

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Consolidated Financial Report and Auditor's Report  
2024 and 2023  
(Stock Code 4109)

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Jia Jie Biomedical Co., Ltd. and Subsidiaries  
2024 and 2023 Consolidated Financial Report and Independent Auditor's Report

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Jia Jie Biomedical Co., Ltd.

Declaration for the Consolidated Financial Statements of Affiliates

The Company hereby declares that the companies that should be included in the consolidated financial statements of affiliates for 2024 (from January 1 to December 31, 2024) in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those that should be included in the consolidated financial report of the parent company and subsidiaries in accordance with IFRS 10 and that the relevant information that should be disclosed in the consolidated financial statements of affiliates has been disclosed in the aforesaid consolidated financial report of the parent company and subsidiaries. Therefore, the consolidated financial statements of affiliates shall not be prepared separately.

We hereby declare

Company name: Jia Jie Biomedical Co., Ltd.

Responsible Person: Weng Chung Chun

February 25, 2025

## Independent Auditors' Report

(114) Cai-Shen-Bao-Zi No.24004164

To Jia Jie Biomedical Co., Ltd.:

### **Audit opinion**

We have audited the consolidated balance sheet as of December 31, 2024 and 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and notes to the consolidated financial statements (including the summary of significant accounting policies) of Jia Jie Biomedical Co., Ltd. and its subsidiaries (hereinafter referred to as “Jia Jie Group”) for the periods from January 1 to December 31, 2024 and 2023.

In our opinion, according to our audit result and the report of other auditors (please refer to “Other matters” sections), the aforesaid consolidated financial statements have been prepared, in all material aspects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission and presented fairly the consolidated financial position of Jia Jie Group as of December 31, 2024 and 2023, and its consolidated financial performance and consolidated cash flow for the periods from January 1 to December 31, 2024 and 2023.

### **Basis for audit opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the auditing standards of the Republic of China. Our responsibilities under these standards will be further explained in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section. We are independent of Jia Jie Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other responsibilities under the Norm. Based on our audit result and the audit report of other auditors, we believe that we have acquired sufficient and appropriate audit evidence to use it as the basis for our audit opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of Jia Jie Group’s consolidated financial statements for 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

The key audit matters in Jia Jie Group's consolidated financial statements for 2024 are as follows:

## **Correctness of commission calculations**

### Description of matters

Jia Jie Group sells health food using interpersonal marketing through many distributors and encourages the distributors to continue operations through performance promotion and incentive bonus policies. Due to the complexity of the formula for calculating commission expenses and the huge amount of data for incentive bonuses, we included the correctness of commission expense calculations as one of the key audit matters.

### Audit procedures in response

The main procedures we implemented in response to the key audit matter mentioned above are as follows:

1. Understanding the incentive bonus policy of the Company.
2. Confirming that the formula for calculating commissions is consistent with the policy mentioned above.
3. Testing the system logic and verifying the correctness of commission calculations.

## **Corporate Merger and Acquisition**

### Description of matters

On January 2, 2024, Jia Jie Group acquired common shares of Mi Hsiang Food Co., Ltd. and Bai Chien Hui Food Co., Ltd. for NT\$45,750 thousand and NT\$2,600 thousand, respectively. The business combination of Jia Jie Group was accounted for using the acquisition method. For details, please refer to Note 4(31) of the consolidated financial statements. The allocation of the purchase price was based on a valuation report prepared by an external expert commissioned by management. The purchase price was measured and allocated to the identifiable assets acquired from the target companies. For more information on the business combination, please refer to Note 6(29) of the consolidated financial statements.

As the allocation of the purchase price involves significant management estimates and the merger and acquisition transaction amount is material for the current year, we, as auditors, have identified this business combination transaction as a key audit matter for the year.

### Audit procedures in response

The main procedures we implemented in response to the key audit matter mentioned above are as follows:

1. Understand and assess the internal control procedures related to Jia Jie Group's investment transactions, and review relevant board meeting documents to ensure that the investment has been executed in accordance with the appropriate procedures.
2. Examine the merger and acquisition agreements and verify payment vouchers to confirm the purchase consideration.

3. Obtain the purchase price allocation report for the acquisition, assess the independence of the expert appointed by management, review the data and information used in the report, and evaluate the valuation methods and key assumptions adopted in the report to determine the reasonableness of the purchase price allocation.

