method and by reference to recent investment prices.
- Equity instruments without publicly quoted prices: The fair value is estimated using the market comparable company method. The key assumptions are measured based on the multiplier of net worth of the investee's stock price and the stock price's net worth derived from the quoted market prices of comparable listed companies. This estimate of the equity securities has been adjusted for the effect of lack of market liquidity.

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

c. Detailed statement of changes in Level 3

	Measured at FVTPL	Measured at FVTOCI	Total
January 1, 2023	\$ 63,482	45,600	109,082
Total gains or losses			
Recognized in Other			
Comprehensive Income	-	22,087	22,087
Purchase	24,000	-	24,000
June 30, 2023	<b>\$ 87,482</b>	<b>67,687</b>	<b>155,169</b>
January 1, 2022	\$ 63,482	41,599	105,081
Total gains or losses			
Recognized in Other			
Comprehensive Income	-	3,164	3,164
June 30, 2022	<b>\$ 63,482</b>	<b>44,763</b>	<b>108,245</b>

d. Quantitative information on fair value measurement of significant unobservable inputs (Level 3).

The Level 3 of fair value measurements mainly includes financial assets measured at FVTOCI and non-derivative financial assets mandatorily at FVTPL.

The Group's equity instrument investment with no active market has multiple significant unobservable inputs. Significant unobservable inputs for investments in equity instruments with no active market are not correlated with each other because they are independent of each other.

Because the correlation between significant unobservable input value and fair value cannot be fully identified in practice, the Group's investment agreements for product development are not included in the disclosure of quantitative information of significant unobservable input values and the sensitivity analysis of fair value for reasonably possible alternative assumptions.

Quantitative information on significant unobservable inputs is listed as follows:

Item	Valuation Technique	Significant Unobservable Input	Relationship Between Significant Unobservable Input and the Fair Value
Financial assets at fair value through other comprehensive income - investments in equity instruments with inactive market	Market approach (approach comparable to listed companies)	<ul style="list-style-type: none"> <li>• Multiplier of price to book ratio (0.82~2.13, 0.73~1.34, and 0.75~1.35 for 2023.6.30, 2022.12.31, and 2022.6.30, respectively)</li> <li>• Lack of Marketability discount (35% for 2023.6.30, 2022.12.31, and 2022.6.30)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the multiplier, the higher the fair value</li> <li>• The higher the discount for lack of marketability, the lower the fair value</li> </ul>

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

- e. For level 3 fair value measurements, possibly used of alternative assumptions for sensitivity analysis of fair value.

The measurement of fair values of financial instruments by the Group is reasonable, but 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 in this period is as follows:

	Inputs	Upward or downward change	Changes in fair value reflected in other comprehensive income	
			Favorable change	Unfavorable change
<b>June 30, 2023</b>				
Financial assets at FVTOCI				
Investments in equity instruments with inactive market	Multiplier of price to book ratio	5%	\$ 3,387	(3,387)
	Lack of marketability discount	5%	5,189	(5,189)
<b>December 31, 2022</b>				
Financial assets at FVTOCI				
Investments in equity instruments with inactive market	Multiplier of price to book ratio	5%	\$ 2,280	(2,280)
	Lack of marketability discount	5%	3,508	(3,508)
<b>June 30, 2022</b>				
Financial assets at FVTOCI				
Investments in equity instruments with inactive market	Multiplier of price to book ratio	5%	\$ 2,214	(2,214)
	Lack of marketability discount	5%	3,421	(3,421)

The Group's favorable and unfavorable changes refer to the fluctuations of fair values, and fair values are calculated with the valuation techniques based on different unobservable inputs. If the fair value of a financial instrument is affected by more than one input value, the statement above reflects the effect of changes in the single input value, without taking the correlation and variability between the input values into account.

There were no transfers of financial assets (liabilities) within the fair value hierarchy during the six months ended June 30, 2023 and 2022.

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

(26) Financial risk management

There is no significant difference between the Group's financial risk management goals and policies and those disclosed in Note 32(4) to the December 31, 2022 consolidated financial statements.

