

**YUNGSHIN GLOBAL HOLDING  
CORPORATION AND  
SUBSIDIARIES**

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

**For the Nine Months Ended September 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 September 30, 2023, and the Consolidated Statements of Comprehensive Income from July 1 to September 30, 2023, and from January 1 to September 30, 2023, the Consolidated Statements of Changes in Equity and the Consolidated Statements of Cash Flows from January 1 to September 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 September 30, 2023 were NT\$1,705,901 thousand, accounting for 14.86% of total consolidated assets; the total liabilities were NT\$621,137 thousand, accounting for 16.63% of total consolidated liabilities. The comprehensive income (loss) for the three months and nine months ended September 30, 2023 were NT\$83,079 thousand and NT\$45,838 thousand, accounting for 27.73% and 7.07% of the consolidated comprehensive income, 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\$1,093,716 thousand as of September 30, 2023. The shares of profit of associates accounted for using the equity method were NT\$19,242 thousand and

NT\$84,579 thousand for the three months and nine months ended September 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 September 30, 2023, and its consolidated financial performance for the three months and nine months ended September 30, 2023 and its consolidated cash flows for the nine 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 nine months ended September 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 November 9, 2022.

KPMG Taiwan

CPAs: Min-Ju Chao  
Lily Lu

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

November 8, 2023

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

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

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

		<b>2023.9.30</b>		<b>2022.12.31</b>		<b>2022.9.30</b>				<b>2023.9.30</b>		<b>2022.12.31</b>		<b>2022.9.30</b>	
<b>ASSETS</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>LIABILITIES AND EQUITY</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
11xx	<b>CURRENT ASSETS</b>							21xx	<b>CURRENT LIABILITIES:</b>						
1100	Cash and cash equivalents (Note 6(1))	\$ 1,433,501	12	1,956,548	16	1,822,994	16	2100	Short-term borrowings (Notes 6(10), (14) and 8)	\$ 1,110,867	10	1,554,511	13	1,815,226	16
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	63,482	1	63,482	1	63,482	1	2130	Contract liabilities - current (Note 6(22))	8,726	-	8,912	-	8,599	-
1136	Financial assets at amortized cost - current (Note 6(4))	266,282	2	2,000	-	2,000	-	2150	Notes payable	5,243	-	677	-	2,908	-
1150	Notes receivable, net (Note 6(5) and (22))	305,556	3	318,498	3	213,174	2	2170	Accounts payable	556,877	5	424,785	4	465,386	4
1170	Accounts receivable, net (Note 6(5) and (22))	1,215,933	11	1,337,037	11	1,190,056	10	2181	Accounts payable to related parties (Note 7)	22,370	-	21,030	-	18,907	-
1180	Accounts receivable from related parties (Notes 6(5), (22) and 7)	46,650	-	75,411	1	44,624	-	2200	Other payables (Note 7)	642,080	6	673,407	6	597,618	5
1200	Other receivables (Note 7)	30,841	-	32,677	-	28,119	-	2230	Current tax liabilities	91,389	1	143,690	1	84,141	1
1220	Current tax assets	163	-	95	-	164	-	2280	Lease liabilities - current (Note 6(16))	9,714	-	14,322	-	12,389	-
130x	Inventories (Note 6(6))	2,784,838	24	2,719,323	23	2,934,967	25	2322	Long-term borrowings due within one year (Note 6(10), (15) and 8)	1,938	-	113,328	1	3,143	-
1410	Prepayments	206,270	2	166,374	1	210,958	2	2365	Refund liabilities - current (Note 6(22))	23,679	-	34,108	-	25,281	-
1470	Other current assets	13,169	-	15,342	-	18,548	-	2315	Advance investment receipts (Note 6(9))	-	-	-	-	438,449	4
	<b>Total current assets</b>	<b>6,366,685</b>	<b>55</b>	<b>6,686,787</b>	<b>56</b>	<b>6,529,086</b>	<b>56</b>	2399	Other current liabilities	18,616	-	30,068	-	20,341	-
15xx	<b>NON-CURRENT ASSETS:</b>								<b>Total current liabilities</b>	<b>2,491,499</b>	<b>22</b>	<b>3,018,838</b>	<b>25</b>	<b>3,492,388</b>	<b>30</b>
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2))	24,000	-	-	-	-	-	25xx	<b>NON-CURRENT LIABILITIES:</b>						
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3))	61,949	1	51,556	1	49,763	1	2527	Contract liabilities - non-current (Note 6(22))	350,933	3	350,933	3	350,933	3
1550	Investments accounted for using the equity method (Note 6(7))	1,093,716	10	1,074,868	9	1,019,530	9	2540	Long-term borrowings (Notes 6(10), (15) and 8)	242,380	2	133,683	1	347,708	3
1600	Property, plant and equipment (Notes 6(10), (14), (15), 7 and 8)	3,583,813	31	3,697,322	31	3,738,468	32	2550	Provision of employee benefits - non-current	62,542	1	57,885	1	56,343	1
1755	Right-of-use assets (Note 6(11))	31,177	-	40,506	-	35,013	-	2570	Deferred tax liabilities	392,152	3	356,424	3	395,452	3
1760	Investment properties, net (Note 6(12))	31,682	-	32,420	-	33,341	-	2580	Lease liabilities - non-current (Note 6(16))	9,033	-	13,918	-	9,752	-
1780	Intangible assets (Note 6(10) and (13))	10,734	-	20,740	-	25,882	-	2640	Net defined benefit liabilities - non-current	43,350	-	75,084	1	45,079	-
1840	Deferred tax assets	165,771	2	162,048	2	149,659	1	2675	Refund liabilities - non-current (Note 6(22))	142,772	1	142,772	1	-	-
1900	Other non-current assets (Notes 6(10) and 8)	107,409	1	86,465	1	83,136	1	2670	Other non-current liabilities	280	-	24	-	37	-
	<b>Total non-current assets</b>	<b>5,110,251</b>	<b>45</b>	<b>5,165,925</b>	<b>44</b>	<b>5,134,792</b>	<b>44</b>		<b>Total non-current liabilities</b>	<b>1,243,442</b>	<b>10</b>	<b>1,130,723</b>	<b>10</b>	<b>1,205,304</b>	<b>10</b>
								2xxx	<b>TOTAL LIABILITIES</b>	<b>3,734,941</b>	<b>32</b>	<b>4,149,561</b>	<b>35</b>	<b>4,697,692</b>	<b>40</b>
								31xx	<b>Equity attributable to owners of the Corporation (Notes 6(7), (9), (18), (19) and (20)):</b>						
								3110	Share capital	2,664,230	23	2,664,230	22	2,664,230	23
								3200	Capital surplus	2,354,803	21	2,340,374	20	2,141,934	18
									Retained earnings:						
								3310	Legal reserve	881,899	8	800,994	7	800,994	7
								3320	Special reserve	312,829	3	391,162	3	391,162	3
								3350	Unappropriated earnings	1,280,188	11	1,277,400	11	1,222,141	11
									Total retained earnings	2,474,916	22	2,469,556	21	2,414,297	21
								3400	Other equity	(324,338)	(3)	(312,829)	(3)	(349,483)	(3)
								3500	Treasury shares	(1,439)	-	(1,439)	-	(1,439)	-
									Total equity attributed to the owners of the parent company	7,168,172	63	7,159,892	60	6,869,539	59
								36xx	<b>Non-controlling Interests (Note 6(9))</b>	573,823	5	543,259	5	96,647	1
								3xxx	<b>TOTAL EQUITY</b>	<b>7,741,995</b>	<b>68</b>	<b>7,703,151</b>	<b>65</b>	<b>6,966,186</b>	<b>60</b>
1xxx	<b>TOTAL ASSETS</b>	<b>\$ 11,476,936</b>	<b>100</b>	<b>11,852,712</b>	<b>100</b>	<b>11,663,878</b>	<b>100</b>	2-3xxx	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 11,476,936</b>	<b>100</b>	<b>11,852,712</b>	<b>100</b>	<b>11,663,878</b>	<b>100</b>