### **Other matters - Reference to the audit of other auditors**

For some subsidiaries included in Jia Jie Group's consolidated financial statements for 2024 and 2023, and investee under the equity method, their financial statements were not audited by us, but by other auditors. Therefore, our opinions expressed on the aforementioned consolidated financial statements with respect to the amounts in the financial statements of such companies are based on the report of such auditors. The total assets of the aforementioned companies (investments accounted for using equity method included) as of December 31, 2024 and 2023 were NT\$89,692 thousand and NT\$115,331 thousand, accounting for 6.05% and 8.16% of the total consolidated assets, respectively. For the periods from January 1 to December 31, 2024 and 2023, the operating revenue was NT\$59,643 thousand and NT\$62,875 thousand, accounting for 11.11% and 18.90% of the consolidated net operating revenue, respectively. The gain recognized for the aforementioned investment under the equity method was NT\$0 and NT\$306 thousand, accounting for 0% and 0.20% of the total consolidated comprehensive income for the years ended December 31, 2024 and 2023, respectively.

### **Other matters - Parent Company Only Financial Report**

Jia Jie Biomedical Co., Ltd. prepared the parent company only financial statements for 2024 and 2023, to which we have issued an auditor's report with an unqualified opinion along with "Other matters" sections for reference.

### **Responsibilities of the management and governing body for the consolidated financial statements**

The management was responsible for preparing the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission and maintaining necessary internal control related to the preparation of the consolidated financial statements to ensure that the consolidated financial statements were free of material misstatements due to fraud or error.

In preparing the consolidated financial statements, the management was also responsible for assessing Jia Jie Group's going concern ability, the disclosure of relevant matters, and the use of the going concern basis of accounting, unless the management intended to liquidate or cease the operation of Jia Jie Group or there were no actual feasible solutions other than liquidation or cessation of operation.

The governing body of Jia Jie Group (including the Audit Committee) was responsible for

supervising the financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

The purpose of our audit of the consolidated financial statements was to obtain reasonable assurance on whether the consolidated financial statements as a whole were free of material misstatements arising from fraud or error and to issue an audit report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards of the Republic of China will detect a material misstatement in the consolidated financial statements. Misstatement may result from fraud or error. A misstatement is deemed material if the individual or aggregate amount misstated could be reasonably expected to affect the economic decisions made by users of the consolidated financial statements.

We exercised professional judgment and skepticism in conducting the audit in accordance with the auditing standards of the Republic of China. We also performed the following tasks:

1. Identifying and assessing the risk of material misstatement of the consolidated financial statements due to fraud or error; designing and implementing appropriate measures responsive to the risks assessed; and obtaining sufficient and appropriate audit evidence to use it as the basis for our audit opinion. As fraud may involve collusion, forgery, intentional omission, fraudulent statement or violation of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error.
2. Obtaining a necessary understanding of internal control relevant to the audit in order to design audit procedures appropriate for the current circumstances, provided that the purpose of the foregoing was not to express an opinion on the effectiveness of Jia Jie Group's internal control.
3. Assessing the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and disclosures made by the management.
4. Drawing a conclusion, based on the audit evidence obtained, about the appropriateness of the going concern basis of accounting adopted by the management and whether a material uncertainty exists in respect of events or conditions that may cast significant doubt on Jia Jie Group's ability to continue as a going concern. If we conclude that such a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosure are inappropriate, to modify our audit opinion. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or conditions may cause Jia Jie Group to cease to continue as a going concern.
5. Evaluating the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtaining sufficient and appropriate audit evidence concerning the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and performing the audit and forming an audit

opinion on the Group.

The matters communicated between us and the governing body include the planned scope and time of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided the governing body with a declaration stating that we have complied with the requirements regarding independence in the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and communicated with it all relationships and relevant matters that may compromise auditor independence (including related prevention measures).

From the matters communicated with the governing body, we determined the key audit matters in the audit of Jia Jie Group's consolidated financial statements for 2024. We shall specify such matters in the audit report, except where public disclosure of certain matters is prohibited by laws or regulations or where, under very exceptional circumstances, we have decided not to communicate certain matters in the audit report due to the reasonable expectation that any negative consequences arising from such communication would be greater than the public interest enhanced.