(27) Capital management

The Group's capital management goals, policies, and procedures are consistent with those disclosed in the December 31, 2022 consolidated financial statements. There was no significant difference between the aggregate quantitative data on items under capital management and those disclosed in the December 31, 2022 consolidated financial statements. Please refer to Note 31 to the December 31, 2022 consolidated financial statements for relevant information.

(28) Non-cash transaction in investment and financing activities

- 1) The non-cash transaction in investment and financing activities of the Corporation were the acquisition of right-of-use assets by lease for the six months ended June 30, 2023 and 2022. Please refer to Note 6 (11).
- 2) The reconciliation of liabilities from financing activities is as follows:

	Cash flow			Non-cash changes			2023.6.30
	2023.1.1	Additions	Decrease	Changes in lease	Additions	Changes in exchange rates	
Long-term borrowings	\$ 247,011	110,000	(111,620)	-	-	(320)	245,071
Short-term borrowings	1,554,511	-	(602,912)	-	-	(5,425)	946,174
Lease liabilities	28,240	-	(7,093)	-	854	85	22,086
Total liabilities from financing activities	<u>\$ 1,829,762</u>	<u>110,000</u>	<u>(721,625)</u>	<u>-</u>	<u>854</u>	<u>(5,660)</u>	<u>1,213,331</u>

	Cash flow			Non-cash changes			2022.6.30	
	2022.1.1	Additions	Decrease	Changes in lease	Additions	Disposal		Changes in exchange rates
Long-term borrowings	\$ 696,260	600,000	(351,891)	-	-	-	(730)	943,639
Short-term borrowings	2,001,136	558,754	(670,851)	-	-	(123,550)	21,600	1,787,089
Lease liabilities	28,700	-	(7,392)	(1,208)	5,916	(1,676)	(90)	24,250
Total liabilities from financing activities	<u>\$ 2,726,096</u>	<u>1,158,754</u>	<u>(1,030,134)</u>	<u>(1,208)</u>	<u>5,916</u>	<u>(125,226)</u>	<u>20,780</u>	<u>2,754,978</u>

**7. Related Parties Transactions**

(1) Related parties and their relationship

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

<u>Related Party Name</u>	<u>Relationship with the Group</u>
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(formerly Yung Shin China Holding Company Limited) (LTC Holding)	Substantial related party (Note)

(Continued on next page)



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

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<u>Related Party Name</u>	<u>Relationship with the Group</u>
Tc Pharmaceuticals (Jiangsu) Co., Ltd. (formerly Yung Shin Pharmaceutical Ind. (Kunshan) Co., Ltd.)	Substantial related party (Note)
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 its holding 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 was changed to a substantial related party.

(2) Significant transactions between related parties

1) Operating revenue

<u>Relationship with the Corporation / Related Party</u>	<u>April 1 to June 30, 2023</u>	<u>April 1 to June 30, 2022</u>	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
Associate	\$ 47,560	29,032	80,665	50,970
Substantial related party	(2,197)	83	537	129
	<b>\$ 45,363</b>	<b>29,115</b>	<b>81,202</b>	<b>51,099</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 sale. The collection to related parties has no material difference with those sale of goods to third parties.

2) Purchase of goods

<u>Relationship with the Corporation / Related Party</u>	<u>April 1 to June 30, 2023</u>	<u>April 1 to June 30, 2022</u>	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
Associate	\$ 10,086	12,814	24,249	26,203
Substantial related party	732	2,203	1,449	2,933
	<b>\$ 10,818</b>	<b>15,017</b>	<b>25,698</b>	<b>29,136</b>

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

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

3) Receivables from related parties

<b>Financial Statement Account</b>	<b>Relationship with the Corporation / Related Party</b>	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Accounts receivable	Associate			
	YSPI	\$ 44,814	71,810	32,383
	Yung Zip	-	3,581	-
	Others	558	-	25
	Substantial related party	84	20	40
		<u>45,456</u>	<u>75,411</u>	<u>32,448</u>
Other receivables	Associate			
	YSP SAH	42,046	-	28,243
	Others	-	704	1,462
	Substantial related party			
	LTC Holding	-	11,249	-
	Yung Shin Meishan	-	-	11,333
	Others	352	125	10,786
		<u>42,398</u>	<u>12,078</u>	<u>51,824</u>
		<u><b>\$ 87,854</b></u>	<u><b>87,489</b></u>	<u><b>84,272</b></u>

As of June 30, 2023, December 31, 2022 and June 30, 2022, no allowance for losses was provided for the above receivables.

