

**Diamond Biofund Inc.**

**Financial Statements for the  
Years Ended December 31, 2024 and 2023 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Diamond Biofund Inc.

### **Opinion**

We have audited the accompanying financial statements of Diamond Biofund Inc. (the “Company”), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements for the year ended December 31, 2024. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The key audit matter identified in the financial statements for the year ended December 31, 2024 is as follows:

**Fair Value Measurement of Unlisted Domestic and Foreign Financial Assets  
Without Open Market Quotations**

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The unlisted domestic and foreign financial assets without open market quotations of the Company are measured by fair value and classified as financial assets at fair value through profit or loss. As of December 31, 2024, the balance of the unlisted domestic and foreign financial assets without open market quotations was NT\$4,514,579 thousand, which accounted for 42% of the total assets. Management assessed the financial assets at fair value through profit or loss in accordance with IFRS 9 “Financial Instruments” which involved multiple assumptions and significant unobservable inputs. The final result of accounting estimates may vary as a result of any changes in these judgments and estimates and is significant to the financial statements; therefore, we identified the fair value measurement of unlisted domestic and foreign financial assets without open market quotations as a key audit matter.

Our audit procedures performed in respect of this area included the following:

1. We obtained an understanding of the activities and processes of fair value measurement for unlisted domestic and foreign financial assets without open market quotations.
2. We assessed the rationality of evaluation methods, comparable companies, and assumptions used by management with our financial advisory specialist.
3. We obtained the inputs and calculation formulas used in the valuation model, verified their reliabilities against the relevant information and recalculated the accuracy of the valuation.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

From the communication with those charged with governance, we determine that one of those matters communicated is of most significance in the audit of the financial statements for the year ended December 31, 2024, and is therefore the key audit matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chin-Tsung Cheng and Meng-Chieh Chiu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 25, 2025

Notice to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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' report and financial statements shall prevail.*

# DIAMOND BIOFUND INC.

## BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 126,228	1	\$ 2,102,949	16
Financial assets at fair value through profit or loss - current (Notes 4, 5, 7 and 20)	1,903,881	18	7,544,183	58
Financial assets at amortized cost - current (Notes 4 and 8)	3,100,000	29	-	-
Other receivables (Notes 14 and 20)	7,742	-	2,639	-
Other current assets	<u>1,783</u>	-	<u>5,996</u>	-
Total current assets	<u>5,139,634</u>	<u>48</u>	<u>9,655,767</u>	<u>74</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4, 5 and 7)	5,390,680	51	3,235,223	25
Property, plant, and equipment (Note 4)	28,616	-	1,049	-
Right-of-use assets (Notes 4 and 9)	106,378	1	123,760	1
Intangible assets (Note 4)	251	-	135	-
Other non-current assets	<u>9,040</u>	-	<u>25,770</u>	-
Total non-current assets	<u>5,534,965</u>	<u>52</u>	<u>3,385,937</u>	<u>26</u>
<b>TOTAL</b>	<u>\$ 10,674,599</u>	<u>100</u>	<u>\$ 13,041,704</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 18,909	-	\$ -	-
Other payables (Note 20)	44,091	1	50,688	-
Current tax liabilities (Notes 4 and 14)	120,682	1	-	-
Lease liabilities - current (Notes 4 and 9)	23,898	-	15,234	-
Other current liabilities	<u>37</u>	-	<u>42</u>	-
Total current liabilities	<u>207,617</u>	<u>2</u>	<u>65,964</u>	-
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities - non-current (Notes 4 and 9)	<u>93,934</u>	<u>1</u>	<u>113,775</u>	<u>1</u>
Total liabilities	<u>301,551</u>	<u>3</u>	<u>179,739</u>	<u>1</u>
<b>EQUITY</b>				
Share capital				
Ordinary shares	<u>8,513,900</u>	<u>80</u>	<u>8,498,900</u>	<u>65</u>
Capital surplus	<u>3,544,136</u>	<u>33</u>	<u>3,530,013</u>	<u>27</u>
Retained earnings (accumulated deficit)				
Legal reserve	833,052	8	842,767	7
Accumulated deficit	<u>(2,518,040)</u>	<u>(24)</u>	<u>(9,715)</u>	-
Total retained earnings (accumulated deficit)	<u>(1,684,988)</u>	<u>(16)</u>	<u>833,052</u>	<u>7</u>
Total equity	<u>10,373,048</u>	<u>97</u>	<u>12,861,965</u>	<u>99</u>
<b>TOTAL</b>	<u>\$ 10,674,599</u>	<u>100</u>	<u>\$ 13,041,704</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

## DIAMOND BIOFUND INC.

### STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 12 and 20)				
Investment loss	\$ (2,228,791)	(100)	\$ (2,439,518)	(100)
OPERATING EXPENSES (Notes 13 and 20)				
General and administrative expenses	<u>180,849</u>	<u>8</u>	<u>162,232</u>	<u>7</u>
LOSS FROM OPERATIONS	<u>(2,409,640)</u>	<u>(108)</u>	<u>(2,601,750)</u>	<u>(107)</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 20)	2,131	-	2,414	-
Other gains and losses	(279)	-	84	-
Finance costs (Note 20)	(3,769)	-	(806)	-
Interest income	<u>15,151</u>	<u>-</u>	<u>16,235</u>	<u>1</u>
Total non-operating income and expenses	<u>13,234</u>	<u>-</u>	<u>17,927</u>	<u>1</u>
LOSS BEFORE INCOME TAX	(2,396,406)	(108)	(2,583,823)	(106)
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 14)	<u>(121,634)</u>	<u>(5)</u>	<u>412</u>	<u>-</u>
NET LOSS FOR THE YEAR	<u>(2,518,040)</u>	<u>(113)</u>	<u>(2,583,411)</u>	<u>(106)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (2,518,040)</u>	<u>(113)</u>	<u>\$ (2,583,411)</u>	<u>(106)</u>
LOSS PER SHARE (Note 15)				
Basic	<u>\$ (2.96)</u>		<u>\$ (3.32)</u>	
Diluted	<u>\$ (2.96)</u>		<u>\$ (3.32)</u>	

The accompanying notes are an integral part of the financial statements.

