Stock Code: 4167

Savior Lifetec Corporation and Subsidiaries

Consolidated Financial Report and Independent Auditors' Review Report

Q3 of 2024 and 2023

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Independent Auditors' Report

To Savior Lifetec Corporation:

Foreword

We have reviewed the accompanying consolidated balance sheets of Savior Lifetec Corporation and its subsidiaries as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three-month periods ended September 30, 2024 and 2023, and for the nine-month periods ended September 30, 2024 and 2023, as well as the consolidated statements of changes in equity and cash flows for the nine-month periods ended September 30, 2024 and 2023, and notes to the consolidated financial statements (including a summary of significant accounting policies). Compiling fairly presented consolidated financial statements according to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34 "Interim Financial Reporting" approved and issued into effect by the Financial Supervisory Commission is the responsibility of the management. The CPA is responsible for making conclusions based on the review result.

Scope

The CPA conducts review pursuant to ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." The procedures carried out during the review of consolidated financial statements include inquiries (mainly to the personnel in charge of financial and accounting matters), analytical procedures and other review procedures. The scope of a review is obviously narrower than the scope of an audit. Hence, the CPA may not identify the material matters that can be identified during an audit and, thus, cannot give audit opinions.

Conclusions

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Savior Lifetec Corporation and its subsidiaries as of September 30, 2024 and 2023, their consolidated financial performance for the three-month periods ended September 30, 2024 and 2023, and their consolidated financial performance and cash flows for the nine-month periods ended September 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte & Touche

CPA, Cheng Hsu-Jan	CPA, Hsieh Tung-Ju
Financial Supervisory Commission Approval No. Jin-Guan-Zheng-Shen-Zi No. 1010028123	Financial Supervisory Commission Approval No. Jin-Guan-Zheng-Shen-Zi No. 1090347472

November 7, 2024

Savior Lifetec Corporation and Subsidiaries

Consolidated Balance Sheet

As of September 30, 2024, December 31, 2023, and September 30, 2023

Unit: NTD thousand

Code	Assets	September 30, 2024 Amount	%	December 31, 2023 Amount	%	September 30, 2023 Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	$ 1,194,033	31	$ 1,082,919	28	$ 1,130,073	30
1110	Financial assets carried at fair value through profit or loss – current (Note 7)	35,410	1	48,215	1	17,035	1
1136	Financial assets carried at amortized cost – current (Note 6)	319,125	9	206,058	6	113,155	3
1150	Net notes receivable (Note 8)	2,763	-	1,932	-	2,855	-
1170	Net accounts receivable (Notes 8 and 16)	254,956	7	273,100	7	230,141	6
1200	Other accounts receivable (Note 8)	10,857	-	9,236	-	7,952	-
1220	Current Tax Assets	8,282	-	4,926	-	3,984	-
130X	Inventories (Note 9)	696,251	18	860,044	23	881,972	24
1410	Prepayments	43,789	1	53,406	2	50,030	1
1470	Other current assets	6,104	-	6,374	-	4,750	-
11XX	Total current assets	2,571,570	67	2,546,210	67	2,441,947	65
	Non-current assets						
1510	Financial assets carried at fair value through profit or loss – non-current (Note 7)	-	-	-	-	32,431	1
1535	Financial assets carried at amortized cost – non-current (Notes 6 and 23)	54,040	2	4,040	-	-	-
1550	Investments Accounted for Using the Equity Method (Note 11)	146,930	4	146,961	4	104,862	3
1600	Property, plant and equipment (Notes 12 and 23)	798,856	21	860,365	22	892,849	24
1755	Right-of-use assets (Note 13)	197,052	5	255,384	7	254,302	7
1780	Intangible assets	1,886	-	2,599	-	3,217	-
1900	Other non-current assets (Note 23)	42,757	1	7,112	-	5,404	-
15XX	Total non-current assets	1,241,521	33	1,276,461	33	1,293,065	35
1XXX	Total assets	$ 3,813,091	100	$ 3,822,671	100	$ 3,735,012	100
代碼	Liability and equity						
	Current liabilities						
2130	Contract liabilities - Current (Note 16)	$ 8,220	-	$ 19,802	1	$ 28,808	1
2170	Accounts payable	23,435	1	54,197	1	12,805	-
2219	Other payables (Note 14)	98,135	3	113,483	3	103,456	3
2230	Current Tax Liabilities	-	-	8	-	-	-
2280	Lease liabilities – current (Note 13)	10,292	-	13,337	-	12,321	-
2399	Other current liabilities	3,290	-	91	-	103	-
21XX	Total current liabilities	143,372	4	200,918	5	157,493	4
	Non-current Liabilities						
2580	Lease liabilities – non-current (Note 13)	199,403	5	257,039	7	256,335	7
25XX	Total non-current liabilities	199,403	5	257,039	7	256,335	7
2XXX	Total liabilities	342,775	9	457,957	12	413,828	11
	Equity attributable to company shareholders (Note 15)						
3110	Common stock	3,173,991	83	3,173,991	83	3,173,891	85
3200	Capital surplus	135,127	4	135,127	4	135,062	4
	Retained earnings						
3310	Legal reserve	7,637	-	4,634	-	4,634	-
3320	Special reserve	8,960	-	8,960	-	8,960	-
3350	Undistributed earnings (offsetting loss)	135,679	4	30,030	1	(14,131)	-
3300	Total retained earnings (accumulated loss)	152,276	4	43,624	1	(537)	-
31XX	Total equity attributable to owners of the company	3,461,394	91	3,352,742	88	3,308,416	89
36XX	Non-controlling interests	8,922	-	11,972	-	12,768	-
3XXX	Total equity	3,470,316	91	3,364,714	88	3,321,184	89
	Total liabilities and equity	$ 3,813,091	100	$ 3,822,671	100	$ 3,735,012	100

The attached notes are part of the Consolidated Financial Statements.

(Please refer to the audit report of Deloitte Taiwan dated November 7, 2024.)

Chairman: Concord Consulting Inc.
Representative: Rebecca Lee

Managerial Officer: Chen Chih-Fang

Accounting Officer: Lin Kuo-Wei

Savior Lifetec Corporation and Subsidiaries

Consolidated Statement of Comprehensive Income

For the three-month and nine-month periods ended September 30, 2024 and 2023

Unit: NTD thousand,
except for earnings (loss) per share in NT$

Code		For the three months ended September 30, 2024		For the three months ended September 30, 2023		For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 16)	$ 332,461	100	$ 287,226	100	$ 940,387	100	$ 732,296	100
5000	Operating costs (Notes 9 and 17)	(208,401)	(63)	(280,705)	(98)	(675,595)	(72)	(643,790)	(88)
5900	Operating Gross Profit	124,060	37	6,521	2	264,792	28	88,506	12
	Operating expenses (Notes 8, 17 and 22)								
6100	Selling expenses	(10,935)	(3)	(10,282)	(4)	(31,740)	(3)	(27,727)	(4)
6200	Administrative expenses	(22,170)	(7)	(20,823)	(7)	(72,006)	(8)	(56,560)	(7)
6300	Research and development expenses	(17,015)	(5)	(24,468)	(8)	(59,390)	(6)	(86,908)	(12)
6450	Gain on Reversal of Expected Credit Impairment	-	-	-	-	-	-	1,049	-
6000	Total operating expenses	(50,120)	(15)	(55,573)	(19)	(163,136)	(17)	(170,146)	(23)
6900	Net operating profit (loss)	73,940	22	(49,052)	(17)	101,656	11	(81,640)	(11)
	Non-operating income and expense								
7100	Interest revenue (Note 17)	11,006	3	10,109	4	31,537	3	33,047	5
7010	Other income	1,576	1	764	-	7,218	1	2,095	-
7020	Other gains and losses (Note 17)	(43,053)	(13)	23,361	8	(1,765)	-	38,590	5
7050	Financial costs (Note 17)	(1,750)	-	(2,029)	(1)	(5,986)	(1)	(7,822)	(1)
7060	Share of Profit or Loss of Associates Recognized Using the Equity Method	229	-	(138)	-	(31)	-	(138)	-
7000	Total non-operating income and expenses	(31,992)	(9)	32,067	11	30,973	3	65,772	9
7900	Net profit (loss) before tax	41,948	13	(16,985)	(6)	132,629	14	(15,868)	(2)
7950	Income tax expense (Note 18)	-	-	-	-	-	-	-	-
8200	Current net income (loss)	41,948	13	(16,985)	(6)	132,629	14	(15,868)	(2)
8500	Current total comprehensive income	$ 41,948	13	($ 16,985)	(6)	$ 132,629	14	($ 15,868)	(2)
	Net Income (loss) Attributable To:								
8610	Owners of the Company	$ 42,717	13	($ 16,500)	(6)	$ 135,679	14	($ 14,131)	(2)
8620	Non-controlling interests	(769)	-	(485)	-	(3,050)	-	(1,737)	-
8600		$ 41,948	13	($ 16,985)	(6)	$ 132,629	14	($ 15,868)	(2)
	Comprehensive Income Attributable To:								
8710	Owners of the Company	$ 42,717	13	($ 16,500)	(6)	$ 135,679	14	($ 14,131)	(2)
8720	Non-controlling interests	(769)	-	(485)	-	(3,050)	-	(1,737)	-
8700		$ 41,948	13	($ 16,985)	(6)	$ 132,629	14	($ 15,868)	(2)
	Earnings (Loss) per share (Note 19)								
9750	Basic	$ 0.13		($ 0.05)		$ 0.43		($ 0.04)	
9850	Diluted	$ 0.13		($ 0.05)		$ 0.43		($ 0.04)	