4) Payables to related parties

<b>Financial Statement Account</b>	<b>Relationship with the Corporation / Related Party</b>	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Accounts payable	Associate			
	Yung Zip	\$ 20,059	20,158	14,914
	Others	1,529	872	2,571
	Substantial related party	685	-	6
		<u>22,273</u>	<u>21,030</u>	<u>17,491</u>
Other payables	Associate	1,807	2,368	283
	Substantial related party	132	18	5,700
		<u>1,939</u>	<u>2,386</u>	<u>5,983</u>
		<u><b>\$ 24,212</b></u>	<u><b>23,416</b></u>	<u><b>23,474</b></u>

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

5) Operating expenses

It refers to the donations and other expenses paid by the Group to related parties, and the details were as follows:

<b>Relationship with the Corporation / Related Party</b>	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Associate	\$ 24	14	24	14
Substantial related party	3,749	3,261	7,496	11,042
Total	<u>\$ 3,773</u>	<u>3,275</u>	<u>7,520</u>	<u>11,056</u>

6) Rental 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 Corporation / Related Party</b>	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Associate	\$ 185	164	349	328
Substantial related party	46	46	91	91
	<u>\$ 231</u>	<u>210</u>	<u>440</u>	<u>419</u>

7) Property transactions

<b>Relationship with the Corporation / Related Party</b>	<b>April 1 to June 30, 2023</b>		<b>April 1 to June 30, 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>-</u>	<u>-</u>
<b>Relationship with the Corporation / Related Party</b>	<b>January 1 to June 30, 2023</b>		<b>January 1 to June 30, 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**  
**Notes to Consolidated Financial Statements (Continued)**

8) Disposal of Subsidiaries

<b>Relationship with the Corporation / Related Party</b>	<b>April 1 to June 30, 2023</b>		<b>April 1 to June 30, 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				
Fang-Chuan Lee	\$ -	-	695,145	119,871
<b>Relationship with the Corporation / Related Party</b>	<b>January 1 to June 30, 2023</b>		<b>January 1 to June 30, 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				
Fang-Chuan Lee	\$ -	-	695,145	119,871

(3) Key management compensation

Key management compensation includes:

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Short-term employee benefits	\$ 4,878	6,933	9,547	10,688
Post-employment benefits	25	21	58	42
	<b>\$ 4,903</b>	<b>6,954</b>	<b>9,605</b>	<b>10,730</b>

**8. Pledged Assets**

The carrying amounts of the Group's pledged assets are as follows:

<b>Name of asset</b>	<b>Item pledged as collateral</b>	<b>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Property, plant and equipment:				
Land	Long-term and short-term borrowings	\$ 419,485	421,399	632,245
Buildings and structures	Long-term and short-term borrowings	51,097	60,870	354,120
Other non-current assets:				
Restricted assets	Natural gas guarantee	4,000	4,000	4,000
		<b>\$ 474,582</b>	<b>486,269</b>	<b>990,365</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>2023.6.30</b>	<b>2022.12.31</b>	<b>2022.6.30</b>
Property, plant and equipment	\$ 50,181	76,750	72,164

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

- (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:

	2023.6.30	2022.12.31	2022.6.30
Authorization and transfer of technology and research and development	\$ 55,313	61,114	75,911

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: Please refer to Note 6(20).**

**12. Others**

- (1) Employee benefits, depreciation, depletion, and amortization expenses by functions are summarized as follows:

By function By nature	April 1 to June 30, 2023			April 1 to June 30, 2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating expenses	Total
Employee benefit expenses						
Salaries	148,509	239,945	388,454	156,002	280,921	436,923
Labor and health insurance premiums	17,872	18,850	36,722	16,391	18,808	35,199
Pension expenses	6,484	7,563	14,047	6,377	8,991	15,368
Other employee benefit expenses	3,328	4,318	7,646	4,409	9,375	13,784
Depreciation (Note)	55,814	12,700	68,514	91,411	18,056	109,467
Amortization	33	3,764	3,797	633	5,086	5,719

By function By nature	January 1 to June 30, 2023			January 1 to June 30, 2022		
	Operating Costs	Operating expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefit expenses						
Salaries	292,671	469,252	761,923	303,582	542,242	845,824
Labor and health insurance premiums	37,401	38,135	75,536	35,291	38,993	74,284
Pension expenses	13,078	15,106	28,184	12,802	18,095	30,897
Other employee benefit expenses	5,251	8,146	13,397	8,112	15,558	23,670
Depreciation (Note)	113,783	26,138	139,921	164,419	35,006	199,425
Amortization	586	8,422	9,008	1,285	10,247	11,532

Note: The depreciation expenses incurred for the investment property for the three months and six months ended June 30, 2023 and 2022 were NT\$326 thousand, NT\$705 thousand, NT\$756 thousand and NT\$1,371 thousand, respectively, which were listed under other gains and losses.

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

(2) Seasonal operations:

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

**13. Separately Disclosed Items**

(1) Information on significant transactions

The significant transactions for the six months ended June 30, 2023 that the Group needs to disclose in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers are as follows:

- 1) Financing provided for others: None.
- 2) Endorsement or guarantee provided to others:

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

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		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	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
		Company	Relationship (Note 2)										
0	The Corporation	Chemix	2	1,342,748	157,872	148,350	126,850	-	2.21%	3,356,871	Y	N	N
0	The Corporation	CTI	2	1,342,748	840,780	840,780	359,324	-	12.52%	3,356,871	Y	N	N

Note 1. The numbers filled in for the loans 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. Companies 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.

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	June 30, 2023				Remarks
				Number of shares/units	Carrying Amount	Shareholding ratio	Fair Value	
The Corporation	Private Equity Fund – Forward BioT Venture Capital	None	Financial Assets at FVTPL - non-current	-	24,000	14.05%	24,000	
Chemix	Stock -Sawai Pharmaceutical Co., Ltd.	None	Financial assets at FVTOCI - non-current	5,582	4,351	- %	4,351	
	Stock - Ana Holding Inc.	None	"	1,000	736	- %	736	
Yung Shin Pharm. Ind. Co., Ltd.	Stock - Missioncare Co., Ltd.	None	"	3,161,052	54,812	2.17%	54,812	
	Stock - Missioncare Asset Management Co., Ltd.	None	"	1,338,947	12,854	2.13%	12,854	
	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	14	0.07%	14	
Angel Associates	Stock - YungShin Global Holding Corporation	Parent company	Financial assets at FVTOCI - current	58,059	1,958	0.02%	1,958	Note

Note: In order to utilize the working capital held, the carrying amount 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			June 30, 2023		
					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	857,648

Note: As disposing subsidiaries did not result in losing control. The difference between the carrying amount of the investment and consideration collected shall be directly recognized as capital surplus—the difference between the actual acquisition or price of disposal of subsidiary's equity and its carrying amount should be treated as equity transaction.

5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the

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

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:

Buyer/Seller	Counterparty	Relationship	Transaction Details				Payment Terms and Reason for Abnormal Transaction		Accounts/Notes Receivable or Payable		Remarks
			Purchase or Sale	Amount	% to Total Purchases or Sales	Credit Period	Unit Price	Credit Period	Balance	% to Total Notes/Accounts Receivable or Payable	
Yung Shin Pharm. Ind. Co., Ltd.	Vetnostrum Animal Health Co., Ltd.	Sub-subsidiary	(Sales)	111,169	4.91%	Note 1	-	-	77,450	7.88%	Note 2

Note 1. The trading terms are not significantly different from those of other customers.