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

Chairman: Fang-Hsin Lee

President: Chih-Wei Chien

Accounting Manager: Yu-Yi Lee

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

Unit: In Thousands of New Taiwan Dollars

	July 1 to September 30, 2023		July 1 to September 30, 2022		January 1 to September 30, 2023		January 1 to September 30, 2022	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 <b>Operating revenue (Notes 6(22) and 7)</b>	\$ 1,720,417	100	1,624,979	100	5,083,572	100	5,534,812	100
5000 <b>Operating costs (Notes 6(6), (10), (16), (17), 7 and 12)</b>	974,106	57	959,798	59	2,908,244	57	3,020,742	55
5900 <b>Gross profit</b>	746,311	43	665,181	41	2,175,328	43	2,514,070	45
6000 <b>OPERATING EXPENSES (Notes 6(5), (10), (16), (17), (20), (23), 7 and 12):</b>								
6100 Selling and marketing expenses	322,896	19	304,877	19	900,994	18	1,230,949	22
6200 General and administrative expenses	123,628	7	110,408	7	355,877	7	381,236	7
6300 Research and development expenses	91,789	5	73,264	4	272,294	5	272,337	5
6450 Expected credit loss (gain on reversal)	(165)	-	1,128	-	(884)	-	1,054	-
<b>Total operating expenses</b>	538,148	31	489,677	30	1,528,281	30	1,885,576	34
6900 <b>Income from Operations</b>	208,163	12	175,504	11	647,047	13	628,494	11
7000 <b>NON-OPERATING INCOME AND EXPENSES (Notes 6(7), (8), (16), (24) and 7):</b>								
7100 Interest income	13,627	1	4,104	-	37,748	1	5,914	-
7010 Other income	66,393	4	10,355	1	76,219	2	29,346	1
7020 Other gains and losses	46,998	3	72,435	5	52,118	1	232,789	4
7050 Finance costs	(8,923)	(1)	(8,854)	(1)	(26,266)	(1)	(22,695)	-
7060 Share of profit or loss of associates and joint ventures accounted for using the equity method	19,242	1	36,623	2	84,579	1	80,695	1
<b>Total non-operating income and expenses</b>	137,337	8	114,663	7	224,398	4	326,049	6
<b>Profit before income tax of continuing operations</b>	345,500	20	290,167	18	871,445	17	954,543	17
7950 <b>Less: Tax expenses (Note 6(18))</b>	79,691	5	37,742	2	216,447	4	194,162	3
<b>Net profit for the period</b>	265,809	15	252,425	16	654,998	13	760,381	14
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	(11,075)	(1)	(665)	-	10,619	-	2,225	-
8320 Share of other comprehensive income of associates accounted for using the equity method	5,737	-	550	-	3,226	-	782	-
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>	(5,338)	(1)	(115)	-	13,845	-	3,007	-
8360 <b>Items that may be reclassified subsequently to profit or loss:</b>								
8361 Exchange differences on translating foreign operations	20,930	2	28,926	2	(1,513)	-	36,999	1
8370 Share of other comprehensive income of associates accounted for using the equity method	27,134	2	12,129	1	(25,426)	-	25,428	-
8399 Less: Income tax relating to items that may be reclassified to profit or loss	8,888	1	7,046	1	(6,339)	-	9,668	-
<b>Total items that may be reclassified subsequently to profit or loss</b>	39,176	3	34,009	2	(20,600)	-	52,759	1
8300 <b>OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	33,838	2	33,894	2	(6,755)	-	55,766	1
8500 <b>Total comprehensive income for the period</b>	\$ <b>299,647</b>	<b>17</b>	<b>286,319</b>	<b>18</b>	<b>648,243</b>	<b>13</b>	<b>816,147</b>	<b>15</b>
<b>NET PROFIT FOR THE PERIOD</b>								
<b>ATTRIBUTABLE TO:</b>								
8610 Owners of the Corporation	\$ 241,931	14	254,950	16	618,133	12	753,786	14
8620 Non-controlling interests	23,878	1	(2,525)	-	36,865	1	6,595	-
	\$ <b>265,809</b>	<b>15</b>	<b>252,425</b>	<b>16</b>	<b>654,998</b>	<b>13</b>	<b>760,381</b>	<b>14</b>
<b>TOTAL COMPREHENSIVE INCOME</b>								
<b>ATTRIBUTABLE TO:</b>								
8710 Owners of the Corporation	\$ 272,145	15	283,019	18	606,624	12	795,465	14
8720 Non-controlling interests	27,502	2	3,300	-	41,619	1	20,682	1
	\$ <b>299,647</b>	<b>17</b>	<b>286,319</b>	<b>18</b>	<b>648,243</b>	<b>13</b>	<b>816,147</b>	<b>15</b>
<b>Earnings Per Share (Note 6(21))</b>								
9710 Basic earnings per share (Unit: NT\$)	\$ <b>0.91</b>		<b>0.96</b>		<b>2.32</b>		<b>2.83</b>	
9810 Diluted earnings per share (Unit: NT\$)	\$ <b>0.91</b>		<b>0.96</b>		<b>2.32</b>		<b>2.83</b>	

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

Chairman: Fang-Hsin Lee

President: Chih-Wei Chien

Accounting Manager: Yu-Yi Lee

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

Unit: In Thousands of New Taiwan Dollars

Equity attributed to the owners of the parent company

	Retained earnings						Other equity items			Treasury shares	Total equity attributed to the owners of the parent company	Non-controlling interests	Total equity
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total				
<b>Balance on January 1, 2022</b>	\$ 2,664,230	2,152,909	726,190	304,005	1,083,235	2,113,430	(403,587)	12,425	(391,162)	(1,439)	6,537,968	250,131	6,788,099
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	-	-	-	-	753,786	753,786	-	-	-	-	753,786	6,595	760,381
Other comprehensive income for the period	-	-	-	-	-	-	38,672	3,007	41,679	-	41,679	14,087	55,766
Total comprehensive income for the period	-	-	-	-	753,786	753,786	38,672	3,007	41,679	-	795,465	20,682	816,147
Subsidiary 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	-	(10,870)	-	-	-	-	-	-	-	-	(10,870)	12,804	1,934
Cash dividends of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(10,553)	(10,553)
<b>Balance on September 30, 2022</b>	<b>\$ 2,664,230</b>	<b>2,141,934</b>	<b>800,994</b>	<b>391,162</b>	<b>1,222,141</b>	<b>2,414,297</b>	<b>(364,915)</b>	<b>15,432</b>	<b>(349,483)</b>	<b>(1,439)</b>	<b>6,869,539</b>	<b>96,647</b>	<b>6,966,186</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	-	-	-	-	618,133	618,133	-	-	-	-	618,133	36,865	654,998
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(25,354)	13,845	(11,509)	-	(11,509)	4,754	(6,755)
Total comprehensive income for the period	-	-	-	-	618,133	618,133	(25,354)	13,845	(11,509)	-	606,624	41,619	648,243
Adjustment to capital surplus from dividends paid to subsidiary	-	98	-	-	-	-	-	-	-	-	98	-	98
Changes in capital surplus from investments in associates accounted for using the equity method	-	(1,353)	-	-	-	-	-	-	-	-	(1,353)	-	(1,353)
Changes in ownership interests in subsidiaries	-	15,684	-	-	-	-	-	-	-	-	15,684	25,514	41,198
Cash dividends of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(36,569)	(36,569)
<b>Balance on September 30, 2023</b>	<b>\$ 2,664,230</b>	<b>2,354,803</b>	<b>881,899</b>	<b>312,829</b>	<b>1,280,188</b>	<b>2,474,916</b>	<b>(361,438)</b>	<b>37,100</b>	<b>(324,338)</b>	<b>(1,439)</b>	<b>7,168,172</b>	<b>573,823</b>	<b>7,741,995</b>