PwC Taiwan

Liao A-Shen

Auditor

Wang Guo-Hua

Former Financial Supervisory Commission,  
Executive Yuan

Audit Approval No.: Jin-Guan-Zheng-Shen-Zi No.  
1010015969

Former Securities and Futures Commission, Ministry  
of Finance

Audit Approval No.: (1998) Tai-Cai-Zheng (VI) No.  
68790

February 25, 2025

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

Assets	Note	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 112,942	8	\$ 354,424	25
1110	Financial assets at fair value through profit or loss - current	6(3)	88,047	6	-	-
1136	Financial assets measured at amortized cost - current	6(2)	62,060	4	29,742	2
1140	Contract assets - current	6(19)	5,177	-	5,333	1
1150	Net notes receivable	6 (5)	2,043	-	355	-
1170	Net accounts receivable	6(5) and 7	40,835	3	12,081	1
1200	Other receivables		1,621	-	2,798	-
1220	Current income tax assets		230	-	18	-
130X	Inventories	5 and 6(6)	24,494	2	24,681	2
1410	Prepayments		7,981	-	4,986	-
1479	Other current assets - others		2,906	-	2,887	-
11XX	<b>Total current assets</b>		<u>348,336</u>	<u>23</u>	<u>437,305</u>	<u>31</u>
<b>Non-current assets</b>						
1510	Non-current financial assets at fair value through profit or loss	6(3)	441,800	30	254,100	18
1517	Financial assets measured at fair value through other comprehensive income - non-current	6(4)	51,326	4	116,804	8
1560	Contract assets - non-current	6(19)	5,397	1	6,721	1
1550	Investments under the equity method	6(7)	-	-	31,956	2
1600	Property, plant, and equipment	6(8) and 8	446,358	30	447,079	32
1755	Right-of-use assets	6(9)	4,395	-	1,728	-
1760	Net investment property	6 (10) and 8	40,109	3	40,290	3
1780	Intangible assets	6 (10)	75,546	5	20,180	1
1840	Deferred income tax assets	6(26)	46,946	3	49,935	4
1920	Refundable deposits		3,042	-	3,739	-
1990	Other non-current assets - others		19,029	1	3,076	-
15XX	<b>Total non-current assets</b>		<u>1,133,948</u>	<u>77</u>	<u>975,608</u>	<u>69</u>
1XXX	<b>Total assets</b>		<u>\$ 1,482,284</u>	<u>100</u>	<u>\$ 1,412,913</u>	<u>100</u>

(continued on next page)

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

Liabilities and equity	Note	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6 (12) and 8	\$ -	-	\$ 75,000	5
2130	Contract liabilities - current	6(19)	375	-	532	-
2150	Notes payable		300	-	-	-
2170	Accounts payable		12,155	1	11,268	1
2200	Other payables	6(13)	90,970	6	81,285	6
2220	Other payables - related parties	7	-	-	162,449	12
2230	Current income tax liabilities		5,283	1	1,567	-
2280	Lease liabilities - current		2,456	-	811	-
2365	Refund liabilities - current	6(19)	2,180	-	936	-
2399	Other current liabilities - others		3,130	-	2,991	-
21XX	<b>Total current liabilities</b>		<u>116,849</u>	<u>8</u>	<u>336,839</u>	<u>24</u>
<b>Non-current liabilities</b>						
2580	Lease liabilities - non-current		1,993	-	938	-
2610	Long-term notes and accounts payables		4,029	-	4,704	-
2645	Deposits received		211	-	211	-
25XX	<b>Total non-current liabilities</b>		<u>6,233</u>	<u>-</u>	<u>5,853</u>	<u>-</u>
2XXX	<b>Total liabilities</b>		<u>123,082</u>	<u>8</u>	<u>342,692</u>	<u>24</u>
<b>Equity</b>						
<b>Equity attributable to owners of the parent company</b>						
	Share capital	6(15)				
3110	Common stock capital		987,367	67	889,367	63
	Capital surplus	6(16)				
3200	Capital surplus		91,051	6	58,303	4
	Retained earnings	6(17)				
3310	Legal reserves		14,537	1	123	-
3320	Special reserves		63,814	4	24,157	2
3350	Undistributed earnings (losses to be made up for)		271,481	18	138,735	10
	Other equity	6(18)				
3400	Other equity		( 97,234 )	( 6 )	( 63,815 )	( 5 )
31XX	<b>Total equity attributable to owners of the parent company</b>		<u>1,331,016</u>	<u>90</u>	<u>1,046,870</u>	<u>74</u>
36XX	<b>Non-controlling interests</b>		<u>28,186</u>	<u>2</u>	<u>23,351</u>	<u>2</u>
3XXX	<b>Total equity</b>		<u>1,359,202</u>	<u>92</u>	<u>1,070,221</u>	<u>76</u>
	Significant subsequent events	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,482,284</u>	<u>100</u>	<u>\$ 1,412,913</u>	<u>100</u>