Note 2. All intra-group transactions, are eliminated upon consolidation.

- 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 :

Unit: In Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			Ratio to Consolidated Revenue or Total Assets
				Financial Statement Account	Amount (Note 3)	Payment Terms	
1	Yung Shin Pharm. Ind. Co., Ltd.	Vetnostrum Animal Health Co., Ltd.	3	Accounts receivable	77,450	No regular customer available for comparison	0.67%
1	Yung Shin Pharm. Ind. Co., Ltd.	Vetnostrum Animal Health Co., Ltd.	3	Sales	111,169	No regular customer available for comparison	3.31%
1	Yung Shin Pharm. Ind. Co., Ltd.	Yung Shin Company Ltd	3	Sales	13,424	No regular customer available for comparison	0.40%
2	Shanghai Yung Zip.	Vetnostrum Animal Health Co., Ltd.	3	Sales	21,828	No regular customer available for comparison	0.65%

Note 1. The number is to be filled in the following manner:

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

Note 2. Types of relationships with traders are listed as follows:

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

Note 3. Business transactions between the Corporation and its subsidiaries amounting to NT\$10,000 thousand should be disclosed.

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

(2) Information on Investees Companies :

Below is the information of the reinvestment business (excluding invested companies in Mainland China) for the six months ended June 30, 2023:

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2023			Net Profit or Loss of the Investee	Investment Income (Loss)	Remarks
				June 30, 2023	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%	3,414,364	300,892 (Note 1)	301,996 (Note 1)	Subsidiary
	YSP INC	British Virgin Islands	Trade, investment, and other related businesses	667,496	667,496	10,000	100.00%	1,493,011	51,011 (Note 2)	52,178 (Note 2)	Subsidiary
	Vetnostrum Animal Health Co., Ltd.	Taiwan	Manufacturing and sale of medicine	722,173	752,064	36,263,975	54.77%	857,648	41,550 (Note 1)	23,857 (Note 1)	Subsidiary
	Chemix	Japan	Sale of medicine	270,248	270,248	192	100.00%	307,334	17,870 (Note 2)	17,930 (Note 2)	Subsidiary
	Yung Zip	Taiwan	Manufacture and sale of active pharmaceutical ingredients	152,968	152,968	8,817,302	20.81%	183,180	27,884 (Note 2)	6,193 (Note 2)	Associate
	Angel Associates	Taiwan	Import and export trading	3,675	3,675	3,675	73.50%	9,560	645 (Note 2)	-	-
Yung Shin Pharm. Ind. Co., Ltd.	CTI	U.S.A.	Manufacturing and sale of medicine	806,183	806,183	7,502,874	74.13%	236,783	(21,634) (Note 2)	-	Sub-subsidiary
YSP INC	YSP SAH	Malaysia	Biopharmaceutical research and technical services	500,615	500,615	52,365,605	36.96%	938,210	159,551 (Note 2)	-	Associate
	Yung Shin	Hong Kong	Sale of medicine	102,209	102,209	7,720	96.50%	54,153	3,085 (Note 2)	-	Sub-subsidiary

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

Note 1. The investment profit or loss of the Corporation was recognized based on the financial statements of the investee company for the same period audited by the independent auditors of Taiwan's parent company, accounted for and valued by the equity method.

Note 2. The investment profit or loss of the company was recognized based on the financial statements of the investee company for the same period without being reviewed by the independent auditors, accounted for and valued by the equity method.

Note 3. Gains or losses on reinvestment of subsidiaries are included in the income of subsidiaries. The transactions between the Corporation and each subsidiary of the Group including sales transaction amount, accounts receivable and payable, carrying amount of long-term equity investment, except for the associates) and investment profit and loss recognized in the current period, have been eliminated in preparing the consolidated financial statements.