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

Chairman: Fang-Hsin Lee

President: Chih-Wei Chien

Accounting Manager: Yu-Yi Lee

**YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**  
**January 1 to September 30, 2023 and 2022**

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

	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before income tax	\$ 871,445	954,543
Adjustments for:		
Profit and loss items		
Depreciation	211,009	276,197
Amortization	12,321	16,919
Expected credit loss (gain on reversal)	(884)	1,054
Interest expenses	26,266	22,695
Interest income	(37,748)	(5,914)
Dividend income	(116)	(105)
Share-based remuneration payment cost	-	1,934
Share of profit or loss of associates accounted for using the equity method	(84,579)	(80,695)
Gain on disposal and scrap of property, plant and equipment	(218)	(140)
Property, plant and equipment transferred to expenses	1,159	-
Gains on lease modifications	-	(9)
Gain on disposal of non-current assets held for sale	-	(7,823)
Write-downs and disposal of inventories	-	40,262
Unrealized profit on foreign exchange	-	(87,038)
Gain on disposal of subsidiaries	-	(109,706)
Total profit and loss items	<u>127,210</u>	<u>67,631</u>
Changes in operating assets/liabilities:		
Net changes in operating assets:		
Notes receivable	13,017	69,308
Accounts receivable	121,799	5,483
Accounts receivable from related parties	28,761	(22,643)
Other receivables	3,503	(19,933)
Inventories	(65,515)	(143,708)
Prepayments	(63,896)	(115,965)
Other current assets	2,173	(3,715)
Total net changes in operating assets	<u>39,842</u>	<u>(231,173)</u>
Net changes in operating liabilities:		
Contract liabilities	(186)	(3,515)
Notes payable	4,566	845
Accounts payable	132,092	31,671
Accounts payable to related parties	1,340	(4,954)
Other payables	(29,665)	(35,372)
Provisions for liabilities	4,657	4,000
Other current liabilities	(21,881)	(51,189)
Net defined benefit liabilities	(31,734)	(19,284)
Other operating liabilities	-	(377)
Total net changes in operating assets and liabilities	<u>59,189</u>	<u>(78,175)</u>
Total net changes in assets and liabilities related to operating activities	<u>99,031</u>	<u>(309,348)</u>
Total adjustments	<u>226,241</u>	<u>(241,717)</u>
Cash inflow from operations	1,097,686	712,826
Interest received	36,081	5,914
Dividends received	42,045	29,135
Interest paid	(28,048)	(23,403)
Income tax paid	(230,403)	(190,021)
<b>Net cash inflow from operating activities</b>	<u>917,361</u>	<u>534,451</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(125)	(138)
Acquisition of financial assets at amortized cost	(260,908)	-
Disposal of subsidiaries	-	527,911
Proceeds from disposal of non-current assets held for sale	-	55,637
Acquisition of property, plant and equipment	(53,082)	(114,894)
Proceeds from disposal of property, plant and equipment	438	891
Decrease (increase) in refundable deposits	(14,297)	34,437
Purchase of intangible assets	(2,035)	(1,092)
Decrease (increase) in other non-current assets	(29,144)	2,289
Increase in prepayments for equipment	(4,265)	(20,624)
Dividends received	116	105
<b>Net cash inflow (outflow) from investing activities</b>	<u>(363,302)</u>	<u>484,522</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase in short-term borrowings	262,440	796,684
Decrease in short-term borrowings	(710,516)	(904,166)
Proceeds from long-term borrowings	110,000	900,000
Repayments of long-term borrowings	(112,403)	(1,244,731)
Decrease in guarantee deposits	256	10,019
Repayment of the principal portion of lease liabilities	(10,590)	(10,331)
Cash dividends paid	(649,244)	(463,399)
Subsidiary cash reduction	-	(28,961)
Advance investment receipts	-	438,449
Disposal of equity in subsidiaries	39,927	-
Changes in non-controlling interests	1,271	(7,749)
<b>Net cash outflow from financing activities</b>	<u>(1,068,859)</u>	<u>(514,185)</u>
Effects of exchange rate changes on cash and cash equivalents	(8,247)	131,997
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(523,047)</u>	<u>636,785</u>
Balance of cash and cash equivalents at the beginning of period	1,956,548	1,186,209
<b>Balance of cash and cash equivalents at the end of the period</b>	<u>\$ 1,433,501</u>	<u>1,822,994</u>

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

Chairman: Fang-Hsin Lee

President: Chih-Wei Chien

Accounting Manager: Yu-Yi Lee



**YUNGSHIN GLOBAL HOLDING CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Nine Months Ended September 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 November 8, 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."

The Group has applied the following newly amended IFRS on May 23, 2023, which have not caused any material impact on its consolidated financial statements.

- Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

(2) The impact of IFRS issued by the FSC but not yet effective

The Group expects that the following amendments to IFRS issued into effect on January 1, 2024 will not have a material impact on the consolidated financial statements.

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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

(3) 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
- Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 Comparative Information"
- Amendments to IAS 21 "Lack of Exchangeability"

**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

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

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

Investor Company	Subsidiary Name	Business Activities	Proportion of Ownership (%)			Remark
			2023.9.30	2022.12.31	2022.9.30	
The Corporation	Yung Shin Pharmaceutical Industrial Co., Ltd.	Manufacturing and sale of medicine and cosmetics	100.00%	100.00%	100.00%	
The Corporation	Chemix Inc. (Chemix)	Sale of medicine	100.00%	100.00%	100.00%	Note 2
The Corporation	YSP International Company Limited (YSP INC)	Trade, investment, and other related businesses	100.00%	100.00%	100.00%	Note 2
The Corporation	Vetnostrum Animal Health Co., Ltd.	Manufacturing and sale of medicine	54.71%	57.04%	100.00%	Note 1
Yung Shin Pharm. Ind. Co., Ltd.	Angel Associates (Taiwan), Inc.	Import and export trading	73.50%	73.50%	73.50%	Note 2
YSP INC	Carlsbad Technology, Inc. (CTI)	Manufacturing and sale of medicine	74.13%	74.13%	74.13%	Note 2
YSP INC	YungShin TienTe (Shanghai) Pharmaceutical Trading Co., Ltd.	Import and export trading	100.00%	100.00%	100.00%	Note 2 and 3
YSP INC	Yung Shin Company Limited	Sale of medicine	96.50%	96.50%	96.50%	Note 2

Note 1. On May 24, 2022, the Group passed a resolution of the shareholders' meeting to release the shares of Vetnostrum Animal Health Co., Ltd. As of September 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. A total of 77 thousand new shares were issued due to the exercise of employee stock options by employees for the nine months ended September 30, 2023. After the aforementioned transaction, the Group's shareholding percentage in Vetnostrum Animal Health Co., Ltd. was adjusted from 100.00% to 54.71%.

Note 2. The Corporation is not a major subsidiary. Its financial statements have not been reviewed by CPAs.

Note 3. Shanghai Yung Zip Pharmaceutical Trading Co., Ltd. changed its name to YungShin TienTe (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.

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

**5. Critical accounting Judgments 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. The Group holds 36.94% of the voting rights of YSP SAH and is the single largest shareholder. The remaining holdings are not concentrated in specific shareholder; 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

	<b>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Cash on hand	\$ 861	325	491
Demand deposits and check deposits	1,428,640	1,952,223	684,623
Time deposits	4,000	4,000	1,137,880
	<b>\$ 1,433,501</b>	<b>1,956,548</b>	<b>1,822,994</b>

Please refer to Note 6(25) for the disclosure of interest rate risk and sensitivity analysis of the Group's financial assets and liabilities.

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

(2) Financial Assets at fair value through profit or loss - current and non-current

	<u>2023.9.30</u>	<u>2022.12.31</u>	<u>2022.9.30</u>
Financial assets mandatorily at FVTPL:			
Product development investment agreements	\$ 63,482	63,482	63,482
Private equity funds	24,000	-	-
<b>Total</b>	<b>\$ 87,482</b>	<b>63,482</b>	<b>63,482</b>

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

Please refer to Note 6(24) for the amount re-measured at fair value and recognized in profit or loss.

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

	<u>2023.9.30</u>	<u>2022.12.31</u>	<u>2022.9.30</u>
Equity instruments measured at fair value through other comprehensive income:			
Listed shares:			
Sawai Pharmaceutical Co., Ltd.	\$ 5,634	5,305	4,862
Ana Holding Inc.	677	651	598
	<u>6,311</u>	<u>5,956</u>	<u>5,460</u>
Unlisted shares:			
Missioncare Co., Ltd.	42,736	33,634	32,717
Missioncare Asset Management Co., Ltd.	12,884	11,949	11,568
Limited Liability Fengyuan Medical Waste Disposal Equipment Used Cooperatives	6	6	7
International Green Handle Co., Ltd.	12	11	11
	<u>55,638</u>	<u>45,600</u>	<u>44,303</u>
<b>Total</b>	<b>\$ 61,949</b>	<b>51,556</b>	<b>49,763</b>

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.

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

The Group did not dispose of its strategic investments for the nine months ended September 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>2023.9.30</u>	<u>2022.12.31</u>	<u>2022.9.30</u>
Time deposits with original maturities of more than 3 months	\$ 266,282	2,000	2,000
Interest Rates (%)	<u>1.45~5.15</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.

(5) Notes receivable and accounts receivable

	<u>2023.9.30</u>	<u>2022.12.31</u>	<u>2022.9.30</u>
Notes receivable	\$ 306,175	319,306	213,606
Accounts receivable	1,222,293	1,344,014	1,197,927
Accounts receivable from related parties	46,650	75,411	44,624
Less: Loss allowance - notes receivable	(619)	(808)	(432)
Loss allowance - accounts receivable	(6,360)	(6,977)	(7,871)
	<u>\$ 1,568,139</u>	<u>1,730,946</u>	<u>1,447,854</u>

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.