The attached notes are part of the Consolidated Financial Statements.

Chairman: Concord Consulting Inc.
Representative: Rebecca Lee

Managerial Officer: Chen Chih-Fang

Accounting Officer: Lin Kuo-Wei

Savior Lifetec Corporation and Subsidiaries

Consolidated Statement of Changes in Equity

For the nine-month period ended September 30, 2024 and 2023

Unit: NTD thousand

Code		Equity attributable to the company shareholders							
				Retained earnings (accumulated loss)					
Code		Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings (offsetting loss)	Total	Non-controlling interests	Total equity
A1	Balance on January 1, 2023	$ 3,172,166	$ 133,941	$ 996	$ 8,960	$ 36,387	$ 3,352,450	$ 14,505	$ 3,366,955
D1	Net loss for the nine-month period ended September 30, 2023	-	-	-	-	(14,131)	(14,131)	(1,737)	(15,868)
D3	Other comprehensive income after tax for the nine-month periods ended September 30, 2023	-	-	-	-	-	-	-	-
D5	Total comprehensive income for the nine-month periods ended September 30, 2023	-	-	-	-	(14,131)	(14,131)	(1,737)	(15,868)
	2022 distribution of earnings								
B1	Legal reserve	-	-	3,638	-	(3,638)	-	-	-
B9	Cash dividends to the Company's shareholders	-	-	-	-	(32,749)	(32,749)	-	(32,749)
N1	Exercise of employee stock options	1,725	1,121	-	-	-	2,846	-	2,846
Z1	Balance on September 30, 2023	$ 3,173,891	$ 135,062	$ 4,634	$ 8,960	($ 14,131)	$ 3,308,416	$ 12,768	$ 3,321,184
A1	Balance on January 1, 2024	$ 3,173,991	$ 135,127	$ 4,634	$ 8,960	$ 30,030	$ 3,352,742	$ 11,972	$ 3,364,714
D1	Net income for the nine-month period ended September 30, 2024	-	-	-	-	135,679	135,679	(3,050)	132,629
D3	Other comprehensive income after tax for the nine-month periods ended September 30, 2024	-	-	-	-	-	-	-	-
D5	Total comprehensive income for the nine-month periods ended September 30, 2024	-	-	-	-	135,679	135,679	(3,050)	132,629
	Distribution of 2023 earnings								
B1	Legal reserve	-	-	3,003	-	(3,003)	-	-	-
B3	Cash dividends to the Company's shareholders	-	-	-	-	(27,027)	(27,027)	-	(27,027)
Z1	Balance on September 30, 2024	$ 3,173,991	$ 135,127	$ 7,637	$ 8,960	$ 135,679	$ 3,461,394	$ 8,922	$ 3,470,316

The attached notes are part of the Consolidated Financial Statements.

Chairman: Concord Consulting Inc.
Representative: Rebecca Lee

Managerial Officer: Chen Chih-Fang

Accounting Officer: Lin Kuo-Wei

Savior Lifetec Corporation and Subsidiaries

Consolidated Statement of Cash Flows

For the nine-month period ended September 30, 2024 and 2023

Unit: NTD thousand

Code		For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
	Cash flows from operating activities		
A10000	Current net profit (loss) before tax	$ 132,629	($ 15,868)
A20010	Income and Expenses:		
A20300	Gain on Reversal of Expected Credit Impairment	-	(1,049)
A20100	Depreciation expenses	97,245	138,005
A20200	Amortization expense	1,670	2,476
A22500	Losses (gains) on disposal of property, plant and equipment	3,608	(421)
A20900	Financial cost	5,986	7,822
A22300	Share of Profit or Loss of Associates Recognized Using the Equity Method	31	138
A21200	Interest revenue	(31,537)	(33,047)
A23700	Inventory devaluation and obsolescence loss	6,564	186
A20400	Net loss from financial assets at fair value through profit or loss	26,780	7,530
A24100	Unrealized net loss (gain) of foreign exchange	2,107	(1,006)
A29900	Gain on Lease Modifications	(4,130)	-
A30000	Changes in operating assets and liabilities		
A31115	Financial assets are compulsorily measured at fair value through profit or loss	(13,975)	(18,062)
A31130	Notes receivable	(831)	404
A31150	Accounts receivable	15,802	63,346
A31180	Other accounts receivable	(4,238)	(4,401)
A31200	Inventories	157,229	154,178
A31230	Prepayments	9,617	61,496
A31240	Other current assets	270	(1,821)
A32125	Contract liabilities	(11,582)	(35,459)
A32130	Notes payable	-	(120)
A32150	Accounts payable	(30,509)	(56,952)
A32180	Other payables	(16,919)	(4,691)
A32230	Other current liabilities	3,199	(100)
A33000	Net cash in-flows generated by business operations	349,016	262,584
A33100	Interest received	34,154	33,047

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Code		For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
A33300	Interest paid	($ 5,986)	($ 6,169)
A33500	Income Tax Paid	(3,364)	(2,816)
AAAA	Net cash inflow from operating activities	373,820	286,646
	Cash flows from investing activities		
B00040	Acquisition of financial assets carried at amortized cost	(472,187)	(107,904)
B00050	Disposal of financial assets carried at amortized cost	309,120	552,386
B01800	Acquisition of Investments Using the Equity Method	-	(105,000)
B02700	Purchase of property, plant and equipment	(64,233)	(11,343)
B02800	Disposal price of property, plant and equipment	2,278	473
B04500	Purchase of intangible assets	(957)	(192)
B03700	Increase in guaranteed deposits paid	-	(1,881)
B03800	Decrease in guarantee deposit paid	67	-
BBBB	Net cash inflow (outflow) from investing activities	(225,912)	326,539
	Cash flows from financing activities		
C01300	Redemption of corporate bonds	-	(530,258)
C04020	Lease liability principal repayment	(9,767)	(8,944)
C04500	Distribution of cash dividend	(27,027)	(32,749)
C04800	Exercise of employee stock options	-	2,846
CCCC	Net cash outflow from financing activities	(36,794)	(569,105)
EEEE	Current increase in cash and cash equivalents	111,114	44,080
E00100	Balance of cash and cash equivalents at the beginning of the period	1,082,919	1,085,993
E00200	Balance of cash and cash equivalents at the end of the period	$ 1,194,033	$ 1,130,073

The attached notes are part of the Consolidated Financial Statements.

Chairman: Concord Consulting Inc. Representative: Rebecca Lee	Managerial Officer: Chen Chih-Fang	Accounting Officer: Lin Kuo-Wei

Savior Lifetec Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

For the nine-month period ended September 30, 2024 and 2023

(Amounts in NTD thousand, Unless Otherwise Specified)

I. Company History

Savior Lifetec Corporation (hereinafter referred to as the Company) was established on January 30, 2004, upon approval from the Ministry of Economic Affairs. The major business items of the Company and its subsidiaries (collectively, "the consolidated entities") are the research, development, design, manufacture, and sale of carbapenem generics, injection generics, controlled-release generics, the development of new dosage forms and drugs, and the APIs, excipients, intermediates, and dosage forms of the aforementioned products. The Company also provides medicine manufacturer technology and services. The Company has traded on Taipei Exchange as of September 8, 2015.