## DIAMOND BIOFUND INC.

### STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Share Capital (Notes 4, 11 and 16)		Capital Surplus (Notes 4, 11 and 16)	Retained Earnings		Total Equity
	Shares (Thousands)	Amount		Legal Reserve (Note 11)	Unappropriated Earnings (Accumulated Deficit) (Note 11)	
BALANCE, JANUARY 1, 2023	635,000	\$ 6,350,000	\$ 12,750	\$ 762,989	\$ 3,924,621	\$ 11,050,360
Appropriation of 2022 earnings						
Legal reserve	-	-	-	79,778	(79,778)	-
Cash dividends distributed by the Company - NT\$0.2 per share	-	-	-	-	(127,000)	(127,000)
Stock dividends distributed by the Company - 18%	114,300	1,143,000	-	-	(1,143,000)	-
Net loss for the year ended December 31, 2023	-	-	-	-	(2,583,411)	(2,583,411)
Total comprehensive loss for the year ended December 31, 2023	-	-	-	-	(2,583,411)	(2,583,411)
Issuance of ordinary shares for cash	100,000	1,000,000	3,488,112	-	-	4,488,112
Employee share options issued by the Company (Notes 4 and 16)	-	-	29,151	-	(1,147)	28,004
Issuance of ordinary shares of employee share options (Notes 11 and 16)	590	5,900	-	-	-	5,900
BALANCE, DECEMBER 31, 2023	849,890	8,498,900	3,530,013	842,767	(9,715)	12,861,965
Offsetting of 2023 deficit						
Legal reserve used to cover accumulated deficit	-	-	-	(9,715)	9,715	-
Net loss for the year ended December 31, 2024	-	-	-	-	(2,518,040)	(2,518,040)
Total comprehensive loss for the year ended December 31, 2024	-	-	-	-	(2,518,040)	(2,518,040)
Employee share options issued by the Company (Notes 4 and 16)	-	-	11,675	-	-	11,675
Issuance of ordinary shares of employee share options (Notes 11 and 16)	1,500	15,000	2,448	-	-	17,448
BALANCE, DECEMBER 31, 2024	851,390	\$ 8,513,900	\$ 3,544,136	\$ 833,052	\$ (2,518,040)	\$ 10,373,048

The accompanying notes are an integral part of the financial statements.

# DIAMOND BIOFUND INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	\$ (2,396,406)	\$ (2,583,823)
Adjustment for:		
Depreciation expense	28,174	9,341
Amortization expense	407	511
Net loss on financial assets at fair value through profit or loss	2,229,915	2,441,762
Finance costs	3,769	806
Interest income	(15,151)	(16,235)
Dividend income	-	(2,225)
Compensation cost of employee share options	11,675	28,004
Changes in operating assets and liabilities		
Decrease (increase) in financial assets at fair value through profit or loss	1,254,930	(2,371,816)
Decrease in investment receivables	-	1,865
Decrease (increase) in other receivables	235	(25)
Decrease (increase) in other current assets	4,213	(4,114)
Increase in accounts payable	18,909	-
Decrease in other payables	(6,597)	(5,385)
Decrease in other current liabilities	(5)	(1,014)
Cash generated from (used in) operations	1,134,068	(2,502,348)
Interest received	9,813	15,347
Dividends received	-	2,225
Interest paid	(3,769)	(8)
Income tax paid	(952)	(82,849)
Net cash generated from (used in) operating activities	<u>1,139,160</u>	<u>(2,567,633)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(3,200,000)	-
Proceeds from sale of financial assets at amortized cost	100,000	-
Payments for property, plant and equipment	(14,240)	(240)
Increase in refundable deposits	(2,139)	(7,123)
Payments for intangible assets	(523)	(368)
Increase in prepayments for equipment	-	(18,869)
Net cash used in investing activities	<u>(3,116,902)</u>	<u>(26,600)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of the principal portion of lease liabilities	(16,427)	(3,671)
Cash dividends paid to the owners of the Company	-	(127,000)
Proceeds from issuance of ordinary shares	-	4,488,112
Exercise of employee share options	17,448	5,900
Net cash generated from financing activities	<u>1,021</u>	<u>4,363,341</u>

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## DIAMOND BIOFUND INC.

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

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	2024	2023
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (1,976,721)	\$ 1,769,108
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,102,949</u>	<u>333,841</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 126,228</u>	<u>\$ 2,102,949</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

# DIAMOND BIOFUND INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

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### 1. GENERAL INFORMATION

Diamond Biofund Inc. (the “Company”) was incorporated on January 9, 2013 and approved by the Ministry of Economic Affairs. The Company is mainly engaged in venture capital, with the purpose of sustainable operation. The Company’s shares were listed on the Taipei Exchange Emerging Stock Board since July 2022, and have been listed on the Taiwan Stock Exchange since September 2023.

In order to meet the operational needs and improve business performance, the Company has undergone an organizational restructuring. In accordance with Article 32 of the Business Mergers and Acquisitions Act, the Company has spun off its “Direct Investment Department-Listed Pharmaceutical Group” into a newly established company named “XinYao Biotech Investment Co., Ltd.”

Sun Biofund Inc. issued new shares to the Company’s original shareholders as the consideration for transferred value. The Company has conducted a capital reduction after the spin-off, and the effective date was set on December 29, 2015. The net assets transferred through the spin-off amounted to NT\$3,500,000 thousand, and 350,000 thousand ordinary shares with par value per share of NT\$10 were reduced. The carrying value of the spin-off assets is as below:

Assets	
Cash	\$ 2,679,417
Available-for-sale financial assets - non-current	<u>820,583</u>
Net assets	<u>\$ 3,500,000</u>

On August 13, 2021, the Company’s Board of Directors resolved to merge its 100% owned subsidiaries, Jung Jian Investment Co., Ltd., Jing Ying Investment Co., Ltd., and Feng Sheng Investment Co., Ltd. The effective date was set on September 7, 2021. In addition, to enhance operational synergy through group organizational restructuring, the Company spun off the related business of “Investment Department Group II” into a newly established company named “Jing Ying Investment Co., Ltd.” in accordance with Article 32 of the Business Mergers and Acquisitions Act.

Jing Ying Investment Co., Ltd. issued new shares to the Company’s original shareholders as the consideration for transferred value. The Company conducted a capital reduction after the spin-off and the effective date was set on November 9, 2021. The net assets transferred through the spin-off amounted to NT\$1,561,000 thousand, and 156,100 thousand ordinary shares with par value per share of NT\$10 were reduced. The carrying value of the spin-off assets is as below:

Assets	
Cash	\$ 8,185
Financial assets at fair value through profit or loss	<u>1,552,815</u>
Net assets	<u>\$ 1,561,000</u>

The financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

## 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's Board of Directors on February 25, 2025.

## 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies:

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the "2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022 amendments")

The 2020 amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial statements to understand the risk of the Company, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Company shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note)</b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
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 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

2) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments mainly amend the requirements for the classification of financial assets, including: if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

The amendments also stipulate that, when settling a financial liability in cash using an electronic payment system, the Company can choose to derecognize the financial liability before the settlement date if, and only if, the Company has initiated a payment instruction that resulted in:

- The Company having no practical ability to withdraw, stop or cancel the payment instruction;
- The Company having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

In accordance with IFRS 10 “Consolidated Financial Statements”, the Company meets the criteria as an investment entity and therefore, the Company shall not consolidate its subsidiaries. Instead, an investment entity shall measure an investment in a subsidiary at fair value through profit or loss. The definition of an investment entity as an entity that:

- 1) Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- 2) Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

3) Measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company measures an investment in a subsidiary, which does not provide investment management services, at fair value through profit or loss.