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

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

	<b>2023.9.30</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	\$ 1,280,559	0.30	3,851
1 ~ 30 days past due	102,931	0.13	129
31 ~ 60 days past due	42,060	0.03	13
61 ~ 90 days past due	48,445	0.01	2
91 ~ 120 days past due	50,454	0.01	3
121 ~ 180 days past due	46,927	-	-
181 ~ 270 days past due	749	-	-
271 ~ 365 days past due	99	87.88	87
Over 365 days past due	2,894	100.00	2,894
	<b>\$ 1,575,118</b>		<b>6,979</b>

	<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>2022.9.30</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	\$ 1,255,363	0.44	5,581
1 ~ 30 days past due	74,334	0.45	336
31 ~ 60 days past due	30,051	0.59	177
61 ~ 90 days past due	39,901	0.31	122
91 ~ 120 days past due	49,260	0.28	137
121 ~ 180 days past due	3,845	-	-
271 ~ 365 days past due	1,453	-	-
Over 365 days past due	1,950	100.00	1,950
	<b>\$ 1,456,157</b>		<b>8,303</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 September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Balance on January 1	\$ 7,785	20,726
Recognized impairment loss (gain on reversal)	(884)	1,054
Uncollectible amounts written off for the period	(36)	-
Difference of foreign exchange	114	532
Disposal of subsidiaries	-	(14,009)
Balance at end of period	<b>\$ 6,979</b>	<b>8,303</b>

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

(6) Inventories

	<b>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Finished goods	\$ 1,220,510	1,011,157	1,081,589
Work in process	239,601	296,061	295,846
Raw materials	968,518	1,222,491	1,381,098
Supplies	172,711	142,378	157,837
Inventory in transit	183,498	47,236	18,597
	<b>\$ 2,784,838</b>	<b>2,719,323</b>	<b>2,934,967</b>

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>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Write-downs of inventories (gain on reversal)	\$ (7,042)	(12,320)	792	(26,888)
Loss for inventory obsolescence	10,941	36,575	39,089	67,150
Gain on physical inventories	(419)	(387)	(1,212)	(459)
Revenue from sale of scraps	(62)	(175)	(214)	(420)
Total	<b>\$ 3,418</b>	<b>23,693</b>	<b>38,455</b>	<b>39,383</b>

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>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Associate	<b>\$ 1,093,716</b>	<b>1,074,868</b>	<b>1,019,530</b>



**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		
			2023.9.30	2022.12.31	2022.9.30
YSP SAH	Biopharmaceutical research and technical services	Malaysia	36.94%	37.13%	37.14%

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

	2023.9.30	2022.12.31	2022.9.30
YSP SAH	\$ 864,705	935,394	720,912

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

	2023.9.30	2022.12.31	2022.9.30
Current assets	\$ 2,406,169	2,340,256	2,268,402
Non-current assets	1,158,357	980,427	941,634
Current liabilities	(507,125)	(460,409)	(485,846)
Non-current liabilities	(361,988)	(212,560)	(197,210)
Net assets	<u>\$ 2,695,413</u>	<u>2,647,714</u>	<u>2,526,980</u>
Net assets attributable to non-controlling interests	<u>\$ 41,842</u>	<u>40,739</u>	<u>40,497</u>
Net assets attributable the owners of investee	<u>\$ 2,653,571</u>	<u>2,606,975</u>	<u>2,486,483</u>

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Operating revenue	<u>\$ 619,386</u>	<u>630,181</u>	<u>1,820,824</u>	<u>1,696,138</u>
Net profit of continuing operations for the period	\$ 40,900	91,780	200,451	191,923
Other comprehensive income	73,382	32,684	(68,826)	67,956
Total comprehensive income	<u>\$ 114,282</u>	<u>124,464</u>	<u>131,625</u>	<u>259,879</u>

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

	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 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	48,668	96,515
Cash dividends of associates	(34,991)	(28,254)
The Group's share of associates' net assets at the end of the period	981,634	923,541
Less: Capital surplus	(1,353)	(178)
The Group's carrying amount of the associates' interest at the end of the period	<b>\$ 980,281</b>	<b>923,363</b>

2) Guarantee

As of September 30, 2023, December 31, 2022 and September 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 LTC Holding Company Limited (formerly known as Yung Shin China Holding Company Limited, hereinafter referred to as "LTC Holding") and its subsidiary, Tc Pharmaceuticals (Jiangsu) Co., Ltd. (formerly known as Yung Shin Pharmaceutical Ind. (Kunshan) Co., Ltd., hereinafter referred to as "Tc Pharmaceuticals"). The Group completed the disposal of the subsidiaries on June 30, 2022 and lost control over the subsidiaries.

a. Consideration received

	<b>LTC Holding and Tc Pharmaceuticals</b>
Cash and cash equivalents	<b>\$ 695,145</b>

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

b. Analysis of assets and liabilities over which the Group lost control	<b>LTC Holding and Tc Pharmaceuticals</b>
	<u>Pharmaceuticals</u>
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>
c. Gain on disposal of subsidiaries	<b>LTC Holding and Tc Pharmaceuticals</b>
	<u>Pharmaceuticals</u>
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	<u><u>\$ 119,871</u></u>
d. Net cash inflow on disposal of subsidiaries	<b>LTC Holding and Tc Pharmaceuticals</b>
	<u>Pharmaceuticals</u>
Consideration received in cash and cash equivalents	\$ 695,145
Less: Balance of cash and cash equivalents disposed	(167,234)
	<u><u>\$ 527,911</u></u>

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

(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 nine months ended September 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:

<b>Subsidiary Name</b>	<b>Principal Place of Business/Country of Registration</b>	<b>Proportion of non-controlling interests in ownership interests and voting rights</b>		
		<b>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Vetnostrum Animal Health Co., Ltd.	Taiwan	45.29%	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:

	<b>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Current assets	\$ 665,242	716,742	689,378
Non-current assets	1,111,615	1,155,590	1,171,470
Current liabilities	(329,102)	(411,241)	(476,846)
Non-current liabilities	(103,148)	(107,840)	(107,925)
Net assets	<b>\$ 1,344,607</b>	<b>1,353,251</b>	<b>1,276,077</b>
Net assets attributable to non-controlling interests	<b>\$ 471,216</b>	<b>451,034</b>	<b>-</b>

	<b>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Operating revenue	<b>\$ 324,436</b>	<b>284,595</b>	<b>914,853</b>	<b>890,240</b>
Net profit for the period	\$ 28,106	21,181	70,201	84,607
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<b>\$ 28,106</b>	<b>21,181</b>	<b>70,201</b>	<b>84,607</b>
Net profit for the period attributable to non-controlling interests	<b>\$ 12,601</b>	<b>-</b>	<b>30,905</b>	<b>-</b>
Total comprehensive income attributable to non-controlling interests	<b>\$ 12,601</b>	<b>-</b>	<b>30,905</b>	<b>-</b>

	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Cash flows from operating activities	\$ 194,176	92,267
Cash flows from investing activities	(9,936)	(10,454)
Cash flows from financing activities	(185,277)	(73,838)
Increase (decrease) in cash and cash equivalents	<b>\$ (1,037)</b>	<b>7,975</b>

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

On May 24, 2022, the shareholders' meeting of the Group resolved to release the shares of Vetnostrum Animal Health Co., Ltd. The shares were released in 3 phases with 15,673 thousand shares, 3,902 thousand shares, and 5,660 thousand shares at NT\$22, NT\$24 and NT\$26, respectively, totaling 25,235 thousand shares at NT\$585,617 thousand. As of September 30, 2022, the first and second releases of shares were fully paid (recognized as investment income received in advance), with October 7, 2022 as the record date; the third release of shares stated October 26, 2022 and October 31, 2022 as the record date, respectively. The aforementioned transactions resulted in the Group's shareholding in Vetnostrum Animal Health Co., Ltd. to adjust from 100.00% to 59.94%. 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 59.94% to 57.04%.

For the nine months ended September 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 54.71%.

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 September 30, 2023</b>
Consideration received in cash	\$ 41,198
Carrying amount of the subsidiary's net assets transfer to non-controlling interest based on relative changes in equity.	(25,514)
Differences arising from equity transactions (recognized as capital surplus)	<b>\$ 15,684</b>