The consolidated financial statements are stated with the Company's functional currency, i.e. NTD, as the presentation currency.

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved by the Board of Directors on November 7, 2024.

III. Application of new and amended standards and interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs accounting standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Application of the amended IFRS accounting standards endorsed and issued into effect by the FSC as of 2024 does not have a significant effect on the consolidated entities' accounting policies.

(II) IFRS standards endorsed by the FSC for application starting from 2025

New, amended and revised standards and interpretations	Effective date announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)

Note 1: Applicable to the reporting period of the year as of January 1, 2025. At the time of initial application of the amendments, the comparative period

shall not be restated, but the effects shall be recognized in the retained earnings or exchange differences of foreign operations under equity (as appropriate) on the date of initial application, as well as the related affected assets and liabilities.

The application of the above IFRS standards endorsed by the FSC for application starting from 2025 is not expected to cause significant changes in the consolidated entities' accounting policies. As of the approval date of these consolidated financial statements, the Company continues to evaluate the impact of other amendments to standards and interpretations on its financial position and performance. The relevant impacts will be disclosed upon completion of the assessment.

(III) The IFRSs accounting standards issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

New, amended and revised standards and interpretations	Effective date announced by the IASB (Note 1)
"Annual Improvements to IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture"	To be decided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparison Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes in this standard include:

- The statement of profit or loss should classify income and expense items into operating, investing, financing, income tax, and discontinued operations categories.

- The statement of profit or loss should present subtotals and totals for operating profit or loss, profit or loss before financing and income tax, and profit or loss.
- Provides guidance to strengthen aggregation and disaggregation requirements: The Company must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items with different characteristics should be disaggregated in the primary financial statements and notes. The Company uses the label “other” for such items only when a more informative label cannot be found.
- Increase disclosure of management-defined performance measures: When the Company communicates publicly outside the financial statements and communicates with financial statement users about management’s view of a particular aspect of the Company’s overall financial performance, it should disclose information about management-defined performance measures in a single note to the financial statements. This includes a description of the measure, how it is calculated, its reconciliation to subtotals or totals specified by IFRS standards, and the impact of income tax and non-controlling interests on reconciling items.

Apart from the aforementioned impacts, as of the approval date of these consolidated financial statements, the Company continues to evaluate other potential impacts of the amendments to various standards and interpretations on its financial position and performance. The relevant impacts will be disclosed upon completion of the assessment.

IV. Summary of significant accounting policies

(I) Statement of compliance

This consolidated financial report was prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS 34 “Interim Financial Reporting” approved and issued into effect by the Financial Supervisory Commission. The consolidated financial statements do not include all the IFRS disclosures required by the annual financial report.

(II) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis except for the financial instruments at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1 Level 1: The quoted price on an active market for identical assets or liabilities that are accessible to the Company on the measurement date (before adjustment).

2 Level 2: It refers to the inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

3 Level 3: The inputs that are not observable for assets or liabilities.

(III) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). Operating income of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective date of acquisition or until the date of disposal, as appropriate. Adjustments have been made to the financial statements of subsidiaries to allow their accounting policies to be consistent with those used by the consolidated entities. During the preparation of the consolidated financial statements, the transaction, account balance, revenue, and expense among entities were eliminated completely. Subsidiaries' total comprehensive income is attributed to the owners of the Company and non-controlling interests, even if it results in losses for non-controlling interests.

Changes in the consolidated entities' ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the consolidated entities' interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The price difference between the adjustment value of non-controlling interest and the fair value of paid or collected consideration shall be stated into equity directly and also attributed to the owners of the Company.

Please refer to Note 10 and Table 4 for details of subsidiaries, percentage of ownership and business lines.

(IV) Other significant accounting policies

In addition to the following notes, please also refer to the summarization of the significant accounting policies in the 2023 consolidated financial statements.

<u>Income tax expense</u>

The tax expenses include the sum of current and deferred income taxes. The interim income tax is evaluated based on the year; the tax rate applicable to the expected total annual earnings is applied to calculate the interim pre-tax incomes.

V. Major sources of uncertainties to significant account judgments, estimates, and assumptions

The major sources of uncertainties to significant account judgments, estimates, and assumptions adopted herein are identical to those applied in the 2023 consolidated financial statements.

VI. Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on Hand	$ 360	$ 393	$ 396
Check and demand deposits	219,983	100,287	235,308
Cash equivalents (Investment due within three (3) months initially)			
Bank time deposits	943,690	934,239	894,369
Reverse repurchase agreements	30,000	48,000	-
	$ 1,194,033	$ 1,082,919	$ 1,130,073

As of September 30, 2024, December 31, 2023, and September 30, 2023, time deposits with original maturities of more than three months (recorded as financial assets measured at amortized cost) amounted to NT$373,165 thousand, NT$210,098 thousand, and NT$113,155 thousand, respectively.

For details about the consolidated entities' bank deposits and time deposits pledged or provided as collateral, please refer to Note 23.

VII. Financial instruments carried at fair value through profit or loss

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets – current			
Financial assets compulsorily measured			
Measurement			
Non-derivative financial assets			
- Domestic emerging stocks	$ -	$ 36,302	$ 5,265
- Foreign listed/OTC stocks	35,410	11,913	11,770
	$ 35,410	$ 48,215	$ 17,035

Financial assets – non-current			
Mandatorily as at Fair Value Through Profit or Loss			
Non-derivative financial assets			
- Domestic emerging stocks	$ -	$ -	$ 32,431

VIII. Notes receivable, accounts receivable and other receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable			
Total carrying amount at amortized cost			
Amount	$ 2,763	$ 1,932	$ 2,855
Accounts receivable			
Total carrying amount at amortized cost			
Amount	$ 254,956	$ 273,100	$ 231,026
Less: Allowance loss	-	-	(885)
	$ 254,956	$ 273,100	$ 230,141
Other accounts receivable	$ 10,857	$ 9,236	$ 7,952

(I) Notes and accounts receivable

The consolidated entities' average credit period for the sale of goods ranges from 30 days to 90 days. The accounts receivable are collected without interest. When determining the recoverability of accounts receivable, the consolidated entities shall consider any changes in the credit quality of the accounts receivable from the date of initial granting of the loan until the balance sheet date.

The consolidated entities recognize loss allowance for accounts receivable based on the lifetime expected credit loss, according to the streamlined approach under IFRS 9. The lifetime expected credit losses are calculated using the reserve matrix, by considering the customers' past default records and current financial position as well as the industrial economic situations, in addition to GDP forecast and industrial outlook. As the consolidated entities' credit loss history shows that there is no significant difference among the loss patterns of different customer bases, the reserve matrix doesn't further divide the customer bases, but only establishes the expected credit losses based on the number of days for which the accounts receivable becomes overdue.

The consolidated entities write off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery expected by the consolidated entities. For accounts receivables that have been written off, the consolidated entities continue to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The loss allowance for accounts receivable measured by the consolidated entities using the reserve matrix is as follows:

<u>September 30, 2024</u>

	Not overdue	Overdue 1 to 90 days	Overdue for 91 to 180 days	Overdue for 181 to 270 days	Overdue for 271 to 360 days	Overdue more than 360 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	100%	
Total Carrying Amount	$ 203,459	$ 43,121	$ 11,132	$ 7	$ -	$ -	$ 257,719
Loss allowance (lifetime expected credit loss)	-	-	-	-	-	-	-
Amortized Cost	$ 203,459	$ 43,121	$ 11,132	$ 7	$ -	$ -	$ 257,719

<u>December 31, 2023</u>

	Not overdue	Overdue 1 to 90 days	Overdue for 91 to 180 days	Overdue for 181 to 270 days	Overdue for 271 to 360 days	Overdue more than 360 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	100%	
Total Carrying Amount	$ 208,686	$ 66,346	$ -	$ -	$ -	$ -	$ 275,032
Loss allowance (lifetime expected credit loss)	-	-	-	-	-	-	-
Amortized Cost	$ 208,686	$ 66,346	$ -	$ -	$ -	$ -	$ 275,032

<u>September 30, 2023</u>

	Not overdue	Overdue 1 to 90 days	Overdue for 91 to 180 days	Overdue for 181 to 270 days	Overdue for 271 to 360 days	Overdue more than 360 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	100%	
Total Carrying Amount	$ 224,413	$ 9,468	$ -	$ -	$ -	$ -	$ 233,881
Loss allowance (lifetime expected credit loss)	-	-	-	-	-	-	-
Amortized Cost	$ 224,413	$ 9,468	$ -	$ -	$ -	$ -	$ 233,881

Note: Said loss allowance was evaluated based on the accounts receivable on September 30, 2023. The difference between it and the stated amount arose primarily because no reversal of loss allowance was done upon evaluation.