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period.

e. Investment in subsidiaries

The Company measures an investment in a subsidiary, which does not provide investment management services, at fair value through profit or loss.

A subsidiary is an entity that is controlled by the Company.

f. Investments in associates

The Company measures investments in associates at fair value through profit loss.

An associate is an entity over which the Company has significant influence and is neither a subsidiary nor an interest in a joint venture.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

h. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following category:

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments that are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses, not including any dividends and interest earned, on such financial assets are recognized in profit or loss. Fair value is determined in the manner described in Note 19.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, financial assets at amortized cost, investments receivable and other receivables are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Company):

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than the days specified by the Company's policy past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

1) Investment income

The investment income of the Company includes realized and unrealized gains and losses on financial assets. Realized gains and losses on financial assets are recognized in investment income as the difference between the carrying amount of the financial assets and the proceeds received from the disposal. Unrealized gains and losses on financial assets are gains or losses (excluding any dividend or interest income from the financial assets) arising from the remeasurement of financial assets recognized in investment income.

## 2) Dividend income

Dividend income from investments is recognized when the right to receive payment is determined, provided that it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of revenue can be reliably measured.

## 1. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

### The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

## m. Employee benefits

### 1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

### 2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

n. Share-based payment arrangements

1) Equity-settled share-based payment arrangement and employee share options granted to employees

The fair value at the grant date of the equity-settled share-based payment arrangement and employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of capital increase by cash for employees is the date on which the number of shares that the employees subscription is confirmed.

2) Employee share options granted to employees of the investment company

The equity instruments granted by the Company to the employees of its investment company under employee share options are treated as capital distribution. The fair value of employee services received under the arrangement is measured by reference to the grant-date fair value and is recognized over the vesting period as employee share options, with a corresponding debt to capital surplus or retained earnings if necessary.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income; in which case, the current and deferred taxes are also recognized in other comprehensive income.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

### **Material Accounting Judgements**

#### a. Significant influence over associates

As stated in Note 7, several companies are associates of the Company although the Company holds less than 20% of the voting rights on each of these companies. The Company has significant influence over these companies by virtue of the right to appoint and remove representatives as directors from the Board of Directors of these companies.

#### b. Evaluation of investment entity

In accordance with IFRS 10 "Consolidated Financial Statements", the Company meets the criteria as an investment entity and therefore, the Company shall not consolidate its subsidiaries. Instead, an investment entity shall measure an investment in a subsidiary at fair value through profit or loss. The definition of an investment entity as an entity that:

- 1) Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- 2) Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- 3) Measures and evaluates the performance of substantially all of its investments on a fair value basis.

### **Key Sources of Estimation and Uncertainty**

#### Fair value measurements and valuation processes

Where some of the Company's assets and liabilities measured at fair value have no quoted prices in active markets, the Company determines the appropriate valuation techniques for the fair value measurements and whether to engage qualified third party valuers.

Where Level 1 inputs are not available, the Company or engaged valuers determine the appropriate inputs referring to the operation results of the investees, recent transaction prices, quoted prices of the same equity instruments in non-active markets, quoted prices of similar instruments in active markets, and valuation multiples of comparable companies. If the actual changes of inputs in the future differ from expectation, the fair value might vary accordingly. The Company updates and reviews inputs monthly to confirm the appropriateness of the fair value measurement.

Information on the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Note 19 FINANCIAL INSTRUMENTS.

## 6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Cash		
Cash on hand	\$ 316	\$ 103
Checking accounts and demand deposits	<u>125,912</u>	<u>102,846</u>
	126,228	102,949
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	<u>-</u>	<u>2,000,000</u>
	<u>\$ 126,228</u>	<u>\$ 2,102,949</u>

The market rate intervals of cash in the bank at the end of the year were as follows:

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Bank balance	0%-0.80%	0.055%-1.45%
Time deposits	-	1.35%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>		
Financial assets mandatorily classified as at FVTPL	<u>\$ 1,903,881</u>	<u>\$ 7,544,183</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL	\$ 285,026	\$ 239,293
Investments in subsidiaries	4,052,984	2,000,000
Investments in associates	<u>1,052,670</u>	<u>995,930</u>
	<u>\$ 5,390,680</u>	<u>\$ 3,235,223</u>

a. Financial assets at FVTPL - current

Financial assets mandatorily classified as at FVTPL

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Domestic listed shares	\$ -	\$ 4,944,409
Domestic emerging market shares	1,903,881	2,575,539
Domestic unlisted shares	<u>-</u>	<u>24,235</u>
	<u>\$ 1,903,881</u>	<u>\$ 7,544,183</u>

b. Financial assets at FVTPL - non-current

1) Financial assets mandatorily classified as at FVTPL

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Foreign private funds	\$ 62,912	\$ 85,768
Foreign unlisted preference shares	222,114	-
Convertible bonds	-	122,820
Others	<u>-</u>	<u>30,705</u>
	<u>\$ 285,026</u>	<u>\$ 239,293</u>

2) Investment in subsidiaries

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Non-derivative financial assets		
Diamond Biofund I Inc.	\$ 2,034,697	\$ 1,000,000
Diamond Biofund II Inc.	<u>2,018,287</u>	<u>1,000,000</u>
	<u>\$ 4,052,984</u>	<u>\$ 2,000,000</u>

The Company meets the criteria of an investment entity and therefore its subsidiaries that do not provide investment management services are measured at fair value through profit or loss.

The Company increased capital in Diamond Biofund I Inc. and Diamond Biofund II Inc., both by NT\$1,000,000 thousand, in November 2023. In addition, the Company reinvested in Diamond Biofund I Inc. and Diamond Biofund II Inc., both by NT\$1,000,000 thousand, in March 2024.

<b>Name of Subsidiaries</b>	<b>Nature of Activities</b>	<b>Principal Place of Business</b>	<b>Proportion of Ownership and Voting Rights</b>	
			<b>December 31</b>	<b>December 31</b>
			<b>2024</b>	<b>2023</b>
Diamond Biofund I Inc.	Venture capital and general investment	Taiwan	100%	100%
Diamond Biofund II Inc.	Venture capital and general investment	Taiwan	100%	100%

3) Investment in associates

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Associates that are not individually material</u>		
Domestic investment		
Emerging market shares	\$ 876,101	\$ -
Unlisted ordinary shares measured at fair value	133,644	131,020
Foreign investments		
Unlisted preference shares measured at fair value	42,925	146,103
Unlisted ordinary shares measured at fair value	<u>-</u>	<u>718,807</u>
	<u>\$ 1,052,670</u>	<u>\$ 995,930</u>

In November 2023, the Company subscribed for 5,000 thousand shares of StemCyte International, Ltd. at US\$1.27 per share, totaling US\$6,350 thousand.