The attached notes to the consolidated financial statements form part of the consolidated financial report. Please also refer to them.

Chairman: Weng Chung Chun

Managerial Officer: Tseng Ming-Chuan

Accounting supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Consolidated Statement of Comprehensive Income  
For the Years Ended December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars  
(Except for earnings per share, which are in New Taiwan dollars)

Item	Note	2024		2023	
		Amount	%	Amount	%
4000 Operating revenue	6(19)	\$ 537,070	100	\$ 332,758	100
5000 Operating cost	6(6)(24)(25) and 7	( 363,722 )	( 68 )	( 215,123 )	( 65 )
5900 Gross profit		<u>173,348</u>	<u>32</u>	<u>117,635</u>	<u>35</u>
Operating expenses	6(24)(25) and 12(2)				
6100 Sales and marketing expenses		( 83,550 )	( 16 )	( 113,599 )	( 34 )
6200 Administrative expense		( 50,029 )	( 9 )	( 61,195 )	( 18 )
6300 R&D expense		( 6,548 )	( 1 )	( 9,324 )	( 3 )
6450 Expected credit impairment (loss) gains	12(2)	( 51 )	-	283	-
6000 Total operating expenses		<u>( 140,178 )</u>	<u>( 26 )</u>	<u>( 183,835 )</u>	<u>( 55 )</u>
6900 Operating profit (loss)		<u>33,170</u>	<u>6</u>	<u>( 66,200 )</u>	<u>( 20 )</u>
Non-operating income and expense					
7100 Interest revenue	6(20)	2,170	-	1,822	1
7010 Other revenue	6(21)	7,668	2	10,628	3
7020 Other gains and losses	6(22)	183,118	34	200,341	60
7050 Financial cost	6(23)	( 641 )	-	( 348 )	-
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method	6(7)	-	-	306	-
7000 Total non-operating revenue and expenses		<u>192,315</u>	<u>36</u>	<u>212,749</u>	<u>64</u>
7900 <b>Net income before tax</b>		<u>225,485</u>	<u>42</u>	<u>146,549</u>	<u>44</u>
7950 Income tax (expense) benefit	6(26)	( 9,335 )	( 2 )	475	-
8200 <b>Current net loss</b>		<u>\$ 216,150</u>	<u>40</u>	<u>\$ 147,024</u>	<u>44</u>
<b>Other comprehensive income</b>					
<b>Items not reclassified to profit or loss</b>					
8316 Unrealized valuation gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	6(4) and 12(3)	( \$ 9,238 )	( 1 )	\$ 4,338	1
<b>Items that may be subsequently reclassified to profit or loss</b>					
8361 Exchange difference on translation of the financial statements of foreign operations		689	-	( 522 )	-
8300 <b>Other comprehensive income (net amount)</b>		<u>( \$ 8,549 )</u>	<u>( 1 )</u>	<u>\$ 3,816</u>	<u>1</u>
8500 <b>Total current comprehensive income</b>		<u>\$ 207,601</u>	<u>39</u>	<u>\$ 150,840</u>	<u>45</u>
Current net profit (loss) attributable to:					
8610 Owner of the parent company		\$ 211,372	39	\$ 144,146	43
8620 Non-controlling interests		4,778	1	2,878	1
		<u>\$ 216,150</u>	<u>40</u>	<u>\$ 147,024</u>	<u>44</u>
Total current comprehensive income attributable to:					
8710 Owner of the parent company		\$ 202,766	38	\$ 147,602	44
8720 Non-controlling interests		4,835	1	3,238	1
		<u>\$ 207,601</u>	<u>39</u>	<u>\$ 150,840</u>	<u>45</u>
Earnings per share	6(27)				
9750 Basic		<u>\$ 2.16</u>		<u>\$ 1.62</u>	
9850 Diluted		<u>\$ 2.15</u>		<u>\$ 1.62</u>	

The attached notes to the consolidated financial statements form part of the consolidated financial report. Please also refer to them.