The information about changes in loss allowance on the Company's accounts receivable is specified as follows:

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Balance – beginning	$ -	$ 1,934
Less: Reversal of impairment loss in the current period	-	(1,049)
Balance – ending	$ -	$ 885

(II) Other accounts receivable

When any objective evidence shows impairment on other receivables, the Company shall evaluate the amount of impairment individually. There should be no other receivables that were already past due but for which the consolidated entities have not yet recognized the loss allowance, on the balance sheet date.

IX. Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Finished goods	$ 250,319	$ 315,667	$ 265,875
Work in process	237,734	415,560	456,976
Raw materials	208,198	128,817	159,121
	$ 696,251	$ 860,044	$ 881,972

The allowance for inventory valuation losses as of September 30, 2024, December 31, 2023, and September 30, 2023 were NT$62,227 thousand, NT$81,434 thousand, and NT$120,037 thousand, respectively.

For the three-month periods ended September 30, 2024 and 2023, and the nine-month periods ended September 30, 2024 and 2023, the cost of sales sold included the inventory devaluation and obsolescence losses amounting to NT$20,044 thousand, NT$209 thousand, NT$6,564 thousand and NT$186 thousand, respectively.

Cost of sales:

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Cost of sold inventory	$ 159,815	$ 260,492	$ 591,466	$ 590,604
Inventory devaluation and obsolescence loss	20,044	209	6,564	186
Unamortized manufacturing expense	14,937	6,589	45,069	16,826
Labor cost	13,605	13,415	32,496	36,174
	$ 208,401	$ 280,705	$ 675,595	$ 643,790

X. Subsidiary:

The subsidiaries included in the consolidated financial statements

The entities in the consolidated financial statements are as follows:

			Percentage of ownership		
Name of investor	Name of subsidiary	Nature of business	September 30, 2024	December 31, 2023	September 30, 2023
The Company	SLC BioPharm Co., Ltd.	Biotechnology R&D and wholesale of western pharmaceutical	100	100	100
The Company	Ruize Biotechnology Co., Ltd.	International Trade, Wholesale of Medical Devices and Retail Sale of Medical Apparatus	33.33	33.33	33.33

The Company	Pengrui Construction Co., Ltd. (Note)	Urban Renewal and Reconstruction, Investment Consulting	100	100	100
SLC BioPharm Co., Ltd.	Ruize Biotechnology Co., Ltd.	International Trade, Wholesale of Medical Devices and Retail Sale of Medical Apparatus	17.67	17.67	17.67

Note: The consolidated entities established Pengrui Construction Co., Ltd. on July 25, 2023, wholly owned by the consolidated entities.

XI. Investments Using the Equity Method

The consolidated entities' affiliates are listed as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Individual insignificant affiliate			
Huan Pin Construction Co., Ltd.	$ 146,930	$ 146,961	$ 104,862

	Percentage of ownership and voting rights		
Name	September 30, 2024	December 31, 2023	September 30, 2023
Huan Pin Construction Co., Ltd.	35%	35%	35%

In order to develop the business of Pengrui Construction Co., Ltd., the consolidated entities subscribed for 10,500 and 4,200 thousand common shares from Huan Pin Construction Co., Ltd. at the price of NT$105,000 and NT$42,000 thousand in cash on August 29 and December 13, 2023, respectively.

For information about the business nature of said joint ventures, principal business place and country where the company is registered, please refer to the "Information on Names and Locations of Investees, etc." specified in table 5.

XII. Property, plant and equipment

	September 30, 2024	December 31, 2023	September 30, 2023
Houses and buildings	$ 619,780	$ 642,092	$ 649,851
Machinery and equipment	102,983	143,355	164,002
Test equipment	1,960	2,922	3,145
Office equipment	595	190	326
Leasehold improvement	3,682	4,164	4,905
Other equipment	31,332	45,818	51,074
Uncompleted construction and equipment to be tested	38,524	21,824	19,546
	$ 798,856	$ 860,365	$ 892,849

Except the recognized depreciation expenses, no major additions to, disposal of or impairment on the consolidated entities' property, plant and equipment has taken place for the nine-month periods ended September 30, 2024 and 2023. Depreciation expenses are provided on a straight-line basis over useful years, shown as follows:

Houses and buildings	
Factory premises and employee dormitory	20 to 51 years
Housing accessories	3 to 15 years
Machinery and equipment	3 to 20 years
Test equipment	5 to 9 years
Office equipment	3 to 6 years
Leasehold improvement	2 to 11 years
Other equipment	3 to 20 years

For the amounts of property, plant and equipment furnished to secure loans, please refer to Note 23.

To adjust overall operational strategy, reduce operating costs, and allocate resources effectively, the Company's Board of Directors resolved on May 3, 2024 to change its registration from Hsinchu Science Park to Southern Taiwan Science Park, and to dispose of the real estate building and its ancillary equipment located at No. 29, Kezhong Road, Zhunan Township, Miaoli County. The aforementioned real estate (with a book value of NT$136,773 thousand) was sold through public bidding. The transaction was completed on July 26, 2024, with a disposal price of NT$476,190 thousand (before tax). As of September 30, 2024, the transfer of ownership is pending approval from the review committee of the Hsinchu Science Park Bureau of the Ministry of Science and Technology.

XIII. Lease agreement

(I) Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying Amount of Right-of-use Assets			
Land	$ 187,614	$ 236,966	$ 238,552
Buildings	5,824	11,481	13,367
Transport equipment	1,615	2,189	2,383
Other assets	1,999	4,748	-
	$ 197,052	$ 255,384	$ 254,302

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Addition to right-of-use assets.			$ 16,040	$ 3,056
Derecognition of right-of-use assets			$ 62,824	$ -
Depreciation expenses of right-of-use assets				
Land	$ 1,389	$ 1,585	$ 4,764	$ 4,756
Buildings	1,885	1,885	5,657	5,657
Transport equipment	198	195	586	510
Other assets	124	-	541	-
	$ 3,596	$ 3,665	$ 11,548	$ 10,923

Apart from the additions, disposals, and recognition of depreciation expenses listed above, the consolidated entities' right-of-use assets did not experience any significant subleasing or impairment during the nine-month periods ended September 30, 2024 and 2023.

(II) Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
The Carrying amount of the lease liability			
Current	$ 10,292	$ 13,337	$ 12,321
Non-current	$ 199,403	$ 257,039	$ 256,335

Discount rates of lease liabilities are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	3.00%	3.00%	3.00%
Buildings	2.66%–3.00%	2.66%–3.00%	2.66%–3.00%
Transport equipment	3.00%–3.09%	3.00%–3.09%	3.00%–3.09%
Other equipment	3.09%	3.09%	-

(III) Important lease activities and terms

The underlying assets of the consolidated entities' lease transactions include land, buildings, and company cars. Lease contracts usually have a term of 2 to 20 years. Lease contracts are negotiated individually and contain different terms and conditions. There are no restrictions in the contract, except that the assets under the lease shall not be used as collateral for loans. Upon termination of the lease period, the consolidated entities retain no preemptive right to purchase said lease.

For the objects specified in the variable lease payment terms of the consolidated entities' lease contract that are linked to the adjustment of the announced land price at the site of the consolidated entities' factory or the rental rate for lease of the state-owned land, the lease liabilities are reassessed because of the change in the lease payment resulting from the aforementioned rental adjustment in the first three quarters of 2024, and the right-of-use assets are adjusted based on the remeasurement to the amount of $16,028 thousand.

(IV) Other Leasing Information

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Expenses of Short-term Leases	$ 52	$ 182	$ 287	$ 466
Lease expense on low-value assets	$ 29	$ 45	$ 120	$ 132
Total cash (outflow) from lease			$ 16,160	$ 15,678

XIV. Other payables

	September 30, 2024	December 31, 2023	September 30, 2023
Salaries and bonuses payable	$ 43,712	$ 51,991	$ 47,747
Severance pay payable	5,134	-	-
Remuneration payable to employees and directors	8,527	2,820	-
Equipment payment payable	7,748	6,195	-
Service fee payable	1,755	8,628	8,440
Others	31,259	43,849	47,269
	$ 98,135	$ 113,483	$ 103,456

Due to the adjustment of overall operational strategy, the Group transferred its registration to the Southern Taiwan Science Park and recognized a provision for expected restructuring costs of NT$18,113 thousand for this relocation plan. Please refer to Note 17(5) for employee benefit expenses. As of September 30, 2024, the unpaid provision amounted to NT$5,134 thousand.