In August 2024, the Company's subsidiary, Diamond Biofund I Inc., subscribed for 15,000 thousand shares of StemCyte International, Ltd. at US\$1.27 per share, totaling US\$19,050 thousand.

StemCyte International, Ltd. (StemCyte-KY) was registered on the Emerging Stock Board on December 5, 2024. It was originally classified as an investment in unlisted foreign shares but was later reclassified as an investment in domestic emerging market shares.

Despite the Company's holding in certain associates is less than 20%, the Company has the power to appoint representatives as directors and exercises significant influence over associates.

**8. FINANCIAL ASSETS AT AMORTIZED COST**

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 3,100,000</u>	<u>\$ -</u>

The interest rate for time deposits with original maturities of more than 3 months was approximately 1.71% per annum as of December 31, 2024.

**9. LEASE ARRANGEMENTS**

a. Right-of-use assets

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Carrying amount</u>		
Buildings	<u>\$ 106,378</u>	<u>\$ 123,760</u>

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Additions to right-of-use assets	\$ <u>5,250</u>	\$ <u>128,211</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 21,368	\$ 8,850
Transportation equipment	<u>1,264</u>	<u>-</u>
	<u>\$ 22,632</u>	<u>\$ 8,850</u>

b. Lease liabilities

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Carrying amount</u>		
Current	\$ <u>23,898</u>	\$ <u>15,234</u>
Non-current	<u>\$ 93,934</u>	<u>\$ 113,775</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Buildings	2.98%	2.98%
Transportation equipment	3.00%-3.06%	-

c. Sublease

The company has the following sublease transactions. The maturing analysis of lease payments receivable under operating subleases was as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Year 1	\$ <u>1,200</u>	\$ <u>-</u>

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases	\$ <u>1,929</u>	\$ <u>6,430</u>
Total cash outflow for leases	<u>\$ (22,092)</u>	<u>\$ (10,109)</u>

## 10. RETIREMENT BENEFIT PLANS

### Defined Contribution Plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

## 11. EQUITY

### a. Share capital

#### Ordinary shares

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Shares authorized (in thousands of shares)	<u>1,000,000</u>	<u>1,000,000</u>
Share capital authorized (in thousands of dollars)	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>851,390</u>	<u>849,890</u>
Share capital issued and fully paid	<u>\$ 8,513,900</u>	<u>\$ 8,498,900</u>

The change in the Company's share capital is mainly due to the exercise of employee share options. The Company registered with the Ministry of Economic Affairs before the date of approval of issuance of the financial statements and was approved on January 9, 2025. The change in the Company's share capital was mainly due to the exercise of employee share options.

On May 30, 2023, the Company's shareholders' meeting resolved to issue 114,300 thousand new shares through the distribution of surplus profit of NT\$1,143,000 thousand, which has already been declared effective by the Financial Supervisory Commission. The board of directors of the Company resolved to set the effective date as August 13, 2023. The Company's alteration registration for the issuance of new shares was completed on August 23, 2023.

On July 20, 2023, the Company's board of directors resolved to issue 100,000 thousand shares through capital increase by cash with a par value of NT\$10 per share. The application was approved by the official letter No. 1121803660 issued by the Taiwan Stock Exchange Corporation on August 2, 2023. The capital increase by cash from issuance of new shares includes public subscription, employee subscription and competitive auction of which the public subscription and employee subscriptions are all issued at a premium of NT\$40 per share, and competitive auction was issued at a premium of NT\$47.18 per share at the weighted average price of the bid price of all successful bids. The total proceeds amounting to NT\$4,488,112 thousand have been received, and the base date of the increase in capital was September 15, 2023. The Company alteration registration for capital increase was completed on October 20, 2023.

On December 22, 2023, the Company's board of directors resolved to issue 590 thousand shares due to employees exercising their share options to convert into ordinary shares with a par value of NT\$10 per share. The effective date was set on December 22, 2023 by the board of directors; the Company alteration registration for issuance of new shares had been completed on January 23, 2024.

b. Capital surplus

	<b>Issuance of Ordinary Shares (1)</b>	<b>Employee Share Options (2)</b>	<b>Total</b>
Balance at January 1, 2023	\$ -	\$ 12,750	\$ 12,750
Issuance of ordinary shares for cash	3,488,112	-	3,488,112
Employee share options issued by the Company	12,311	16,896	29,207
Forfeiture of employee share options	-	(56)	(56)
Issuance of ordinary shares of employee share options	<u>1,003</u>	<u>(1,003)</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 3,501,426</u>	<u>\$ 28,587</u>	<u>\$ 3,530,013</u>
Balance at January 1, 2024	\$ 3,501,426	\$ 28,587	\$ 3,530,013
Employee share options issued by the Company	(1,620)	13,671	12,051
Forfeiture of employee share options	-	(376)	(376)
Issuance of ordinary shares of employee share options	<u>5,008</u>	<u>(2,560)</u>	<u>2,448</u>
Balance at December 31, 2024	<u>\$ 3,504,814</u>	<u>\$ 39,322</u>	<u>\$ 3,544,136</u>

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital, that limited to a certain percentage of the Company's capital surplus each year.

2) Such capital surplus shall not be used for any purpose.

c. Retained earnings and dividend policy

The Company's 2023 annual Shareholders Meeting resolved the amendments to the Company's Articles of Incorporation (the "Articles") on May 30, 2023.

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan that at least 10%-100% of the distributable earnings as of the end of the current period shall be used to allocate for distribution to shareholders in the appropriation of earnings. However, when the dividend per share from the distributable earnings is less than NT\$0.5, the earnings may not be distributed. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation to employees and compensation to directors in Note 13(c).

In addition, the Company operates in a venture capital biotech industry and its investments are currently in the stage of operational growth; and needs to use its retained earnings as funding to support its operational growth and investment needs. In principle, the Company adopts a balanced dividend policy where a combination of cash and stock dividends is distributed, and where the cash dividends shall be no less than 10% of the total dividends distributed.

The appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The deficit compensation for 2023 that had been resolved to use the legal reserve of NT\$9,715 thousand to offset deficits by the shareholders' meeting on May 21, 2024.

The appropriation of earnings for 2022 that had been resolved by the shareholders on May 30, 2023 was as follows:

	<b>Appropriation of Earnings For the Year Ended December 31, 2022</b>
Legal reserve	\$ <u>79,778</u>
Cash dividends	\$ <u>127,000</u>
Stock dividends	\$ <u>1,143,000</u>
Cash dividends per share (NT\$)	\$ 0.2
Stock dividends per share (NT\$)	\$ 1.8

The deficit compensation for 2024, which were proposed by the Company's board of directors on February 25, 2025, were as follows:

	<b>For the Year Ended December 31, 2024</b>
Legal reserve used to cover accumulated deficit	\$ 833,052
Capital surplus used to cover accumulated deficit	<u>666,948</u>
	<u>\$ 1,500,000</u>

The above appropriations for offset of deficit for 2024 are subject to the resolution of the shareholders' meeting to be held on May 21, 2025.