Chairman: Weng Chung Chun

Managerial Officer: Tseng Ming-Chuan

Accounting supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Consolidated Statement of Changes in Equity  
For the Years Ended December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

	Note	Equity attributable to owners of the parent company											Total	Non-controlling interests	Total equity
		Capital surplus			Retained earnings					Other equity					
		Common stock capital	Issue premium	Difference between the price and the book value of the subsidiary's equity acquired or disposed of	Capital reserves - changes in ownership interests in subsidiaries recognized	Capital surplus - others	Legal reserves	Special reserves	(Deficit to be compensated) Undistributed earnings	Exchange difference on translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income				
<u>January 1 to December 31, 2023</u>															
Balance as of January 1, 2023		\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ -	\$ 123	\$ 24,157	( \$ 5,411 )	( \$ 21,544 )	( \$ 45,727 )	\$ 897,975	\$ 25,987	\$ 923,962	
Current net loss		-	-	-	-	-	-	-	144,146	-	-	144,146	2,878	147,024	
Current other comprehensive income	6 (4)(18)	-	-	-	-	-	-	-	-	( 522 )	3,978	3,456	360	3,816	
Total current comprehensive income		-	-	-	-	-	-	-	144,146	( 522 )	3,978	147,602	3,238	150,840	
Changes in ownership interests in subsidiaries recognized		-	-	-	1,293	-	-	-	-	-	-	1,293	( 1,487 )	( 194 )	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	( 4,387 )	( 4,387 )	
Balance as of December 31, 2023		\$ 889,367	\$ 56,090	\$ 920	\$ 1,293	\$ -	\$ 123	\$ 24,157	\$ 138,735	( \$ 22,066 )	( \$ 41,749 )	\$ 1,046,870	\$ 23,351	\$ 1,070,221	
<u>From January 1, 2023 to September 30, 2024</u>															
Balance as of January 1, 2024		\$ 889,367	\$ 56,090	\$ 920	\$ 1,293	\$ -	\$ 123	\$ 24,157	\$ 138,735	( \$ 22,066 )	( \$ 41,749 )	\$ 1,046,870	\$ 23,351	\$ 1,070,221	
Current net loss		-	-	-	-	-	-	-	211,372	-	-	211,372	4,778	216,150	
Current other comprehensive income	6 (4)(18)	-	-	-	-	-	-	-	-	550	( 9,156 )	( 8,606 )	57	( 8,549 )	
Total current comprehensive income		-	-	-	-	-	-	-	211,372	550	( 9,156 )	202,766	4,835	207,601	
Appropriation and distribution of earnings for 2023:															
Legal reserves		-	-	-	-	-	14,414	-	( 14,414 )	-	-	-	-	-	
Special reserves		-	-	-	-	-	-	39,657	( 39,657 )	-	-	-	-	-	
Cash dividends		-	-	-	-	-	-	-	( 49,368 )	-	-	( 49,368 )	-	( 49,368 )	
Capital increase by cash	6(17)	98,000	32,732	-	-	-	-	-	-	-	-	130,732	-	130,732	
Disposal of equity instruments measured at fair value through other comprehensive income	6(4)	-	-	-	-	-	-	-	24,813	-	( 24,813 )	-	-	-	
Fractional cash dividends transferred to the capital surplus		-	-	-	-	16	-	-	-	-	-	16	-	16	
Balance as of December 31, 2024		\$ 987,367	\$ 88,822	\$ 920	\$ 1,293	\$ 16	\$ 14,537	\$ 63,814	\$ 271,481	( \$ 21,516 )	( \$ 75,718 )	\$ 1,331,016	\$ 28,186	\$ 1,359,202	

The attached notes to the consolidated financial statements form part of the consolidated financial report. Please also refer to them.