**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	-	10,462	23,558	801	4,173	5,460	8,748	53,202
Disposal	-	(333)	(4,108)	(819)	(2,746)	(3,419)	-	(11,425)
Reclassification (Note)	-	10,877	35,686	-	190	872	(22,376)	25,249
Effect of changes in exchange rate	3,037	12,702	14,423	61	1,810	157	-	32,190
Balance on September 30, 2023	<b>\$ 2,179,994</b>	<b>3,328,157</b>	<b>3,847,180</b>	<b>43,773</b>	<b>180,203</b>	<b>712,973</b>	<b>86,972</b>	<b>10,379,252</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	-	11,629	18,496	1,708	1,643	10,466	70,952	114,894
Disposal	-	(5,754)	(15,234)	-	(282)	(4,561)	-	(25,831)
Reclassification	-	13,091	22,440	-	-	4,490	(40,288)	(267)
Disposal of subsidiaries	-	(508,615)	(297,772)	(3,453)	(15,340)	(102,967)	(2,068)	(930,215)
Effect of changes in exchange rate	10,330	50,349	46,322	240	2,175	4,902	60	114,378
Balance on September 30, 2022	<b>\$ 2,178,817</b>	<b>3,294,156</b>	<b>3,779,632</b>	<b>43,783</b>	<b>176,481</b>	<b>709,597</b>	<b>86,508</b>	<b>10,268,974</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	-	72,088	98,348	2,518	3,219	22,678	-	198,851
Disposal	-	(333)	(4,108)	(599)	(2,746)	(3,419)	-	(11,205)
Reclassification (Note)	-	(63)	(563)	-	-	563	-	(63)
Effect of changes in exchange rate	-	10,334	12,936	54	1,712	106	-	25,142
Balance on September 30, 2023	<b>\$ -</b>	<b>2,582,793</b>	<b>3,350,252</b>	<b>35,145</b>	<b>165,506</b>	<b>661,743</b>	<b>-</b>	<b>6,795,439</b>
Balance on January 1, 2022	\$ -	2,658,406	3,260,130	31,094	165,807	675,666	-	6,791,103
Depreciation	-	94,232	124,820	3,424	5,274	34,986	-	262,736
Disposal	-	(5,754)	(14,852)	-	(242)	(4,232)	-	(25,080)
Reclassification	-	(73)	73	-	-	-	-	-
Disposal of subsidiaries	-	(299,383)	(189,783)	(2,403)	(9,947)	(75,664)	-	(577,180)
Effect of changes in exchange rate	-	34,948	37,994	185	1,895	3,905	-	78,927
Balance on September 30, 2022	<b>\$ -</b>	<b>2,482,376</b>	<b>3,218,382</b>	<b>32,300</b>	<b>162,787</b>	<b>634,661</b>	<b>-</b>	<b>6,530,506</b>
Carrying amount:								
Balance on September 30, 2023	<b>\$ 2,179,994</b>	<b>745,364</b>	<b>496,928</b>	<b>8,628</b>	<b>14,697</b>	<b>51,230</b>	<b>86,972</b>	<b>3,583,813</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 September 30, 2022	<b>\$ 2,178,817</b>	<b>811,780</b>	<b>561,250</b>	<b>11,483</b>	<b>13,694</b>	<b>74,936</b>	<b>86,508</b>	<b>3,738,468</b>

Note: Reclassified NT\$26,848 thousand to prepayments for equipment, NT\$290 thousand to intangible assets, recognized NT\$1,159 thousand as expenses and reclassified NT\$150 thousand and NT\$63 thousand to refundable deposits and depreciation, respectively.

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

	<b>Land, buildings and structures</b>	<b>Transportation equipment</b>	<b>Machinery and equipment</b>	<b>Total</b>
Cost of right-of-use assets:				
Balance on January 1, 2023	\$ 46,255	29,709	4,375	80,339
Additions	-	854	-	854
Effect of changes in exchange rate	1,538	-	(280)	1,258
Balance on September 30, 2023	<b>\$ 47,793</b>	<b>30,563</b>	<b>4,095</b>	<b>82,451</b>
Balance on January 1, 2022	\$ 106,859	32,824	4,162	143,845
Additions	4,710	1,672	353	6,735
Decrease in the period	(2,545)	(4,050)	-	(6,595)
Disposal of subsidiaries	(78,428)	(1,958)	-	(80,386)
Effect of changes in exchange rate	4,159	-	(353)	3,806
Balance on September 30, 2022	<b>\$ 34,755</b>	<b>28,488</b>	<b>4,162</b>	<b>67,405</b>
Depreciation and impairment losses of right-of-use assets:				
Balance on January 1, 2023	\$ 18,659	17,239	3,935	39,833
Depreciation	4,864	6,176	53	11,093
Effect of changes in exchange rate	618	-	(270)	348
Balance on September 30, 2023	<b>\$ 24,141</b>	<b>23,415</b>	<b>3,718</b>	<b>51,274</b>
Balance on January 1, 2022	\$ 55,962	11,033	3,155	70,150
Depreciation	4,878	6,520	53	11,451
Decrease in the period	(2,545)	(2,851)	-	(5,396)
Disposal of subsidiaries	(44,713)	(707)	-	(45,420)
Effect of changes in exchange rate	1,875	-	(268)	1,607
Balance on September 30, 2022	<b>\$ 15,457</b>	<b>13,995</b>	<b>2,940</b>	<b>32,392</b>
Carrying amount:				
Balance on September 30, 2023	<b>\$ 23,652</b>	<b>7,148</b>	<b>377</b>	<b>31,177</b>
Balance on January 1, 2023	<b>\$ 27,596</b>	<b>12,470</b>	<b>440</b>	<b>40,506</b>
Balance on September 30, 2022	<b>\$ 19,298</b>	<b>14,493</b>	<b>1,222</b>	<b>35,013</b>

(12) Investment properties

	<b>Land, buildings and structures</b>
Carrying Amount:	
Balance on September 30, 2023	<b>\$ 31,682</b>
Balance on January 1, 2023	<b>\$ 32,420</b>
Balance on September 30, 2022	<b>\$ 33,341</b>

There was no significant addition, disposal, provision for impairment, or reversal of the Group's investment property for the nine months ended September 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 September 30, 2023	\$ 3,428	7,201	105	10,734
Balance on January 1, 2023	\$ 12,821	7,410	509	20,740
Balance on September 30, 2022	\$ 18,242	7,533	107	25,882

There was no significant addition, disposal, provision for impairment, or reversal of the Group's intangible assets for the nine months ended September 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>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Secured bank loans	\$ 440,867	514,511	500,226
Unsecured bank loans	670,000	1,040,000	1,315,000
Total	\$ 1,110,867	1,554,511	1,815,226
Unutilized amount	\$ 2,179,601	2,083,775	1,843,883
Interest Rates (%)	<b>0.49~6.62</b>	<b>0.48~5.48</b>	<b>0.48~4.36</b>

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>2023.9.30</b>		
	<b>Range of Interest Rates (%)</b>	<b>Year of maturity</b>	<b>Amount</b>
Secured bank loans	1.10	2025	\$ 2,718
Unsecured bank loans	1.05~1.76	2025~2026	241,600
Subtotal			244,318
Less: due within one year			(1,938)
			\$ 242,380
Unutilized amount			\$ 1,456,361
	<b>2022.12.31</b>		
	<b>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)
			\$ 133,683
Unutilized amount			\$ 1,175,501



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

	<b>Interest Rates</b>	<b>2022.9.30</b>	
	(%)	Year of maturity	Amount
Secured bank loans	1.10	2025	\$ 5,911
Unsecured bank loans	0.68~1.29	2023~2026	344,940
Subtotal			350,851
Less: due within one year			(3,143)
			<b>\$ 347,708</b>
Unutilized amount			<b>\$ 1,350,609</b>

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

(16) Lease liabilities

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

	<b>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Current	\$ 9,714	14,322	12,389
Non-current	9,033	13,918	9,752
Total	<b>\$ 18,747</b>	<b>28,240</b>	<b>22,141</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>July 1 to</b>	<b>July 1 to</b>	<b>January 1 to</b>	<b>January 1 to</b>
	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>
	<b>30, 2023</b>	<b>30, 2022</b>	<b>30, 2023</b>	<b>30, 2022</b>
Interest expense of lease liabilities	\$ 118	55	419	193
Expenses for short-term leases	\$ 251	1,416	1,686	1,416
Expenses related to low-value lease assets	\$ 343	2,187	5,789	6,527

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

	<b>January 1 to</b>	<b>January 1 to</b>
	<b>September 30,</b>	<b>September 30,</b>
	<b>2023</b>	<b>2022</b>
Total cash outflow for leases	<b>\$ 18,484</b>	<b>18,467</b>

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 does 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.

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

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 nine months ended September 30, 2023 and 2022 were NT\$508 thousand, NT\$389 thousand, NT\$1,369 thousand and NT\$1,169 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 nine months ended September 30, 2023 and 2022 were NT\$1,552 thousand, NT\$1,382 thousand, NT\$4,657 thousand and NT\$4,000 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 nine months ended September 30, 2023 and 2022 were NT\$12,394 thousand, NT\$10,796 thousand, NT\$36,612 thousand and NT\$38,295 thousand, respectively.

(18) Tax expenses

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

	<b>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Current tax expenses				
Current income tax expenses	\$ 56,011	35,565	178,304	169,418
Current income tax from adjustment of prior period	-	(1,850)	(202)	(16,846)
	<u>56,011</u>	<u>33,715</u>	<u>178,102</u>	<u>152,572</u>
Deferred tax expenses				
Origination and reversal of temporary differences	23,680	4,027	38,345	41,590
Tax expenses	<u>\$ 79,691</u>	<u>37,742</u>	<u>216,447</u>	<u>194,162</u>

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

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

	<u>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>\$ 8,888</u>	<u>7,046</u>	<u>(6,339)</u>	<u>9,668</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 nine months ended September 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:

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

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.