XV. Equity

(I) Capital stock

Ordinary Shares

	September 30, 2024	December 31, 2023	September 30, 2023
Authorized number of shares (thousand shares)	350,000	350,000	350,000
Capital stock	$ 3,500,000	$ 3,500,000	$ 3,500,000

The number of issued and outstanding shares with paid-in capital (in thousand shares)	317,399	317,399	317,389
Issued capital stock	$ 3,173,991	$ 3,173,991	$ 3,173,891

The common stocks are issued with par value of NT$10 per share with one voting right and the right to collect dividends for each.

The changes in the Company's capital stock were primarily caused by employees' exercise of their stock options.

(II) Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
It can be applied for the make-up of losses, cash distribution, or capitalization (1).			
Issuance of shares at a premium	$ 108,661	$ 108,661	$ 108,550
Employee stock options transfer-in	19,584	19,584	19,630
Expired convertible bonds stock options	6,882	6,882	6,882
	$ 135,127	$ 135,127	$ 135,062

1 Such capital surplus can be used to make up for losses. Meanwhile, when the Company suffers no losses, it can be applied for cash distribution or capitalization. However, it is limited to a certain percentage of the annual paid-in capital for the purpose of capitalization.

(III) Retained Earnings and Dividend Policy

According to the earnings distribution policy under the Company's Articles of Incorporation, if there is a surplus after account settlement of the fiscal year, the Company shall pay applicable taxes pursuant to laws and cover loss carried forward, followed by the allocation of 10% of the remainder as legal reserve. Subsequently, the Company shall contribute or reverse special reserve pursuant to laws. The balance, if any, plus the accumulated undistributed earnings in the past years, shall be distributed as dividends to shareholders per the motion for distribution of earnings proposed by the Board of Directors as resolved by a shareholders' meeting. According to the dividend policy, the Company shall set aside no less than 50% of the distributable earnings for allocation of shareholder bonus. However, shareholder bonus may not be distributed if the accumulated distributable earnings are less than 3% of the paid-in capital. The payment may be made in cash or shares and the dividend in cash shall not be less than 5% of the total dividend. If the earnings referred to in the preceding paragraph are distributed in the form of cash dividends, the Board of Directors shall be authorized to make a resolution and report to the shareholders' meeting.

Please refer to Note 17(6) "Remuneration to Employees and Directors" for the distribution of remuneration to employees and directors prescribed in the Company's Articles of Incorporation.

The Company shall set aside a legal reserve unless its total amount has reached the amount of the Company's total paid-in capital. The legal reserve may be used to offset a deficit. Where the Company doesn't operate at a loss, the part of the legal reserve in excess of 25% of the paid-in capital could be applied for capitalization and may be allocated in cash as well.

The Company's 2023 and 2022 earnings appropriation plans are stated as follows:

	2023	2022
Legal reserve	\$ 3,003	\$ 3,638
Cash dividend	\$ 27,027	\$ 32,749
Cash dividend per share (NT\$)	\$ 0.0851	\$ 0.1032

The above cash dividends were resolved for distribution by the Board of Directors on May 3, 2024 and May 5, 2023, respectively. The remaining earnings distribution items were also resolved at the Annual General Meetings on June 14, 2024 and June 15, 2023, respectively.

XVI. Operating Revenue

Product and service type	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Revenue from customer contracts				
Revenue from the sale of products	\$ 330,706	\$ 272,950	\$ 920,913	\$ 686,960
Labor service revenue	1,755	14,276	19,474	45,336
	\$ 332,461	\$ 287,226	\$ 940,387	\$ 732,296

(I) Remark on customer contracts

1 The revenue from R&D services and process design of the consolidated entities is generated from the development of new drugs and process designs as described below:

(1) The consolidated entities entered into a process design agreement with Customer Z in November 2018 to provide process design services for the setup of oral tablet production lines for the new drug SLC-029.

The income from the process design was mainly based on the transaction price allocated to the contractual obligations and recognized according to the progress of these obligations. The completion percentage of the services was determined based on the proportion of the actually disbursed cost in the estimated total cost. Process validation and batch production will be conducted after the setup of the production lines for batch manufacturing before mass production of the new drug. The consolidated entities will recognize a service income based on the progress.

(2) The consolidated entities entered into the technology transfer and batch production contracts with Customer X in June 2022. Under the contracts, the consolidated entities allocated the transaction price primarily based on the contract performance obligations at the stages including technology transfer, batch production and product test, and recognized the revenue when the contract performance obligation was satisfied.

(3) The consolidated entities entered into the process design contracts with Customer Y in July 2023. Under the contracts, the consolidated entities allocated the transaction price primarily based on the contract performance obligations at the stages, including the process development, development of analysis method and experimental sample stability research and recognized the revenue when the contract performance obligation was satisfied.

2 The fee-splitting under drug license and authorized sale is as follows:

The consolidated entities authorize a leading international pharmaceutical company as the sole agent to sell the ertapenem injection medicine for which the consolidated entities have acquired the drug license in the USA. In addition to receiving a fixed upfront payment based on the progress according to the agreement, the consolidated entities and the pharmaceutical company are subject to a fee splitting and profit sharing mechanism according to the agreement, and the consolidated entities recognize an agreed percentage of the net profit defined in the agreement in revenue in consideration of the sales status of the pharmaceutical company.

(II) Contract Balance

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable (Note 8)	$ 254,956	$ 273,100	$ 230,141
Contract liabilities – current	$ 8,220	$ 19,802	$ 28,808

(III) Breakdown of revenue from customer contracts

For the nine months ended September 30, 2024

	Antibiotics	Others	Total
Customer contract income recognized at a certain time point	$ 866,625	$ 65,522	$ 932,147
Income recognized individually along the timeline	-	8,240	8,240
	$ 866,625	$ 73,762	$ 940,387

For the nine months ended September 30, 2023

	Antibiotics	Others	Total
Customer contract income recognized at a certain time point	$ 588,929	$ 105,420	$ 694,349
Income recognized individually along the timeline	-	37,947	37,947
	$ 588,929	$ 143,367	$ 732,296

XVII. Net income before tax

(I) Interest revenue

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Bank deposits	$ 9,114	$ 9,571	$ 28,190	$ 24,630
Financial assets carried at amortized cost	480	498	1,595	7,919
Others	1,412	40	1,752	498
	$ 11,006	$ 10,109	$ 31,537	$ 33,047

(II) Other gains and losses

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023

Gain (loss) on disposal of property, plant and equipment	($ 3,960)	$ 421	($ 3,608)	$ 421
Loss (gain) on financial assets measured at fair value through profit or loss	(20,799)	(10,462)	(26,780)	(7,530)
Net foreign exchange gain (loss)	(22,127)	33,402	25,042	46,009
Gain on Lease Modifications	4,130	-	4,130	-
Others	(297)	-	(549)	(310)
	($ 43,053)	$ 23,361	($ 1,765)	$ 38,590

(III) Financial cost

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Bank loan	$ -	$ -	$ -	$ 32
Corporate bonds payable	-	-	-	1,654
Interest on Lease Liabilities	1,750	2,029	5,986	6,136
	$ 1,750	$ 2,029	$ 5,986	$ 7,822

(IV) Depreciation and impairment expenses

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Property and equipment	$ 26,593	$ 38,481	$ 85,697	$ 127,082
Right-of-use assets	3,596	3,665	11,548	10,923
Intangible assets	508	817	1,670	2,476
	$ 30,697	$ 42,963	$ 98,915	$ 140,481
Summarization of depreciation expenses by function				
Operating costs	$ 21,718	$ 33,203	$ 71,759	$ 101,509
Operating expenses	8,471	8,943	25,486	36,496
	$ 30,189	$ 42,146	$ 97,245	$ 138,005
Summarization of amortization expenses by function				
Operating costs	$ 474	$ 575	$ 1,529	$ 1,742
Operating expenses	34	242	141	734
	$ 508	$ 817	$ 1,670	$ 2,476