Chairman: Weng Chung Chun

Managerial Officer: Tseng Ming-Chuan

Accounting supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flows  
For the Years Ended December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

	Note	2024	2023
<u>Cash flow from operating activities</u>			
Net profit before tax for the period		\$ 225,485	\$ 146,549
Adjustment items			
Income and expenses			
Net gain on financial assets at fair value through profit or loss	6 (22)	( 183,746 )	( 200,247 )
Depreciation expense	6 (8)(9)(10) (24)	14,260	12,648
Amortization expense	6(24)	1,542	2,239
Expected credit impairment gain	12(2)	51	( 283 )
Interest expense	6(23)	641	348
Interest revenue	6(20)	( 2,170 )	( 1,822 )
Dividend revenue		( 1,317 )	( 4,935 )
Share of profit of associates and joint ventures accounted for using equity method		-	( 306 )
Loss on disposal and scrapping of property, plant and equipment	6 (22)	576	116
Gain on lease modification	6 (9) (22)	-	( 7 )
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Contract assets		1,480	891
Notes receivable		( 1,688 )	( 22 )
Accounts receivable		( 8,199 )	( 2,462 )
Other receivables		1,177	( 19 )
Inventories		408	1,958
Prepayments		( 2,835 )	11,622
Other current assets - others		( 19 )	( 2,277 )
Net changes in liabilities related to operating activities			
Contract liabilities - current		( 157 )	175
Notes payable		300	( 118 )
Accounts payable		( 4,869 )	1,088
Other payables		3,279	24,209
Refund liabilities - current		1,244	( 224 )
Other current liabilities - others		139	1,298
Long-term notes and accounts payables		( 675 )	( 477 )
Cash generated from (used in) operating activities		44,907	( 10,058 )
Interest received		2,170	1,822
Interest paid		( 641 )	( 348 )
Income tax paid		( 3,407 )	( 838 )
Dividends received		1,317	4,935
Net cash inflows (outflows) from operating activities		44,346	( 4,487 )

(continued on next page)

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flows  
For the Years Ended December 31, 2024 and 2023

Unit: In Thousands of New Taiwan Dollars

	Note	2024	2023
<u>Cash flow from investing activities</u>			
Acquisition of financial assets measured at amortized cost - current		(\$ 119,060)	(\$ 15,398)
Disposal of financial assets measured at amortized cost - current		86,742	113,870
Acquisition of financial assets at fair value through profit or loss		( 92,001 )	( 132,000 )
Disposal of financial assets at fair value through profit or loss - non-current		-	78,147
Acquisition of subsidiaries (less the cash received)	6 (29)	( 41,299 )	-
Disposal of financial assets at fair value through other comprehensive income - non-current		56,248	-
Cash paid for acquisition of property, plant and equipment (including prepayment for equipment)	6 (30)	( 19,626 )	( 8,612 )
Proceeds from disposal of property, plant, and equipment		85	45
Decrease (increase) in refundable deposits		2,205	( 739 )
Increase in other non-current assets - others		( 1,439 )	( 1,116 )
Acquisition of investments under the equity method		-	( 31,650 )
Net cash generated from (used in) investing activities		( 128,145 )	2,547
<u>Cash flow from financing activities</u>			
Increase in short-term borrowings		-	80,000
Decrease in short-term borrowings	6(31)	( 75,000 )	( 5,000 )
Other payables - related parties	6(31)	( 162,449 )	162,449
Repayment of lease principal	6(31)	( 2,700 )	( 2,880 )
Cash dividends paid	6(20)	( 49,368 )	-
Cash capital increase by private placement	6(15)	130,732	-
Fractional cash dividends transferred to the capital surplus		16	-
Net cash generated from (used in) financing activities		( 158,769 )	234,569
Effect of exchange rate changes		1,086	( 3,739 )
(Decrease) increase in current cash and cash equivalents		( 241,482 )	228,890
Opening balance of cash and cash equivalents		354,424	125,534
Closing balance of cash and cash equivalents		\$ 112,942	\$ 354,424

The attached notes to the consolidated financial statements form part of the consolidated financial report. Please also refer to them.