(3) Information on Investments in Mainland China:

1) Name, principal operation and relevant information of invested companies in the Mainland China:

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)	Remitted or repatriated amount of investment for the period		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	Investment Income (Loss) (Note 2 and 3)	Carrying Amount at the end of the period (Note 2 and 3)	Accumulated Repatriation of Investment Income as of June 30, 2023
					Outward Remittance	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	1,096	100.00%	1,096	88,597	-

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. Investment in mainland companies through a holding company registered in a third region (YSP INTERNATIONAL COMPANY LIMITED)
3. Others

Note 2. The amount of long-term equity investment at the end of the period and the investment income (loss) of the current period have been eliminated when the consolidated financial statements are prepared.

Note 3. The investment income (loss) and carrying amount disclosed by the Corporation refer to the amount of each project invested directly or indirectly. The investment income of the company was recognized based on the financial statements of the investee company without being reviewed by the CPA, recognized by the equity method.

Note 4. It is calculated using historical exchange rates.

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

Company	Accumulated Outward Remittance for Investments from Taiwan to Mainland China at the end of the period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, M.O.E.A
The Corporation	121,120 (USD4,000 thousand)	912,091 (USD29,290 thousand)	4,464,866 (Note 1)

Note 1. 60% of consolidated net worth.

Note 2. The outward remittance for remittance for investments from Taiwan to Mainland China was calculated using historical exchange rates. In addition, others were calculated based on the closing exchange rate as of June 30, 2023 (USD:NTD = 1:31.140).

3) Material transactions with invested companies in the Mainland China:

Please refer to the "Information on Significant Transactions" for direct or indirect material transactions between the Corporation and investees in China (which have been eliminated during the preparation of consolidated financial statements) for the six months ended June 30, 2023.

(4) Information of Major Shareholders :

According to the information provided by Taiwan Depository & Clearing Corporation (TDCC), the Corporation has no shareholders holding more than 5% of the shares.



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

**14. Segment Information**

The Group considers the business from a geographic perspective, and divides reportable operating segments into the 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 adjustments of the Group's operating departments are as follows:

April 1 to June 30, 2023						
	Taiwan	U.S.A.	Mainland China	Japan	Adjustment and elimination	Total
Revenue :						
Revenue from External Customers	\$ 1,354,419	137,472	22,912	177,093	-	1,691,896
Reportable segment profit or loss	\$ 209,949	(3,429)	(6,215)	22,275	-	222,580
April 1 to June 30, 2022						
	Taiwan	U.S.A.	Mainland China	Japan	Adjustment and elimination	Total
Revenue :						
Revenue from External Customers	\$ 1,375,018	124,230	346,302	109,861	-	1,955,411
Reportable segment profit or loss	\$ 242,340	12,309	(54,762)	9,558	-	209,445
January 1 to June 30, 2023						
	Taiwan	U.S.A.	Mainland China	Japan	Adjustment and elimination	Total
Revenue :						
Revenue from External Customers	\$ 2,722,228	259,693	43,496	337,738	-	3,363,155
Reportable segment profit or loss	\$ 428,273	(16,510)	(14,220)	41,341	-	438,884
January 1 to June 30, 2022						
	Taiwan	U.S.A.	Mainland China	Japan	Adjustment and elimination	Total
Revenue :						
Revenue from External Customers	\$ 2,644,338	264,709	749,307	251,479	-	3,909,833
Reportable segment profit or loss	\$ 442,427	31,597	(33,997)	12,963	-	452,990

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

The reconciliation of the Group's reportable operating segment profit or loss and the continuing operating segment's pre-tax income or loss is as follows:

	<b>April 1 to June 30, 2023</b>	<b>April 1 to June 30, 2022</b>	<b>January 1 to June 30, 2023</b>	<b>January 1 to June 30, 2022</b>
Reportable segment's profit or loss	\$ 222,580	209,445	438,884	452,990
Non-operating income and expenses	67,827	159,770	87,061	211,386
Profit or loss before income tax of continuing operations	<b>\$ 290,407</b>	<b>369,215</b>	<b>525,945</b>	<b>664,376</b>

Information on the measure of assets and liabilities of the Group is not for operational decision used, thus an disclosure is not required.