(V) Employee benefit expense

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Short-term employee benefits				
Payroll expense	$ 56,294	$ 64,710	$ 191,897	$ 188,194
Labor and health insurance expense	5,603	6,238	17,967	19,261
Post-employment Benefits	2,621	2,977	8,563	9,074
Other employee benefit	3,163	2,955	11,292	8,778
Resignation benefits	2,110	-	19,446	-
Total employee benefit expense	$ 69,791	$ 76,880	$ 249,165	$ 225,307
Summarization by function				
Operating costs	$ 46,041	$ 52,781	$ 161,687	$ 154,216
Operating expenses	23,750	24,099	87,478	71,091
	$ 69,791	$ 76,880	$ 249,165	$ 225,307

(VI) Remuneration to employees and directors

According to the Articles of Incorporation, if there is profit for the year, the Company shall set aside no less than 3% thereof as remuneration to employees and no more than 3% as remuneration to directors. However, the profit must first be used to cover the Company's cumulative loss, if any. The estimated employee compensation and directors' remuneration for the three-month and nine-month periods ended September 30, 2024 and 2023 are as follows:

Estimated ratio

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Remuneration to Employees	3.13%	-
Remuneration to Directors	2.13%	-

Amount

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Remuneration to Employees	$ 1,400	($ 75)	$ 4,482	$ -
Remuneration to Directors	$ 990	($ 25)	$ 3,045	$ -

Since the Company generated net losses for the nine-month period ended September 30, 2023, no estimates were made.

Changes in the amount after the publication date of the annual consolidated financial report will be treated as changes in accounting estimates and adjusted in the following year.

The 2023 and 2022 remunerations to employees and directors were resolved as follows by the Board of Directors on March 8, 2024 and May 5, 2023:

Amount

	2023	2022
Remuneration to Employees	$ 1,000	$ 1,200
Remuneration to Directors	$ 620	$ 800

There was no difference between the amount of actual remuneration distributed to the employees and directors in 2023 and 2022 and the amount recognized in the 2023 and 2022 consolidated financial statements.

Please visit the Market Observation Post System (MOPS) for information on employee remuneration and directors' remuneration approved by the Board of Directors.

XVIII. Income tax

(I) Main elements of total income tax expenses recognized in profit or loss

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Current income tax				
Those generated in the current period	$ -	$ -	$ -	$ -
Deferred income tax				
Those generated in the current period	-	-	-	-
Total Income Tax Expense Recognized in Profit or Loss	$ -	$ -	$ -	$ -

(II) The status of income tax returns filed by the parent company and subsidiaries, as assessed by the tax authorities, is as follows:

	Approved fiscal year
Parent company	2021
SLC BioPharm Co., Ltd.	2022
Ruize Biotechnology Co., Ltd.	2022

XIX. Earnings (loss) per share

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Basic and diluted EPS (loss)	$ 0.13	($ 0.05)	$ 0.43	($ 0.04)

The net income (loss) and weighted average number of common stocks used to calculate the earnings (loss) per share are enumerated below:

Current net income (loss)

Unit: NTD per share

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Net income used to calculate basic and diluted earnings (loss) per share	$ 42,717	($ 16,500)	$ 135,679	($ 14,131)

Shares

Unit: Thousand Shares

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
The weighted average number of common stocks used to calculate the earnings (loss) per share	317,399	317,267	317,399	317,264
Effect of dilutive potential common stocks:				
Employee stock options	22	-	22	-
Remuneration to Employees	209	-	222	-
The weighted average number of common stocks used to calculate the diluted earnings (loss) per share	317,630	317,267	317,643	317,264

If the consolidated entities offer to settle the remuneration to employees in cash or shares, when calculating diluted earnings per share, the consolidated entities need to assume that the entire amount of the remuneration to employees will be settled in shares, and the resulting potential shares shall be included in the weighted average number of common stocks used in the computation of diluted earnings per share, as the effect is dilutive. Such a dilutive effect on the potential shares should be included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the next year.

The Company's convertible bonds and stock options issued during the nine-month period ended September 30, 2023 have an anti-dilutive effect, so they are not included in the calculation of diluted earnings per share.

XX. Share-based payment agreement

The consolidated entities didn't issue additional employee stock options for the nine-month periods ended September 30, 2024 and 2023. The information about the outstanding employee stock options is specified as follows:

	For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
Employee stock options	Unit (thousand)	Weighted average exercise price (NT$)	Unit (thousand)	Weighted average exercise price (NT$)
Outstanding shares, beginning	670	$ 22.93	1,242	$ 21.99
Forfeited in this period	(554)	24.28	(370)	22.92
Exercised in this period	-	-	(173)	16.50
Outstanding shares, ending	116	16.50	699	22.85
Exercisable shares, ending	116	16.50	699	22.85

The recognized remuneration costs for the three-month and nine-month periods ended September 30, 2024 and 2023 were both NT$0 thousand.

XXI. Financial instruments

(I) Fair value information – Financial instruments at fair value on a recurring basis

1 Fair Value Hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total

	Level 1	Level 2	Level 3	Total
Financial assets carried at fair value through profit or loss				
Domestic emerging stocks	$ -	$ -	$ -	$ -
Foreign listed/OTC stocks	35,410	-	-	35,410
	$ 35,410	$ -	$ -	$ 35,410

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets carried at fair value through profit or loss				
Domestic emerging stocks	$ 36,302	$ -	$ -	$ 36,302
Foreign listed/OTC stocks	11,913	-	-	11,913
	$ 48,215	$ -	$ -	$ 48,215

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets carried at fair value through profit or loss				
Domestic emerging stocks	$ 37,696	$ -	$ -	$ 37,696
Foreign listed/OTC stocks	11,770	-	-	11,770
	$ 49,466	$ -	$ -	$ 49,466

There was no transfer of fair value measurement between Level 1 and Level 2 for the nine-month periods ended September 30, 2024 and 2023.

(II) Type of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets			
Measured at fair value through profit or loss	$ 35,410	$ 48,215	$ 49,466
Financial assets carried at amortized cost (Note 1)	1,840,184	1,581,763	1,488,593
Financial liabilities			
Financial liabilities carried at amortized cost (Note 2)	121,570	167,680	116,261

Note 1: The balances include the financial assets carried at amortized cost, such as cash and cash equivalents, financial assets carried at amortized cost, net notes receivable, net accounts receivable, other receivables and refundable deposits (stated as other non-current assets).

Note 2: The balance includes accounts payable and other payables measured at amortized cost as financial liabilities.

(III) Financial Risk Management Objectives and Policies

The Group's main financial instruments include investments in equity instruments, accounts receivable, accounts payable, and lease liabilities. The routine operation of the consolidated entities is affected by many financial risks, including market risk (including the foreign exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The overall risk management policy of the consolidated entities emphasizes unpredictable events in the financial market. We are dedicated to reducing the potential effect on the financial status and performance of the consolidated entities.

The financial department is responsible for carrying out the risk management tasks of the consolidated entities pursuant to the policies approved by the Board of Directors. The financial department works closely with the operating unit of the consolidated entities to identify, assess and avoid financial risk.

1 Market risk

The consolidated entities' operating activities expose them primarily to the financial risks of changes in foreign currency exchange rates (please refer to the following subparagraph (1)) and interest rates (please refer to the following subparagraph (2)).

(1) Foreign exchange rate risk

The consolidated entities engaged in foreign currency-denominated sales and purchases and, therefore, exposed themselves to the risk of foreign exchange rate changes.

For the carrying amount of the consolidated entities' non-functional currency-denominated monetary assets and liabilities (including the non-functional currency-denominated monetary items already written off in the consolidated financial statements) on the balance sheet date, please see Note 25.

<u>Sensitivity analysis</u>

The consolidated entities are primarily exposed to the fluctuation in foreign exchange rates in USD. For the significant assets and liabilities generated from the foreign currency-denominated transactions, the foreign currency-denominated assets and liabilities may offset each other based on the income generated from the changes in the foreign exchange rate in the market. Notwithstanding, as the consolidated entities' foreign currency-denominated assets are more than the foreign currency-denominated liabilities, the consolidated entities have to bear the foreign exchange rate risk.

The sensitivity analysis on the consolidated entities aims at the foreign currency-denominated monetary items on the balance sheet date, and their translation at the end of the year is adjusted by changes in exchange rates of 1%. When USD against NTD appreciates by 1%, the profit before tax for the nine-month periods ended September 30, 2024 and 2023 will increase by NT$10,023 thousand and NT$9,140 thousand, respectively.