Chairman:  
Weng Chung Chun

Managerial Officer:  
Tseng Ming-Chuan

Accounting supervisor:  
Lin Ching-Hung

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements  
2024 and 2023

Unit: In Thousands of New Taiwan Dollars (unless otherwise stated)

I. Company history

(I) Jia Jie Biomedical Co., Ltd. (hereinafter referred to as the "Company") and the subsidiaries thereof are hereinafter collectively referred to as the "Group". The Company was established upon approval in May 1995. The Company is mainly engaged in the processing, sale, and trading of softshell turtle food, manufacture of dairy products, miscellaneous food manufacturing (e.g. softshell turtle egg powder capsules, enzyme powder, tortoise jelly, softshell turtle oil, and powder capsules), the import, export of the aforementioned products, the distribution, bidding, quotation of aforementioned products for domestic and foreign manufacturers, wholesale of nonalcoholic beverages, candy wholesale, baked food wholesale, supplementary food wholesale, cosmetics wholesale, life insurance and property insurance brokerage business, and instant meal box food manufacturing.

(II) The Company's shares have been traded on the TPEX since August 2002.

II. The date and procedure for approving the financial report

The consolidated financial report was approved by the Board of Directors and released on February 25, 2025.

III. Application of new and amended standards and interpretations

(I) Impact of adopting the new and amended IFRSs and IASs endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The following table sets forth the standards and interpretations of new releases, amendments, and amendments of the IFRS and IAS applicable in 2024 that were approved and promulgated by the FSC:

<u>New/amended/revised standards and interpretations</u>	<u>Effective date as published by IASB</u>
Amendment to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024

The Group has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Group.

(II) Impact of not adopting the new and amended IFRSs and IASs endorsed by the FSC

The following table sets forth the FSC endorsed IFRS and IAS, interpretations newly released, amended, revised and applicable in 2025:

<u>New/amended/revised standards and interpretations</u>	<u>Effective date as published by IASB</u>
Amendments to IAS No. 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Group.

(III) Impact of the IFRSs and IASs issued by the International Accounting Standards Board but not yet endorsed by the FSC

The following table sets forth the newly issued, amended, and revised standards and interpretations for the IFRSs and IASs issued by the International Accounting Standards Board but not yet endorsed by the FSC:

<u>New/amended/revised standards and interpretations</u>	<u>Effective date as published by IASB</u>
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 "Insurance Contracts"	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
Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026

Except for the items mentioned below, the Group has assessed that the above-mentioned standards and interpretations have no material impact on the Group's financial position and financial performance. The relevant impact amounts will be disclosed upon completion of the assessment:

1. Amendments to IFRS 9 and IFRS 7, “Amendments to the Classification and Measurement of Financial Instruments”

The amendments are explained as follows:

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

2. IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IV. Summary of significant accounting policies

The major accounting policies adopted in the preparation of the consolidated financial report are described below. Unless otherwise stated, these policies apply consistently to all reporting periods.

(I) Compliance statement

The consolidated financial report was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC

Interpretations, and SIC Interpretations (hereinafter collectively referred to as IFRSs) endorsed and issued into effect by the FSC.

(II) Basis of preparation

1. Except for the financial assets FVTPL and financial assets measured at FVTOCI, the consolidated financial report was prepared on the basis of historical cost.
2. The preparation of financial statements in compliance with IFRSs requires the use of some important accounting estimates. In the process of applying the Group's accounting policies, the management also needs to exercise its judgment, and items that involve a high level of judgment or complexity, or involve significant assumptions in the consolidated financial statements and estimates, please refer to Note 5.