## 12. INVESTMENT LOSS

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Net loss on financial assets at fair value through loss		
Realized loss on financial assets	\$ (1,623,939)	\$ (15,231)
Unrealized loss on financial assets	(605,976)	(2,426,531)
Dividends income	-	2,225
Rebate of transaction fee	<u>1,124</u>	<u>19</u>
	<u>\$ (2,228,791)</u>	<u>\$ (2,439,518)</u>

The realized gains of the Company arising from the sale of financial assets in 2024 and 2023 were NT\$2,074,157 thousand and NT\$45,118 thousand, respectively.

### 13. NET LOSS FOR THE YEAR

a. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Property, plant and equipment	\$ 5,542	\$ 491
Right-of-use assets	22,632	8,850
Intangible assets	<u>407</u>	<u>511</u>
	<u>\$ 28,581</u>	<u>\$ 9,852</u>
 An analysis of depreciation by function		
Operating expenses	<u>\$ 28,174</u>	<u>\$ 9,341</u>
 An analysis of amortization by function		
Operating expenses	<u>\$ 407</u>	<u>\$ 511</u>

b. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term benefits		
Salary	\$ 63,181	\$ 67,024
Employees' insurance	4,375	3,298
Remuneration of directors	3,087	2,286
Other employee benefits expense	<u>1,447</u>	<u>1,075</u>
	72,090	73,683
Post-employment benefits		
Defined contribution plan	1,656	1,551
Share-based payments	<u>11,675</u>	<u>28,004</u>
 Total employee benefits expense	<u>\$ 85,421</u>	<u>\$ 103,238</u>
 An analysis of employee benefits expense by function		
Operating expenses	<u>\$ 85,421</u>	<u>\$ 103,238</u>

c. Compensation to employees and compensation to directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 0.5% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

The Company did not accrue compensation of employees and the remuneration of directors because of the losses incurred for the years ended 2024 and 2023.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 14. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax		
In respect of the current year	\$ 121,634	\$ -
Adjustments for prior year	<u>-</u>	<u>(412)</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 121,634</u>	<u>\$ (412)</u>

A reconciliation of accounting profit and income tax expense is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Loss before tax from continuing operations	<u>\$ (2,396,406)</u>	<u>\$ (2,583,823)</u>
Income tax benefit calculated at the statutory rate	\$ (479,281)	\$ (516,765)
Nondeductible expenses in determining taxable income	482,549	516,679
Additional income tax under the Alternative Minimum Tax Act	121,634	-
Unrecognized loss carryforwards	(3,195)	-
Adjustments for prior years' tax	-	(412)
Unrecognized deductible temporary differences	<u>(73)</u>	<u>86</u>
Income tax expense (benefit) recognized in profit or loss	<u>\$ 121,634</u>	<u>\$ (412)</u>

b. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax assets		
Tax refund receivable (included in other receivables)	<u>\$ 1,516</u>	<u>\$ 1,516</u>
Current tax liabilities		
Income tax payable	<u>\$ 120,682</u>	<u>\$ -</u>

c. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Loss carryforwards		
Expiry in 2028	\$ 41,193	\$ 57,170
Expiry in 2029	304,288	304,288
Expiry in 2030	<u>2,132</u>	<u>2,132</u>
	<u>\$ 347,613</u>	<u>\$ 363,590</u>

(Continued)

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Deductible temporary differences		
Untaken leave remuneration	<u>\$ 1,518</u>	<u>\$ 1,884</u>
		(Concluded)

d. Income tax assessments

The income tax returns through 2022 have been assessed by the tax authorities.

## 15. LOSS PER SHARE

**Unit: NT\$ Per Share**

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Basic loss per share		
From continuing operations	<u>\$ (2.96)</u>	<u>\$ (3.32)</u>
Diluted loss per share		
From continuing operations	<u>\$ (2.96)</u>	<u>\$ (3.32)</u>

The loss and weighted average number of ordinary shares outstanding used in the computation of loss per share were as follows:

### Net Loss for the Year

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Loss used in the computation of basic loss per share	<u>\$ (2,518,040)</u>	<u>\$ (2,583,411)</u>
Weighted average number of ordinary shares used in the computation of basic loss per share	850,474	778,905
Effect of potentially dilutive ordinary shares		
Compensation of employees	-	-
Employee share options	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted loss per share	<u>850,474</u>	<u>778,905</u>

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

The Company did not consider the potential shares of compensation of employees and employee share options in the calculation of diluted loss per share for the years ended December 31, 2024 and 2023 due to the anti-dilutive effect.

## 16. SHARE-BASED PAYMENT ARRANGEMENTS

### a. Employee share option plan

Qualified employees of the Company were issued 10,000 options in August 2021, 10,000 options in February 2022 and 10,000 options in May 2022. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 6 years and exercisable at certain percentages after the second anniversary of the grant date. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Year Ended December 31			
	2024		2023	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price (\$)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price (\$)
<b>Employee Share Options</b>				
Balance at January 1	22,710	\$ 16.31	23,400	\$ 18.88
Options granted	-	-	-	-
Options forfeited	(420)	15.38	(100)	13.85
Options exercised	<u>(1,500)</u>	11.63	<u>(590)</u>	10.00
Balance at December 31	<u>20,790</u>	16.67	<u>22,710</u>	16.31
Options exercisable, end of the year	<u>3,570</u>		<u>410</u>	

Information on outstanding options was as follows:

Options	December 31			
	2024		2023	
	Range of Exercise Price (\$)	Weighted-average Remaining Contractual Life (In Years)	Range of Exercise Price (\$)	Weighted-average Remaining Contractual Life (In Years)
A	\$ 10.00	2.80	\$ 10.00	3.80
B	13.85	3.15	13.85	4.15
C	17.43	3.52	17.43	4.52
D	69.56	3.69	69.56	4.69

Options granted in October 2021, February 2022, July 2022 and September 2022 are priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	October 2021	February 2022	July 2022	September 2022
Exercise price	\$13.68	\$20.79	\$26.18	\$109.40
Adjusted exercise price	\$10.00	\$13.85	\$17.43	\$69.56
Expected volatility	33%	33%	33%	38%
Expected life (in years)	6 years	6 years	6 years	6 years
Risk-free interest rate	0.33%-0.42%	0.52%-0.62%	0.92%-0.97%	1.11%-1.14%

Compensation costs recognized were NT\$11,675 thousand and NT\$15,364 thousand for the years ended December 31, 2024 and 2023, respectively.