(2) Other Price Risk

The equity securities market risk includes the risk arising from changes in the equity securities market price, namely the general market risk arising from changes in the overall market price. When equity prices decline by 1%, the consolidated entities' profit before tax for the periods from January 1 to September 30, 2024 and 2023 would decrease by NT$354 thousand and NT$495 thousand, respectively, due to changes in financial assets at fair value through profit or loss.

2 Credit risk

Credit risk refers to the risk that a trading counterpart will default on its contractual obligations and thereby result in the risk of financial loss to the consolidated entities. Until the balance sheet date, the consolidated entities' maximum exposure to credit risk (irrespective of collaterals or other credit enhancement instruments, and irrevocable), which would cause a financial loss to the consolidated entities due to a trading counterpart's failure to discharge contractual obligation and the consolidated entities' provision of financial guarantee, would have primarily been caused by the carrying amount of the financial assets recognized in the consolidated balance sheets.

According to the documented internal credit policy, the consolidated entities must carry out customer management and credit risk analysis for each new customer before establishing payment terms and delivery conditions for the new customer. Internal risk control is performed in consideration of the financial status of the customer, previous experience and other factors to assess the credit quality of the customer. The credit facilities with respect to individual risks are determined by the Board of Directors pursuant to internal or external rating. Use of the credit facilities is monitored on a regular basis.

3 Liquidity risk

The cash flow forecast is implemented by the management of the consolidated entities and summarized by the financial department. The financial department monitors the forecast of the consolidated entities' liquidity demands to ensure sufficient funds for the business operation. The financial department also maintains adequate unused loan commitment limits at all times to ensure the consolidated entities will not act in violation of related loan limits or terms. The forecast is subject to consideration of the consolidated entities' financing plan, compliance with liability clauses, and conformity to the financial ratio in the internal balance sheet.

(1) Statement of liquidity and interest risk rate of non-derivative financial liabilities

The analysis of the remaining contractual maturity for the non-derivative financial liabilities is prepared based on the undiscounted cash flows of financial liabilities from the earliest date on which the consolidated entities (including the principal and estimated interest) can be required to pay. The analysis of the maturity dates for the consolidated entities' non-derivative financial liabilities is prepared based on the agreed repayment dates.

September 30, 2024

	Less than 3 months	3 months–1 year	1–5 years	Over 5 years
Non-derivative financial liabilities				
Accounts payable	$ 20,741	$ 2,694	$ -	$ -
Other payables	62,586	35,549	-	-
Lease liabilities	4,575	11,853	37,954	291,728
	$ 87,902	$ 50,096	$ 37,954	$ 291,728

December 31, 2023

	Less than 3 months	3 months–1 year	1–5 years	Over 5 years
Non-derivative financial liabilities				
Accounts payable	$ 51,574	$ 2,623	$ -	$ -
Other payables	111,500	1,983	-	-
Lease liabilities	5,323	15,946	54,695	363,680
	$ 168,397	$ 20,552	$ 54,695	$ 363,680

September 30, 2023

	Less than 3 months	3 months–1 year	1–5 years	Over 5 years
Non-derivative financial liabilities				
Accounts payable	$ 10,884	$ 1,921	$ -	$ -
Other payables	76,941	26,515	-	-
Lease liabilities	5,053	15,159	52,877	366,478
	$ 92,878	$ 43,595	$ 52,877	$ 366,478

(2) Facility

	September 30, 2024	December 31, 2023	September 30, 2023
Bank facility			
- Amount already disbursed	$ -	$ -	$ -
- Amount not yet disbursed	600,000	370,000	890,000
	$ 600,000	$ 370,000	$ 890,000

XXII. Transactions with related parties

The transactions, account balances, income, and expenses between the Company and its subsidiaries (the Company's related parties) have been eliminated upon consolidation and, therefore, are not disclosed in the Note.

Remuneration to key management

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Short-term employee benefits	$ 7,352	$ 5,025	$ 23,733	$ 15,217

Total amount of salary and compensation to directors and other key management are decided by the Remuneration Committee based on personal performance and market trend.

XXIII. Pledged and mortgaged assets

The following assets of the consolidated entities are provided as collateral for bank guarantees, bank facilities and right-of-use assets:

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits (stated as financial assets measured at amortized cost – non-current)	$ 4,040	$ 4,040	$ -
Property, plant and equipment	471,362	612,879	619,708
Refundable deposits (stated as other non-current assets)	4,410	4,478	4,418
	$ 479,812	$ 621,397	$ 624,126

XXIV. Significant contingent liabilities and unrecognized contractual commitments

The consolidated entities' significant commitments on the balance sheet date, in addition to those already specified in other notes, are specified as follows:

(I) As of September 30, 2024, December 31, 2023, and September 30, 2023, the amounts of unused letters of credit issued by the consolidated entities were US$0 thousand, US$73 thousand, and US$32 thousand, respectively.

(II) The contractual commitments which the consolidated entities have not yet recognized are specified as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Purchase of property, plant and equipment	$ 92,942	$ 11,625	$ 10,069

XXV. Information on the foreign currency assets and liabilities with significant impact

The following information is summarized according to the foreign currencies other than the functional currency of each of the consolidated entities. The foreign exchange rates disclosed are used to translate the foreign currency into functional currency. Foreign currency assets and liabilities with significant impact are as follows:

September 30, 2024

	Foreign Currency	Foreign exchange rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 31,955	31.650 (USD:NTD)	$ 1,011,377

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	Foreign Currency	Foreign exchange rate	Carrying Amount
Non-monetary items			
Financial assets carried at fair value through profit or loss			
USD	$ 1,119	31.650 (USD:NTD)	$ 35,410
Foreign currency liabilities			
Monetary items			
USD	286	31.650 (USD:NTD)	$ 9,038
Non-monetary items			
USD	264	31.650 (USD:NTD)	$ 8,220

December 31, 2023

	Foreign Currency	Foreign exchange rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 30,128	30.705 (USD:NTD)	$ 925,069
Non-monetary items			
Financial assets carried at fair value through profit or loss			
USD	388	30.705 (USD:NTD)	$ 11,913
Foreign currency liabilities			
Monetary items			
USD	1,006	30.705 (USD:NTD)	$ 30,891
Non-monetary items			
USD	652	30.705 (USD:NTD)	$ 19,802

September 30, 2023

Foreign currency assets	Foreign Currency	Foreign exchange rate	Carrying Amount
Monetary items			
USD	$ 28,697	32.270 (USD:NTD)	$ 926,067
Non-monetary items			
Financial assets carried at fair value through profit or loss			
USD	365	32.270 (USD:NTD)	$ 11,770
Foreign currency liabilities			
Monetary items			
USD	373	32.270 (USD:NTD)	$ 12,037
Non-monetary items			
USD	985	32.270 (USD:NTD)	$ 31,800

(Unrealized) exchange gains or losses on foreign currency assets and liabilities with significant impact are specified as follows:

Functional currencies of entities holding foreign currencies	For the three months ended September 30, 2024		For the three months ended September 30, 2023	
Functional currency	Foreign exchange rate	Net exchange (losses) gains	Foreign exchange rate	Net exchange (losses) gains
USD	31.650 (USD: NTD)	($ 2,815)	32.270 (USD:NTD)	($ 184)

Functional currencies of entities holding foreign currencies	For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
Functional currency	Foreign exchange rate	Net exchange (losses) gains	Foreign exchange rate	Net exchange (losses) gains
USD	31.650 (USD: NTD)	($ 2,108)	32.270 (USD:NTD)	$ 1,009

XXVI. Disclosure of notes

(I) Significant transactions and (II) Information on investees:

1 Loans to others: Table 1.

2 Endorsements/guarantees for others: None.

3 Securities – ending (excluding those controlled by invested subsidiaries and affiliates): Table 2.

4 Aggregate purchases or sales of the same marketable securities reaching NT$300 million or more than 20% of paid-in capital: None.

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

6 Disposal of property reaching NT$300 million or more than 20% of paid-in capital: Table 3.

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

8 Accounts receivable from related parties reaching NT$100 million or more than 20% of the paid-in capital: None.

9 Trading in derivatives: None.

10 Business Relations and Important Transactions Between Parent Company and Subsidiaries and Among Subsidiaries and Amounts: Table 4.