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

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 September 30, 2023, December 31, 2022 and September 30, 2022.

Angel Associates (Taiwan) Inc. held the Corporation's shares with carrying amount amounting to NT\$1,958 thousand. As of September 30, 2023, December 31, 2022 and September 30, 2022, the market value was NT\$2,555 thousand, NT\$2,671 thousand and NT\$2,305 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 nine months ended September 30, 2023 and 2022. Please refer to Note 28 of the consolidated financial statements for the year ended December 31, 2022 for relevant information.

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

	<b>January 1 to September 30, 2023</b>		<b>January 1 to September 30, 2022</b>	
	<b>Quantity of stock option</b>	<b>Weighted average exercise price (NT\$)</b>	<b>Quantity of stock option</b>	<b>Weighted average exercise price (NT\$)</b>
Outstanding as of January 1	193	\$ 16.50	4,625	18.90
Quantity of options granted	(77)	16.50	-	-
Quantity of options lost	(15)	-	(1,205)	18.90
Outstanding as of September 30	<b>101</b>	16.50	<b>3,420</b>	18.90
Exercisable as of September 30	<b>101</b>	16.50	<b>3,420</b>	18.90

From January 1, 2023 to September 30, 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 deem August 8, 2023 as the base date for capital increase.

The remuneration costs recognized for the three months and nine months ended September 30, 2023 and 2022 were NT\$0 thousand, NT\$712 thousand, NT\$0 thousand and NT\$1,934 thousand, respectively.

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

(21) Earnings Per Share

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

1) Basic earnings per share

	<b>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Net profit attributable to ordinary shareholders of the Corporation	<b>\$ 241,931</b>	<b>254,950</b>	<b>618,133</b>	<b>753,786</b>
Weighted average ordinary shares outstanding	<b>266,365</b>	<b>266,365</b>	<b>266,365</b>	<b>266,365</b>
Basic earnings per share (NT\$)	<b>\$ 0.91</b>	<b>0.96</b>	<b>2.32</b>	<b>2.83</b>

2) Diluted earnings per share

	<b>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Net profit attributable to ordinary shareholders of the Corporation	<b>\$ 241,931</b>	<b>254,950</b>	<b>618,133</b>	<b>753,786</b>
Weighted average ordinary shares outstanding	266,365	266,365	266,365	266,365
Effect of potentially dilutive ordinary shares				
Impact of employee stock compensation	48	62	68	80
Weighted average ordinary shares outstanding (diluted)	<b>266,413</b>	<b>266,427</b>	<b>266,433</b>	<b>266,445</b>
Diluted earnings per share (NT\$)	<b>\$ 0.91</b>	<b>0.96</b>	<b>2.32</b>	<b>2.83</b>

(22) Revenue from contracts with customers

1) Breakdown of Revenue

	<b>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Major regional markets:				
Taiwan	\$ 1,397,353	1,334,812	4,119,581	3,979,150
U.S.A.	114,349	120,480	374,042	385,189
China	21,870	17,056	65,366	766,363
Japan	186,845	152,631	524,583	404,110
	<b>\$ 1,720,417</b>	<b>1,624,979</b>	<b>5,083,572</b>	<b>5,534,812</b>
Main product/service lines:				
Human drugs	\$ 1,069,655	1,005,466	3,281,819	3,695,597
Health food	237,667	231,491	603,980	624,711
Animal drugs	209,211	324,982	899,834	1,019,239
Others	203,884	63,040	297,939	195,265
	<b>\$ 1,720,417</b>	<b>1,624,979</b>	<b>5,083,572</b>	<b>5,534,812</b>

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

2) Contract balance		<b>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Notes receivable	\$	306,175	319,306	213,606
Accounts receivable		1,222,293	1,344,014	1,197,927
Accounts receivable from related parties		46,650	75,411	44,624
Less: Loss allowance - notes receivable		(619)	(808)	(432)
Less: Loss allowance - accounts receivable		(6,360)	(6,977)	(7,871)
<b>Total</b>	<b>\$</b>	<b>1,568,139</b>	<b>1,730,946</b>	<b>1,447,854</b>
Contract liabilities - current				
Customer loyalty programs	\$	8,549	8,549	8,549
Sales revenue received in advance		177	363	50
<b>Total</b>	<b>\$</b>	<b>8,726</b>	<b>8,912</b>	<b>8,599</b>
Refund Liabilities				
Current	\$	23,679	34,108	25,281
Non-current		142,772	142,772	-
<b>Total</b>	<b>\$</b>	<b>166,451</b>	<b>176,880</b>	<b>25,281</b>
Contract liabilities - non-current				
Sales revenue received in advance	\$	350,933	350,933	350,933

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 nine months ended September 30, 2023 and 2022 were NT\$855 thousand, NT\$344 thousand, NT\$2,110 thousand, and NT\$2,456 thousand, respectively, and the estimated amounts of directors' remuneration for the periods then ended were NT\$4,348 thousand, NT\$2,290 thousand, NT\$12,714 thousand and NT\$16,371 thousand, respectively. The 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

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

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 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>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Interests on bank deposits	\$ 13,627	4,104	37,748	5,914

2) Other income

	<b>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Rental income	\$ 1,392	5,376	2,377	7,593
Dividend income	116	105	116	105
Development and testing income	-	-	-	5,760
Other income	64,885	4,874	73,726	15,888
	<b>\$ 66,393</b>	<b>10,355</b>	<b>76,219</b>	<b>29,346</b>

3) Other gains and losses

	<b>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Gain (loss) on disposal of property, plant and equipment	\$ (1)	(152)	218	140
Gains on lease modifications	-	-	-	9
Foreign exchange gain, net	46,902	85,058	53,318	121,267
Gain on disposal of non- current assets held for sale	-	-	-	7,823
Depreciation of investment properties	(309)	(639)	(1,065)	(2,010)
Gain (loss) on disposal of subsidiaries	-	(10,391)	-	109,706
Others	406	(1,441)	(353)	(4,146)
	<b>\$ 46,998</b>	<b>72,435</b>	<b>52,118</b>	<b>232,789</b>

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

4) Finance costs

	<b>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Interest on bank loans	\$ 8,805	8,799	25,847	22,502
Lease liabilities interests	118	55	419	193
	<b>\$ 8,923</b>	<b>8,854</b>	<b>26,266</b>	<b>22,695</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.

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.

	<b>Carrying Amount</b>	<b>Contractual cash flow</b>	<b>Within 1 Year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Above 5 years</b>
<b>September 30, 2023</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,110,867	1,132,200	1,132,200	-	-	-
Notes payable	5,243	5,243	5,243	-	-	-
Accounts payable (including related parties)	579,247	579,247	579,247	-	-	-
Other payables	642,080	642,080	642,080	-	-	-
Long-term borrowings (including those due within one year)	244,318	251,328	5,285	113,232	132,811	-
Lease liabilities	18,747	19,994	10,128	5,827	3,823	216
Deposits received	280	280	-	-	-	280
	<b>\$ 2,600,782</b>	<b>2,630,372</b>	<b>2,374,183</b>	<b>119,059</b>	<b>136,634</b>	<b>496</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>



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

	Carrying Amount	Contractual cash flow	Within 1 Year	1-2 years	2-5 years	Above 5 years
<b>September 30, 2022</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,815,226	1,826,765	1,826,765	-	-	-
Notes payable	2,908	2,908	2,908	-	-	-
Accounts payable (including related parties)	484,293	484,293	484,293	-	-	-
Other payables	597,618	597,618	597,618	-	-	-
Long-term borrowings (including those due within one year)	350,851	359,964	6,952	114,563	238,449	-
Lease liabilities	22,141	26,057	14,068	8,003	3,986	-
Deposits received	37	37	-	-	-	37
	<b>\$ 3,273,074</b>	<b>3,297,642</b>	<b>2,932,604</b>	<b>122,566</b>	<b>242,435</b>	<b>37</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:

	2023.9.30			2022.12.31			2022.9.30		
	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD
Financial Assets									
Monetary items									
USD	\$ 36,324	32.27	1,172,161	42,759	30.71	1,313,136	42,905	31.75	1,362,234
RMB	19,350	4.49	86,971	23,654	4.41	104,300	21,949	4.47	98,156
JPY	171,801	0.22	37,143	112,669	0.23	26,184	106,531	0.22	23,447
Financial Liabilities									
Monetary items									
USD	2,963	32.27	95,629	1,013	30.71	31,113	4,233	31.75	134,398
RMB	109	4.49	491	-	-	-	3,463	4.47	15,487
JPY	1,600	0.22	346	3,828	0.23	890	5,000	0.22	1,101
EUR	-	-	-	947	32.72	30,992	1,483	31.26	46,359

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 September 30, 2023 and 2022, with all other variables remaining unchanged, the Group's net income before tax for the nine months ended September 30, 2023 and 2022 would have increased or decreased by NT\$11,998 thousands and NT\$12,865 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 nine months ended September 30, 2023 and 2022 were NT\$46,902 thousand, NT\$85,058 thousand, NT\$53,318 thousand, and NT\$121,267 thousand, respectively.