Some qualified employees of the Company transferred to the investment company in 2024 and 2023, resulting in the compensation cost of share-based payments to employees being recognized as capital surplus - share premium of NT\$1,620 thousand and retained earnings of NT\$1,147 thousand, respectively.

b. Capital increase by cash

The Company's board of directors resolved on July 20, 2023 to apply for the capital increase by cash. According to the Company Act, a certain proportion of the shares issued is reserved and subscribed by employees. According to IFRS 2 "Share-based Payment", the employee share options shall adopt general fair value measurement principle. Therefore, compensation costs (included in salary expenses) and capital surplus - employee share options would be recognized in the amount of \$12,640 thousand on the grant date, and on the vest date, capital surplus - employee share options would be transferred to recognize as capital surplus - share premium.

Information on employee share options was as follows:

<b>Employee Share Options</b>	<b>For the Year Ended December 31</b>	
	<b>2023</b>	
	<b>Numbers of Options (In Thousand of Units)</b>	<b>Weighted-average Exercise Price (NT\$)</b>
Balance at January 1, 2023	-	\$ -
Options granted	1,580	40.00
Options forfeited	-	-
Options exercised	<u>(1,580)</u>	40.00
Balance at December 31, 2023	<u>-</u>	
Options exercisable, end of the period	<u>-</u>	
Weighted-average fair value of options granted (\$)	<u>\$ 8.00</u>	

Options granted in September 2023 was priced using the Black-Scholes pricing model and the inputs to the model were as follows:

	<b>Employee Option Rights</b>
Grant-date share price (NT\$)	\$47.7
Exercise price (NT\$)	\$40
Expected volatility	33%
Expected life (in years)	0.15 years
Risk-free interest rate	1.10%

## 17. CASH FLOW INFORMATION

### Non-cash Transactions

In addition to those disclosed in other notes, the Company entered into the following non-cash investing and financing activities which were not reflected in the statements of cash flows for the years ended December 31, 2024 and 2023:

For the year ended December 31, 2024

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others	
Lease liabilities	\$ 129,009	\$ (16,427)	\$ 5,250	\$ -	\$ 117,832

For the year ended December 31, 2023

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others	
Lease liabilities	\$ 3,671	\$ (3,671)	\$ 128,211	\$ 798	\$ 129,009

## 18. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of equity of the Company.

The Company is not subject to any externally imposed capital requirements.

## 19. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

The fair values of the financial assets and financial liabilities are considered to be approaching the fair value or that fair value cannot be measured reliably.

### b. Fair value of financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	\$ 2,779,982	\$ -	\$ -	\$ 2,779,982
Unlisted shares	-	-	4,451,667	4,451,667
Foreign private funds	-	-	62,912	62,912
	<u>\$ 2,779,982</u>	<u>\$ -</u>	<u>\$ 4,514,579</u>	<u>\$ 7,294,561</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares and emerging market shares	\$ 7,519,948	\$ -	\$ -	\$ 7,519,948
Unlisted shares	-	-	3,020,165	3,020,165
Foreign private funds	-	-	85,768	85,768
Convertible bonds	-	-	122,820	122,820
Others	-	-	30,705	30,705
	<u>\$ 7,519,948</u>	<u>\$ -</u>	<u>\$ 3,259,458</u>	<u>\$ 10,779,406</u>

There were no transfers between Levels 1 and 2 for the years ended 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2024

Financial Assets	<u>Financial Assets at FVTPL</u>		
	Equity Instruments	Other Instruments	Total
Balance at January 1, 2024	\$ 3,020,165	\$ 239,293	\$ 3,259,458
Recognized in profit or loss (included in investment income)			
Unrealized	86,040	(46,501)	39,539
Reclassification	129,880	(129,880)	-
Purchases	2,000,000	-	2,000,000
Transfers out of Level 3	(784,418)	-	(784,418)
Balance at December 31, 2024	<u>\$ 4,451,667</u>	<u>\$ 62,912</u>	<u>\$ 4,514,579</u>

For the year ended December 31, 2023

Financial Assets	<u>Financial Assets at FVTPL</u>		
	Equity Instruments	Other Instruments	Total
Balance at January 1, 2023	\$ 374,963	\$ 75,797	\$ 450,760
Recognized in profit or loss (included in investment income)			
Unrealized	372,599	3,670	376,269
Purchases	2,272,603	159,826	2,432,429
Balance at December 31, 2023	<u>\$ 3,020,165</u>	<u>\$ 239,293</u>	<u>\$ 3,259,458</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

<u>Financial Instrument</u>	<u>Valuation Technique and Inputs</u>
Domestic and foreign unlisted equity instruments	<p>Asset-based valuation approach: The value of a company's net assets is evaluated based on their value.</p> <p>Market approach: The value of the investment is determined by converting the transaction price of the share of similar companies in the same industry and with similar operating and financial conditions in an active market to the corresponding value multiplier.</p> <p>Income approach: The present value of the expected income to be earned from the investment is calculated by discounting the cash flow.</p> <p>Option pricing model: The equity value is determined based on the operating conditions and market environment, and then the total equity value is allocated to each round of preferred shares based on the criteria of the preferred shares.</p>
Foreign private funds	Asset-based valuation approach: The fair value of a company's investment assets measured by the fund.

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 7,294,561	\$ 10,779,406
Financial assets at amortized cost (1)	3,241,494	2,113,783
<u>Financial liabilities</u>		
Amortized cost (2)	22,231	5,368

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, other receivables, financial assets at amortized cost and refundable deposits (presented in other current assets and other non-current assets).
- 2) The balances include financial liabilities at amortized cost, which comprise accounts payable and other payables.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity investment and private funds. The Company aims to manage the market risks relating to the operations of the Company to achieve financial risk management objectives. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to minimize the effects of these risks by identifying, evaluating and hedging the uncertainties.

The important financial activities of the Company are reviewed by the board of directors and the Audit Committee in accordance with relevant regulations and internal control policies. During the execution of the financial plan, the Company must abide by the relevant financial operation procedures regarding overall financial risk management and the segregation of powers and responsibilities.

\* Market risk

The Company's operating activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price (see (c) below).

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company was exposed to exchange rate risk for holding assets and liabilities denominated in foreign currencies. To manage currency risk, the Company reviewed the assets and liabilities which were impacted by the exchange rate and made the appropriate adjustments to control risks arising from fluctuations in foreign currency regularly.

The carrying amounts of the Company's non-functional currency-denominated monetary assets and monetary liabilities at the end of the year are set out in Note 21.

Sensitivity analysis

The Company is mainly exposed to the USD exchange rate.

The following table details the Company's sensitivity to a 1% increase and decrease in New Taiwan dollars (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit associated with New Taiwan dollars strengthening by 1% against the relevant currency. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	<b>Currency USD Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Profit or loss	\$ <u>3</u>	\$ <u>17</u>

The Company's sensitivity to foreign currency decreased during the current year mainly due to the decrease in the USD-denominated bank balance.