11 Information on investees: Table 5.

(II) Information on investment in China

1 Investees' name, business operations, paid-in capital, investment method, capital inward or outward, shareholding ratio, current gains or losses, and recognized investment gains or losses, investment year end carrying amount, investment gain or loss inward, and investment limits in the mainland China: None.

2 Any of the following significant transactions with investees in the mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

(1) Purchase amount and percentage and the related payables ending balance and percentage: None.

(2) Sale amount and percentage and the related receivables ending balance and percentage: None.

(3) The amount of property transactions and the amount of the resultant gains or losses: None.

(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: None.

(5) The highest balance, end of period balance, interest rate range, and total current interest with respect to financing of funds: None.

(6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the provision or acceptance of services: None.

(III) Information on major shareholders

Name, number and percentage of shareholdings for shareholders with more than 5% of shareholdings: None.

XXVII. <u>Segment information</u>

The consolidated entities only need to disclose the business unit information about the medicine products department. The medicine products department is primarily engaged in medicine research, development, design, manufacturing and sales. The consolidated entities consist of only one single business unit and, therefore, have no segment information to be reported.

Savior Lifetec Corporation and Its Subsidiaries

Loans to others

For the nine-month period ended September 30, 2024

Table 1

Unit: Amounts in NTD thousand, Unless Otherwise Specified

No. (Note 1)	Lender	Borrower	Transaction Items	Related party or not?	The highest balance in the current period	Balance – ending	The actual amount drawn down	Range of interest rates	Nature of loan	Business transaction amount	Reasons for short-term financing	Allowance for bad debt	Collateral		Limit of loans to individual borrowers (Note 2)	Total limit of loans (Note 2)	Remarks
													Name	Value			
0	Savior Lifetec Corporation	SLC BioPharm Co., Ltd.	Other accounts receivable – related parties	Yes	$ 10,000	$ 10,000	$ 10,000	2%	Short-term financing is required.	$ -	Operating turnover	$ -	None	$ -	$ 346,139	$ 692,279	—

Note 1: The sections are completed in the following manners:

(1) Fill in “0” for the issuer.

(2) The investees are coded sequentially beginning from “1” by company.

Note 2: The aggregate amount of the fund loaned by the Company to others shall not exceed 20% of the Company's net worth in the Company’s most recent financial statements audited or certified by the CPA. The limit on loans to any company or firm which needs short-term financing, if any, shall be no more than 10% of the Company's net worth in the Company’s most recent financial statements audited or certified by the CPA.

Savior Lifetec Corporation and Its Subsidiaries

Securities held at the end of the period

September 30, 2024

Table 2

Unit: Amounts in NTD thousand, Unless Otherwise Specified

Holding company	Type and name of marketable securities	Relationship with the issuer of securities	Account title	End of period				Remarks
				Shares	Carrying Amount	Shareholding percentage	Fair value	
Savior Lifetec Corporation	Stock Sana Biotechnology, Inc.	—	Financial assets carried at fair value through profit or loss – current	268,940	$ 35,410	0.12%	$ 35,410	Note 1

Note 1: The fair value was calculated based on the closing price on September 30, 2024.

Note 2: For information about investments in subsidiaries, please refer to Table 5.

Savior Lifetec Corporation and Its Subsidiaries

Disposal of real estate with amount reaching NT$300 million or 20% of paid-in capital

For the nine-month period ended September 30, 2024

Table 3

Unit: Amounts in NTD thousand, Unless Otherwise Specified

The company disposing property	Asset name	Date of occurrence	Original acquisition date	Carrying Amount	Transaction amount	Proceeds receiving status	Disposal gain or loss (Note)	Counterparty	Relationship	Disposal purpose	Reference for price determination	Other agreements
Savior Lifetec Corporation	Plant and affiliated buildings at No. 29, Kezhong Road, Zhunan Township, Miaoli County	113.07.26	96.09.18	$ 136,773	$ 476,190	Collection based on contractual terms (Note)	$ 339,417 (Note)	Radiant Opto-electronics Co., Ltd.	-	To optimize asset utilization and reduce operating costs	An expert's appraisal report and the transaction prices in the surrounding area	-

Note: As of September 30, 2024, the real estate transaction is pending price review approval from the Hsinchu Science Park Bureau of the Ministry of Science and Technology, and the disposal gain/loss has been estimated based on the book value as of end-September. Additionally, the counterparty has deposited the first installment payment of NT$50,000 thousand into a designated trust account.

Savior Lifetec Corporation and Its Subsidiaries

Business relationships and important transactions and amount thereof between the parent and subsidiaries and among subsidiaries

For the nine-month period ended September 30, 2024

Table 4

Unit: NTD thousand

No. (Note 1)	Name of Trader	Counterparty	Relationship with the transaction party (Note 2)	Transaction			
				Subject	Amount	Transaction Terms	As a Percentage of Total Consolidated Revenue or Total Assets
0	The Company	SLC BioPharm Co., Ltd.	1	Other income	$ 3,310	Subject to the terms agreed by both parties	-
		SLC BioPharm Co., Ltd.	1	Other accounts receivable – related parties	10,168	Subject to the terms agreed by both parties	-
		Ruize Biotechnology Co., Ltd.	1	Sales revenue	3,955	Subject to the terms agreed by both parties	-

Note 1: The information on business transactions between the parent and subsidiaries shall be indicated in the number column. The number shall be filled in as follows:

(1) The parent company is coded “0”.

(2) The subsidiaries are coded sequentially beginning from “1” by each individual company.

Note 2: There are three types of relationships with transaction parties. Just enter the code (if it is the same transaction between parent and subsidiary or between subsidiaries, there is no need for repeated disclosure. For example, if the parent company has disclosed a transaction between it and a subsidiary, the subsidiary does not need to disclose the transaction again; if a subsidiary has disclosed a transaction between it and another subsidiary, the latter does not need to disclose the transaction again):

(1) Parent to subsidiary.

(2) Subsidiary to parent.

(3) Between subsidiaries.

Note 3: The transaction amount as a percentage of the total consolidated revenue or total assets shall be calculated as the ratio of the ending balance to the total consolidated assets if it is an asset or liability item, or as the ratio of the interim cumulative amount to the total consolidated revenue if it is a profit or loss item.

Note 4: The Company may decide whether to list important transactions in this table based on the principle of materiality.

Note 5: Only the transactions amounting to more than NT$1 million are disclosed, and no corresponding transactions with related parties are disclosed separately.

Note 6: It was written off as a whole during the preparation of the consolidated financial statements.

Savior Lifetec Corporation and Its Subsidiaries

Information on Names and Locations of Investees, etc.

For the nine-month period ended September 30, 2024

Table 5

Unit: NTD thousand

Name of investor	Name of Investee	Location	Main Business Activities	Initial Investment Amount		Held at End of Period			Investment Income or Loss on Investees	Investment Income or Loss Recognized for this Period	Remarks
				End of Current Period	End of Last Year	Number of shares (thousand shares)	Percentage (%)	Carrying Amount			
The Company	SLC BioPharm Co., Ltd.	Taipei City	Biotechnology R&D and wholesale of western pharmaceutical	$ 60,000	$ 60,000	6,000	100	($ 2,600)	($ 19,924)	($ 20,004)	Note 1
The Company	Ruize Biotechnology Co., Ltd.	Taichung City	International Trade, Wholesale of Medical Devices and Retail Sale of Medical Apparatus	10,000	10,000	1,000	33.33	6,069	(6,220)	(2,074)	Note 1
The Company	Pengrui Construction Co., Ltd.	Taipei City	Urban Renewal and Reconstruction, Investment Consulting	241,000	241,000	24,100	100	241,851	(722)	(722)	Note 1
SLC BioPharm Co., Ltd.	Ruize Biotechnology Co., Ltd.	Taichung City	International Trade, Wholesale of Medical Devices and Retail Sale of Medical Apparatus	5,300	5,300	530	17.67	3,218	(6,220)	(1,100)	Note 1
Pengrui Construction Co., Ltd.	Huan Pin Construction Co., Ltd.	Taipei City	Residential and building development, leasing and sales business, and urban renewal and reconstruction business	147,000	147,000	14,700	35	146,930	(91)	(31)	Notes 1 and 3

Note 1: Calculated based on the investee’s financial statements for the same period audited by CPAs.

Note 2: Eliminated in full upon consolidation.

Note 3: The Company’s investees accounted for using the equity method