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

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\$812 thousand and NT\$1,111 thousand for the nine months ended September 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 September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Increase of 1%	<b>\$ 619</b>	<b>498</b>
Decrease of 1%	<b>\$ (619)</b>	<b>(498)</b>

6) Fair value information

a. Categories and fair value of financial instruments

The Group's financial assets at fair value through profit or loss 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:

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

	<b>2023.9.30</b>				
	<b>Carrying Amount</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial Assets at FVTPL					
Non-derivative financial assets mandatorily measured at FVTPL	\$ 87,482	-	-	87,482	87,482
Financial assets at FVTOCI					
Listed shares	6,311	6,311	-	-	6,311
Unquoted equity instruments measured at fair value	55,638	-	-	55,638	55,638
Subtotal	61,949	6,311	-	55,638	61,949
Financial assets at amortized cost					
Cash and cash equivalents	\$ 1,433,501	-	-	-	-
Financial assets at amortized cost	266,282	-	-	-	-
Notes receivable and accounts receivable (including related parties)	1,568,139	-	-	-	-
Other receivables	30,841	-	-	-	-
Refundable deposits	67,619	-	-	-	-
Subtotal	3,366,382	-	-	-	-
Total	<b>\$ 3,515,813</b>	<b>6,311</b>	<b>-</b>	<b>143,120</b>	<b>149,431</b>
Financial liabilities at amortized cost					
Bank loans	\$ 1,355,185	-	-	-	-
Notes payable and accounts payable (including related parties)	584,490	-	-	-	-
Other payables	642,080	-	-	-	-
Lease liabilities	18,747	-	-	-	-
Deposits received	280	-	-	-	-
Total	<b>\$ 2,600,782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	<b>2022.12.31</b>				
	<b>Carrying Amount</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial Assets at FVTPL					
Non-derivative financial assets mandatorily 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	51,556	5,956	-	45,600	51,556



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

	2022.9.30				
	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at amortized cost					
Bank loans	\$ 2,166,077	-	-	-	-
Notes payable and accounts payable (including related parties)	487,201	-	-	-	-
Other payables	597,618	-	-	-	-
Lease liabilities	22,141	-	-	-	-
Deposits received	37	-	-	-	-
<b>Total</b>	<b>\$ 3,273,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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.

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

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.

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	-	10,038	10,038
Purchase	24,000	-	24,000
September 30, 2022	<u>\$ 87,482</u>	<u>55,638</u>	<u>143,120</u>
January 1, 2022	\$ 63,482	41,599	105,081
Total gains or losses Recognized in Other Comprehensive Income	-	2,704	2,704
September 30, 2023	<u>\$ 63,482</u>	<u>44,303</u>	<u>107,785</u>

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.

Since 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.

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

Quantitative information on significant unobservable inputs is listed as follows:

<u>Item</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Input</u>	<u>Relationship Between Significant Unobservable Input and the Fair Value</u>
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 (0.73~1.68, 0.73~1.34, and 0.74~1.32 for 2023.9.30, 2022.12.31, and 2022.9.30, respectively)</li> <li>• Lack of marketability discount (35% for 2023.9.30, 2022.12.31, and 2022.9.30)</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>

- 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:

	<u>Inputs</u>	<u>Upward or downward change</u>	<u>Changes in fair value reflected in other comprehensive income</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>
<b>September 30, 2023</b>				
Financial assets at FVTOCI				
Investments in equity instruments with inactive market	Multiplier of price to book ratio	5%	\$ 2,788	(2,788)
	Lack of marketability discount	5%	4,275	(4,275)
<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>September 30, 2022</b>				
Financial assets at FVTOCI				
Investments in equity instruments with inactive market	Multiplier of price to book ratio	5%	\$ 2,200	(2,200)
	Lack of marketability discount	5%	3,394	(3,394)

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

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 nine months ended September 30, 2023 and 2022.

(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 nine months ended September 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			2023.9.30
	2023.1.1	Additions	Decrease	Changes in lease	Additions	Changes in exchange rates	
Long-term borrowings	\$ 247,011	110,000	(112,403)	-	-	(290)	244,318
Short-term borrowings	1,554,511	262,440	(710,516)	-	-	4,432	1,110,867
Lease liabilities	28,240	-	(10,590)	-	854	243	18,747
Total liabilities from financing activities	<b>\$ 1,829,762</b>	<b>372,440</b>	<b>(833,509)</b>	<b>-</b>	<b>854</b>	<b>4,385</b>	<b>1,373,932</b>

  

	Cash flow			Non-cash changes			2022.9.30	
	2022.1.1	Additions	Decrease	Changes in lease	Additions	Disposal		Changes in exchange rates
Long-term borrowings	\$ 696,260	900,000	(1,244,731)	-	-	-	(678)	350,851
Short-term borrowings	2,001,136	796,684	(904,166)	-	-	-	(78,428)	1,815,226
Lease liabilities	28,700	-	(10,331)	(1,208)	6,735	(1,676)	(79)	22,141
Total liabilities from financing activities	<b>\$ 2,726,096</b>	<b>1,696,684</b>	<b>(2,159,228)</b>	<b>(1,208)</b>	<b>6,735</b>	<b>(1,676)</b>	<b>(79,185)</b>	<b>2,188,218</b>



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

**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)
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>July 1 to September 30, 2023</u>	<u>July 1 to September 30, 2022</u>	<u>January 1 to September 30, 2023</u>	<u>January 1 to September 30, 2022</u>
Associate	\$ 37,595	41,562	118,260	92,532
Substantial related party	445	55	982	184
	<u>\$ 38,040</u>	<u>41,617</u>	<u>119,242</u>	<u>92,716</u>

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.

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

2) Purchase of goods

<b>Relationship with the Corporation / Related Party</b>	<b>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Associate	\$ 14,260	14,054	38,509	40,257
Substantial related party	-	728	1,449	3,661
	<b>\$ 14,260</b>	<b>14,782</b>	<b>39,958</b>	<b>43,918</b>

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>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Accounts receivable	Associate			
	YSPI	\$ 43,658	71,810	41,455
	Yung Zip	2,743	3,581	2,870
	Others	-	-	283
	Substantial related party	249	20	16
		<u>46,650</u>	<u>75,411</u>	<u>44,624</u>
Other receivables	Associate	577	704	453
	Substantial related party			
	LTC Holding	-	11,249	-
	Others	28	125	10,728
		<u>605</u>	<u>12,078</u>	<u>11,181</u>
		<b>\$ 47,255</b>	<b>87,489</b>	<b>55,805</b>

As of September 30, 2023, December 31, 2022 and September 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>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Accounts payable	Associate			
	Yung Zip	\$ 20,901	20,158	14,692
	Others	1,469	872	3,480
	Substantial related party	-	-	735
		<u>22,370</u>	<u>21,030</u>	<u>18,907</u>
Other payables	Associate	665	2,368	808
	Substantial related party	2,382	18	950
		<u>3,047</u>	<u>2,386</u>	<u>1,758</u>
		<b>\$ 25,417</b>	<b>23,416</b>	<b>20,665</b>

**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>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Associate	\$ 100	105	124	119
Substantial related party	3,633	483	11,129	11,525
<b>Total</b>	<b>\$ 3,733</b>	<b>588</b>	<b>11,253</b>	<b>11,644</b>

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>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Associate	\$ 184	164	533	492
Substantial related party	45	98	136	189
	<b>\$ 229</b>	<b>262</b>	<b>669</b>	<b>681</b>

7) Property transactions

<b>Relationship with the Corporation / Related Party</b>	<b>July 1 to September 30, 2023</b>		<b>July 1 to September 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	\$ -	-	-	-
<b>Relationship with the Corporation / Related Party</b>	<b>January 1 to September 30, 2023</b>		<b>January 1 to September 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	\$ -	-	686	686

8) Disposal of subsidiaries

<b>Relationship with the Corporation / Related Party</b>	<b>July 1 to September 30, 2023</b>		<b>July 1 to September 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	\$ -	-	-	-