The analysis of profit or loss in the above table was mainly attributable to the effects of exchange rate changes on the balance of cash held in foreign currencies and cash equivalents.

b) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Fair value interest rate risk		
Financial assets	\$ 3,109,040	\$ 2,009,711
Financial liabilities	117,832	129,009
Cash flow interest rate risk		
Financial assets	125,859	102,793

Sensitivity analysis

The sensitivity analysis described below was based on the Company's exposure to interest rates for financial assets and financial liabilities at the end of the reporting period. An increase or decrease of 25 basis points is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. For the financial assets and financial liabilities with fixed interest rates, their fair values will fluctuate as the market interest rates change. However, for the financial assets and financial liabilities with floating interest rates, future cash flows will fluctuate arising from changes in effective interest rates.

If the market interest rates had increased 25 basis points and all other variables were held constant, the cash inflow amounted to NT\$315 thousand and NT\$257 thousand will have been generated from the floating rate portfolio held by the Company for the years ended December 31, 2024 and 2023, respectively. Additionally, there would have been an equal and opposite impact on cash flow, and the amounts would have been negative.

c) Other price risk

The Company is exposed to equity price risk arising from holding other company's equity. The management of the Company manages risks through holding various risk portfolios of investments with varying levels of risk. The equity price risk of the Company is mainly concentrated in biotech industry equity instruments. In addition, the Company assigns a specific team to monitor the price risk.

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting year.

If equity prices had been 5% higher/lower, pre-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by NT\$361,582 thousand and NT\$527,006 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

If private funds prices had been 5% higher/lower, pre-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by NT\$3,146 thousand and NT\$4,288 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

## 20. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Taiwan Bio-development Foundation	Other
Oneness Biotech Co., Ltd.	Investor with significant influence over the Company (investee which is accounted for using the equity method)
Microbio Co., Ltd.	Investor with significant influence over the Company (investee which is accounted for using the equity method)
Cotton Field Organic Co., Ltd.	Other (subsidiary of Microbio Co., Ltd.)
Cotton Field Organic Farm Inc.	Other (subsidiary of Oneness Biotech Co., Ltd.)
StemCyte International Ltd.	Associate
Jin Ying Investment Co., Ltd.	Other
Sun Biofund Inc.	Other (acquired Diamond Capital Inc. on December 31, 2024, through merger)
Diamond Capital Inc.	Other (dissolved upon merger on December 31, 2024)
Diamond Biofund I Inc.	Subsidiary
Diamond Biofund II Inc.	Subsidiary

b. Operating revenue and operating expenses

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>For the Year Ended December 31</u>	
		<u>2024</u>	<u>2023</u>
Operation revenue - dividends income	Investor with significant influence over the Company	\$ -	\$ 2,225
Operation expense - other expenses	Investor with significant influence over the Company	\$ 118	\$ 10
	Others	<u>450</u>	<u>200</u>
		<u>\$ 568</u>	<u>\$ 210</u>
Operation expense - donations	Others - Taiwan Bio-development Foundation	<u>\$ 4,200</u>	<u>\$ 4,200</u>

c. Receivables from related parties/Payables to related parties

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>December 31</u>	
		<u>2024</u>	<u>2023</u>
Other receivables	Investor with significant influence over the Company - Oneness Biotech Co., Ltd.	\$ -	\$ 210
Other payables	Investor with significant influence over the Company	\$ 15	\$ 10
	Others	<u>22</u>	<u>11</u>
		<u>\$ 37</u>	<u>\$ 21</u>

d. Disposal of financial assets

For the year ended December 31, 2024

<b>Related Party Category/Name</b>	<b>Line Item</b>	<b>Number of Shares</b>	<b>Underlying Assets</b>	<b>Proceeds (Note)</b>	<b>Gain (Loss) on Disposal</b>
Investor with significant influence over the Company - Microbio Co., Ltd.	Financial assets at fair value through profit or loss - current	7,800,000	Common stocks of Oneness Biotech Co., Ltd.	<u>\$ 977,286</u>	<u>\$ (467,616)</u>

Note: The disposal proceeds amounted to NT\$981,630 thousand, less transaction fees of NT\$1,399 thousand and securities transaction tax of NT\$2,945 thousand.

e. Loans from related parties

Interest expense

<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Subsidiary/Diamond Biofund I Inc.	<u>\$ 33</u>	<u>\$ -</u>

During 2024, the Company borrowed NT\$15,000 thousand from related party. The loan was unsecured, with rates comparable to market interest rates, and was repaid in full before the end of the year, with no outstanding balance at year-end.

f. Others

<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Non-operating revenue - other income		
Investor with significant influence over the Company - Oneness Biotech Co., Ltd.	\$ 451	\$ 2,400
Others - Jin Ying Investment Co., Ltd.	500	-
Others - Sun Biofund Inc.	500	-
Others - Diamond Capital Inc.	<u>250</u>	<u>-</u>
	<u>\$ 1,701</u>	<u>\$ 2,400</u>

It is mainly from the Company's provision of relevant services to its related parties, and the transaction terms are the same as those of regular transactions.

g. Remuneration of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 23,949	\$ 38,645
Post-employment benefits	234	370
Share-based payments	<u>7,468</u>	<u>11,366</u>
	<u>\$ 31,651</u>	<u>\$ 50,381</u>

The remuneration of directors and key executives is based on the performance of individuals and market trends.

## 21. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 8	32.785 (USD:NTD)	\$ 278
Non-monetary items			
Financial assets at fair value through profit or loss			
USD	10,003	32.785 (USD:NTD)	327,951

December 31, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 56	30.705 (USD:NTD)	\$ 1,703
Non-monetary items			
Financial assets at fair value through profit or loss			
USD	35,962	30.705 (USD:NTD)	1,104,203

## 22. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 3)
- 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 individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
  - 9) Trading in derivative instruments (None)
- b. Information on investees (Table 4)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (None)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None):
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
    - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
    - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: (Table 5)

### **23. SEGMENT INFORMATION**

The Company is primarily involved in venture capital and general investment businesses. Information is reported to the decision maker for the purposes of resource allocation therefore the Company is a single reportable segment.

**DIAMOND BIOFUND INC.**

**FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)	Note
													Item	Value			
1	Diamond Biofund I Inc.	Diamond Biofund Inc.	Other receivables to related parties	Yes	\$ 15,000	\$ -	\$ 15,000	2.5	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 99,955	\$ 399,818	-

Note 1: The number column is as follows:

- a. Parent: 0.
- b. The invested companies are sequentially numbered starting from 1, based on each company.

Note 2: The nature for financing is as follows:

- a. Business relationship.
- b. The need for short-term financing.

Note 3: The credit financing limit for Diamond Biofund I Inc. was not exceeding 40% of the lender's net equity. If short-term financial support is necessary, the credit financing shall not exceed 40% of the net equity, and to a single company, the credit financing shall not exceed 10% of the net equity.

**DIAMOND BIOFUND INC.**

**MARKETABLE SECURITIES HELD**

**DECEMBER 31, 2024**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Diamond Biofund Inc.	<u>Ordinary shares</u>							
	Original Biomedicals Co., Ltd.	-	Financial assets at fair value through profit or loss - current	422,000	\$ 4,861	0.64	\$ 4,861	Note 1
	Sinew Pharma Inc.	-	Financial assets at fair value through profit or loss - current	6,696,209	317,601	9.39	317,601	Note 1
	Cho Pharma Inc.	-	Financial assets at fair value through profit or loss - current	30,869,000	1,581,419	14.42	1,581,419	Note 1
	Diamond Biofund I Inc.	Subsidiary	Financial assets at fair value through profit or loss - non-current	200,000,000	2,034,697	100.00	2,034,697	Note 1
	Diamond Biofund II Inc.	Subsidiary	Financial assets at fair value through profit or loss - non-current	200,000,000	2,018,287	100.00	2,018,287	Note 1
	ImmunAdd Inc.	Associate	Financial assets at fair value through profit or loss - non-current	4,259,999	93,038	20.00	93,038	Note 1
	StemCyte International Ltd. (StemCyte-KY)	Associate	Financial assets at fair value through profit or loss - non-current	20,687,150	876,101	10.77	876,101	Note 1
	Tetanti AgriBiotech Inc.	Associate	Financial assets at fair value through profit or loss - non-current	7,900,000	40,606	31.60	40,606	Note 1
	<u>Preferred shares</u>							
	Theia Medical Technology Co., Ltd.	Associate	Financial assets at fair value through profit or loss - non-current	9,042,648	12,368	-	12,368	Note 1
	EyeYon Medical Ltd.	Associate	Financial assets at fair value through profit or loss - non-current	59,018	30,078	-	30,078	Note 1
	Bilayer Therapeutics, Inc.	Associate	Financial assets at fair value through profit or loss - non-current	915,540	479	-	479	Note 1
	Syncell Inc.	-	Financial assets at fair value through profit or loss - non-current	10,367,059	222,114	-	222,114	Note 1
<u>Foreign private fund</u>								
Kendall Capital Partners I, L.P.	-	Financial assets at fair value through profit or loss - non-current	-	62,912	-	62,912	Note 1	
Diamond Biofund I Inc. (Note 2)	<u>Ordinary shares</u> StemCyte International Ltd. (StemCyte-KY)	Associate	Financial assets at fair value through profit or loss - non-current	15,000,000	635,250	7.81	635,250	Note 1

Note 1: Emerging market shares are measured by the average price at the end of the year. The venture capital company and the foreign private fund are measured by the asset-based valuation approach. Others are measured by the market approach. All of the financial assets at fair value through profit or loss are measured at the fair value at the end of the reporting period.

Note 2: The Company meets the definition of an investment entity; therefore, its subsidiaries that do not provide investment management services are measured at fair value through profit or loss and are not included in the consolidated financial statements. Consequently, the securities held by the Company's subsidiary, Diamond I Investment Co., Ltd., are also excluded from the consolidated financial statements.

Note 3: For information on subsidiaries investment, refer to Table 4.

## DIAMOND BIOFUND INC.

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Diamond Biofund Inc.	<u>Ordinary shares</u> Diamond Biofund I Inc.	Financial assets at fair value through profit or loss - non-current	Note 2	Subsidiary	100,000,000	\$ 1,000,000	100,000,000 (Note 2)	\$ 1,000,000 (Note 2)	-	\$ -	\$ -	\$ -	200,000,000	\$ 2,034,697
	Diamond Biofund II Inc.	Financial assets at fair value through profit or loss - non-current	Note 2	Subsidiary	100,000,000	1,000,000	100,000,000 (Note 2)	1,000,000 (Note 2)	-	-	-	-	200,000,000	2,018,287
	Oness Biotech Co., Ltd.	Financial assets at fair value through profit or loss - current	Note 3	Investee, which is accounted for using the equity method	7,428,801	1,444,902	371,199 (Note 4)	-	7,800,000	977,286 (Note 5)	1,444,902 (Note 6)	(467,616)	-	-
	Oness Biotech Co., Ltd.	Financial assets at fair value through profit or loss - current	Note 3	Non-related party	17,992,327	3,499,507	899,031 (Note 4)	-	18,891,358	2,366,957 (Note 5)	3,523,282 (Note 6)	(1,156,325)	-	-
Diamond Biofund I Inc	<u>Ordinary shares</u> StemCyte International Ltd.	Financial assets at fair value through profit or loss - non-current	Note 7	Associate	-	-	15,000,000 (Note 7)	615,982 (Note 7)	-	-	-	-	15,000,000	635,250

Note 1: The marketable securities mentioned in this table refer to shares, bonds, beneficiary certificates, and securities derived from the above items.

Note 2: The Company participated in a cash capital increase in March 2024.

Note 3: The Company made a commitment at the time of its initial public offering to dispose of all its holdings in Oness Biotech Co., Ltd. by December 31, 2024. This transaction is intended to fulfill the listing commitment and realize investment returns.

Note 4: It refers to the stock dividends distributed from the capital surplus by Oness Biotech Co., Ltd. in 2024.

Note 5: The sale price is the transaction price, net of transaction fees and securities transaction tax.

Note 6: The carrying amount of the Company is the fair value at the beginning of 2024. For investments sold to non-related parties, the carrying amount includes the associated commission costs.

Note 7: The Company's subsidiary, Diamond Biofund I Inc., participated in a cash capital increase in August 2024.

**DIAMOND BIOFUND INC.**

**INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
Diamond Biofund Inc.	Diamond Biofund I Inc.	Taiwan - Taipei	Venture capital and general investment	\$ 2,000,000	\$ 1,000,000	200,000,000	100	\$ 2,034,697	(Note 1)	(Note 1)	-
	Diamond Biofund II Inc.	Taiwan - Taipei	Venture capital and general investment	2,000,000	1,000,000	200,000,000	100	2,018,287	(Note 1)	(Note 1)	-

Note: The Company meets the criteria of an investment entity and therefore its subsidiaries that do not provide investment management services are measured at fair value through profit or loss.

**TABLE 5****DIAMOND BIOFUND INC.****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Microbio Co., Ltd.	215,516,663	25.31
Oneness Biotech Co., Ltd.	119,400,289	14.02
Daniel M. Tsai	107,367,197	12.61
Richard M. Tsai	107,367,197	12.61
Taishih Venture Capital Investment Co., Ltd.	72,626,335	8.53

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.