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

<b>Relationship with the Corporation / Related Party</b>	<b>January 1 to September 30, 2023</b>		<b>January 1 to September 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>July 1 to September 30, 2023</b>	<b>July 1 to September 30, 2022</b>	<b>January 1 to September 30, 2023</b>	<b>January 1 to September 30, 2022</b>
Short-term employee benefits	\$ 4,583	3,912	14,130	14,600
Post-employment benefits	16	20	74	62
	<b>\$ 4,599</b>	<b>3,932</b>	<b>14,204</b>	<b>14,662</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>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Property, plant and equipment:				
Land	Long-term and short-term borrowings	\$ 419,617	421,399	420,046
Buildings and structures	Long-term and short-term borrowings	49,208	60,870	57,122
Other non-current assets:				
Restricted assets	Natural gas guarantee	4,000	4,000	4,000
		<b>\$ 472,825</b>	<b>486,269</b>	<b>481,168</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>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Property, plant and equipment	\$ 45,825	76,750	69,190

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

	<b>2023.9.30</b>	<b>2022.12.31</b>	<b>2022.9.30</b>
Authorization and transfer of technology and research and development	\$ 52,803	61,114	74,664

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

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

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

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

**12. Others**

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

By function By nature	July 1 to September 30, 2023			July 1 to September 30, 2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefit expenses						
Salaries	148,357	250,817	399,174	146,105	212,905	359,010
Labor and health insurance premiums	18,497	21,888	40,385	17,150	19,720	36,870
Pension expenses	6,731	7,723	14,454	5,552	7,015	12,567
Other employee benefit expenses	3,504	4,474	7,978	2,885	6,713	9,598
Depreciation (Note)	56,776	13,247	70,023	60,888	13,874	74,762
Amortization	-	3,313	3,313	553	4,834	5,387

By function By nature	January 1 to September 30, 2023			January 1 to September 30, 2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefit expenses						
Salaries	441,028	720,069	1,161,097	449,687	755,147	1,204,834
Labor and health insurance premiums	55,898	60,023	115,921	52,441	58,713	111,154
Pension expenses	19,809	22,829	42,638	18,354	25,110	43,464
Other employee benefit expenses	8,755	12,620	21,375	10,997	22,271	33,268
Depreciation (Note)	170,559	39,385	209,944	225,307	48,880	274,187
Amortization	586	11,735	12,321	1,838	15,081	16,919

Note: The depreciation expenses incurred for the investment property for the three months and nine months ended September 30, 2023 and 2022 were NT\$309 thousand, NT\$639 thousand, NT\$1,065 thousand and NT\$2,010 thousand, respectively, which were recorded under other gains and losses.

(2) Seasonal operations:

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

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

**13. Separately Disclosed Items**

(1) Information on significant transactions

The significant transactions for the nine months ended September 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 Name	Relationship (Note 2)										
0	The Corporation	Chemix	2	1,379,203	157,872	149,178	149,178	-	2.16%	3,448,008	Y	N	N
0	The Corporation	CTI	2	1,379,203	871,290	871,290	291,689	-	12.63%	3,448,008	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 categories 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.
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 3. 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	At the End of the Period				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	6.83%	24,000	
Chemix	Stock -Sawai Pharmaceutical Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	5,692	5,634	- %	5,634	
	Stock - Ana Holding Inc.	None	"	1,000	677	- %	677	
Yung Shin Pharm. Ind. Co., Ltd.	Stock - Missioncare Co., Ltd.	None	"	3,161,052	42,736	2.17%	42,736	
	Stock - Missioncare Asset Management Co., Ltd.	None	"	1,338,947	12,884	2.13%	12,884	
	Stock - Limited Liability Fengyuan Medical Waste Disposal Equipment Used Cooperatives	None	"	1,000	6	0.07%	6	
	Stock - International Green Handle Co., Ltd.	None	"	1,567	12	0.07%	12	
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				September 30, 2023	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Price	Carrying costs	Gain 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	873,214

Note: As disposing subsidiaries did not result in losing control, it is treated as equity transaction. 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.

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

- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 6) Disposal of real estate at price in excess of NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

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.	Sister company	(Sale)	163,302	4.79%	Note 1	-	-	74,979	7.24%	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	74,979	No regular customer available for comparison	0.65%
1	Yung Shin Pharm. Ind. Co., Ltd.	Vetnostrum Animal Health Co., Ltd.	3	Sales	163,302	No regular customer available for comparison	3.21%
1	Yung Shin Pharm. Ind. Co., Ltd.	Yung Shin Company Ltd	3	Sales	17,822	No regular customer available for comparison	0.35%
1	Yung Shin Pharm. Ind. Co., Ltd.	CTI	3	Accounts receivable	24,930	No regular customer available for comparison	0.22%
1	Yung Shin Pharm. Ind. Co., Ltd.	CTI	3	Sales	16,926	No regular customer available for comparison	0.33%
2	CTI	Yung Shin Pharm. Ind. Co., Ltd.	3	Sales	10,327	No regular customer available for comparison	0.20%
3	YungShin TienTe	Yung Shin Pharm. Ind. Co., Ltd.	3	Sales	15,268	No regular customer available for comparison	0.30%
3	YungShin TienTe	Vetnostrum Animal Health Co., Ltd.	3	Sales	22,763	No regular customer available for comparison	0.45%

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

1. The Corporation 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.

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

(2) Information on Investees Companies:

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2023			Net Profit or Loss of the Investee	Investment Income (Loss)	Remarks
				September 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	98,166,613	100.00%	3,548,810	451,211 (Note 1)	448,393 (Note 1)	Subsidiary
	YSP INC	British Virgin Islands	Trade, investment, and other related businesses	667,496	667,496	10,000	100.00%	1,592,801	106,383 (Note 2)	108,989 (Note 2)	Subsidiary
	Vetnostrum Animal Health Co., Ltd.	Taiwan	Manufacturing and sale of medicine	722,173	752,064	36,263,975	54.71%	873,214	69,384 (Note 1)	39,378 (Note 1)	Subsidiary
	Chemix	Japan	Sale of medicine	270,248	270,248	192	100.00%	324,740	32,656 (Note 2)	33,033 (Note 2)	Subsidiary
	Yung Zip	Taiwan	Manufacture and sale of active pharmaceutical ingredients	152,968	152,968	8,817,302	20.81%	193,076	47,285 (Note 2)	10,352 (Note 2)	Associate
Yung Shin Pharm. Ind. Co., Ltd. YSP INC	Angel Associates CTI	Taiwan	Import and export trading	3,675	3,675	3,675	73.50%	9,182	1,380 (Note 2)	-	Sub-subsubsidiary
	YSP SAH	U.S.A.	Manufacturing and sale of medicine	806,183	806,183	7,502,874	74.13%	278,618	21,076 (Note 2)	-	Sub-subsubsidiary
		Malaysia	Biopharmaceutical research and technical services	500,615	500,615	52,365,605	36.94%	980,281	200,451 (Note 2)	-	Associate
	Yung Shin Company Ltd	Hong Kong	Sale of medicine	102,209	102,209	7,720	96.50%	57,131	4,066 (Note 2)	-	Sub-subsubsidiary

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 was reviewed 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 September 30, 2023
					Outward Remittance	Inflow						
YungShin TienTe (Shanghai) 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	140	100.00%	140	91,426	-

Note 1. Investment methods are classified into the following three categories, the number of categories 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.



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

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)	945,188 (USD29,290 thousand)	4,645,197 (Note 1)

Note 1. 60% of consolidated net worth.

Note 2. The outward 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 September 30, 2023 (USD: NTD = 1:32.270).

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 nine months ended September 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.

**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:

	July 1 to September 30, 2023					
	Taiwan	U.S.A.	Mainland China	Japan	Adjustment and elimination	Total
Revenue:						
Revenue from External Customers	\$ 1,397,353	114,349	21,870	186,845	-	1,720,417
Reportable segment profit or loss	\$ 190,957	(3,117)	(1,058)	21,381	-	208,163
	July 1 to September 30, 2022					
	Taiwan	U.S.A.	Mainland China	Japan	Adjustment and elimination	Total
Revenue:						
Revenue from External Customers	\$ 1,334,812	120,480	17,056	152,631	-	1,624,979
Reportable segment profit or loss	\$ 176,486	(6,865)	(10,552)	16,435	-	175,504

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

January 1 to September 30, 2023						
	Taiwan	U.S.A.	Mainland China	Japan	Adjustment and elimination	Total
Revenue:						
Revenue from External Customers	\$ 4,119,581	374,042	65,366	524,583	-	5,083,572
Reportable segment profit or loss	\$ 619,230	(19,627)	(15,278)	62,722	-	647,047
January 1 to September 30, 2022						
	Taiwan	U.S.A.	Mainland China	Japan	Adjustment and elimination	Total
Revenue:						
Revenue from External Customers	\$ 3,979,150	385,189	766,363	404,110	-	5,534,812
Reportable segment profit or loss	\$ 618,913	24,732	(44,549)	29,398	-	628,494

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:

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Reportable segment profit or loss	\$ 208,163	175,504	647,047	628,494
Non-operating income and expenses	137,337	114,663	224,398	326,049
Profit or loss before income tax of continuing operations	\$ 345,500	290,167	871,445	954,543

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