(III) Basis of consolidation

1. Principles for the preparation of the consolidated financial report

- (1) The Group includes all subsidiaries as the entities of the consolidated financial report. Subsidiaries refer to entities (including structured entities) controlled by the Group. When the Group is exposed to or is entitled to the variable returns from the involvement in the entities, and is able to influence the returns through the power over the entities, the Group controls the entities. The subsidiaries are included in the consolidated financial report from the date when the Group obtains control over them, and the consolidation is terminated from the date of loss of control.
  - (2) Intra-group transactions, balances and unrealized gains or losses were eliminated. Necessary adjustments have been made to the accounting policies of the subsidiaries to bring them into line with those adopted by the Group.
  - (3) The profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and non-controlling interests. Total comprehensive income is also attributed to the owners of the parent company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
  - (4) Changes in the parent company's ownership interest in a subsidiary that do not result in the loss of control over the subsidiary (transactions with non-controlling interests) are treated as equity transactions, i.e., transactions with owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
  - (5) When the Group loses control over a subsidiary, the Group's investment retained in the former subsidiary is remeasured at fair value and is regarded as the fair value of a financial asset at initial recognition or the cost of an investment in an associate or joint venture at initial recognition. The difference between the fair value and the book value is recognized in current profit or loss. For all amounts previously recognized in other comprehensive income related to the subsidiary, the accounting treatment is on the same basis as that for the direct disposal of relevant assets or liabilities by the Group, which means that the gain or loss previously recognized in other comprehensive income will be reclassified as profit or loss when the relevant assets or liabilities are disposed of or from equity to profit or loss when the Group loses control of the subsidiary.
2. Subsidiaries included in the consolidated financial report:

Name of investing company	Name of subsidiary	Nature of business	Percentage of shareholding		Description
			December 31, 2024	December 31, 2023	
The Company	Wisetech Corporation	Overseas investment	100.00	100.00	
	Jia Jie Investment Co., Ltd.	Investment	100.00	100.00	
	Jia Jie Biotechnology co., Ltd.	Wholesale of foods, groceries and daily commodities, and retail of other products	100.00	100.00	
Wisetech Corporation	Honor Peak Holdings Limited	Overseas investment	100.00	100.00	
Honor Peak Holdings Limited	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Development of aquatic product technology, and production and processing of softshell turtle powder and softshell turtle oil	50.00	50.00	Note 1
	Xiamen Zengmeinong Biotech Co., Ltd.	Development of biological products	100.00	100.00	
	Dongguan Jia Jie Biotechnology Co., Ltd.	Retail	100.00	100.00	
Jia Jie Investment Co., Ltd.	TSG Insurance Broker Co., Ltd.	Personal insurance and property insurance broker	60.83	60.83	Note 2, 3, 6
	Mi Hsiang Food Co., Ltd.	Instant Meal Box Food Manufacturing	100.00	-	Note 4
	Bai Chien Hui Food Co., Ltd.	Instant Meal Box Food Manufacturing	100.00	-	Note 5

Note 1: The Group holds a majority of seats on the board of directors of the company and has the substantive capacity to exercise management power to direct its relevant activities. Hence, the company is classified as a subsidiary.

Note 2: The company made a cash capital increase of NT\$15,000 on June 29, 2023, which was subscribed by Jia Jie Investment Co., Ltd. and other shareholders.

Note 3: Shares acquired from other shareholders in the fourth quarter of 2023.

Note 4: It was an associate in which the Group originally held a 39% shares On January 2, 2024, the Group acquired the remaining 61% shares, and it has been included in the consolidated financial statements from the acquisition date.

Note 5: It was an associate in which the Group originally held a 48% shares On January 2, 2024, the Group acquired the remaining 52% shares, and it has been included in the consolidated financial statements from the acquisition date.

Note 6: Formerly named “Titan Insurance Broker Co., Ltd.”, it was renamed to “TSG Insurance Broker Co., Ltd.” on June 14, 2024.

3. Subsidiaries not included in the consolidated financial report: None.
4. Adjustments and treatments for different accounting periods of subsidiaries: None. 5. Material restrictions: None.
6. Subsidiaries with significant non-controlling interests in the Group:

The total amount of non-controlling interests in the Group as of December 31, 2024 and 2023, was NT\$28,186 and NT\$23,351. The following is the information about the significant non-controlling interests in the Group and its subsidiaries:

Name of subsidiary	Principal places of business	Non-controlling interests		Non-controlling interests		Description
		December 31, 2024		December 31, 2023		
		Amount	Percentage of shareholding	Amount	Percentage of shareholding	
TSG Insurance Broker Co., Ltd.	Taiwan	\$ 28,061	39.17%	\$ 24,698	39.17%	

#### Summary financial information of subsidiaries:

	TSG Insurance Broker Co., Ltd.	
	December 31, 2024	December 31, 2023
Current assets	\$ 70,196	\$ 60,474
Non-current assets	19,496	22,901
Current liabilities	( 13,869 )	( 14,748 )
Non-current liabilities	( 4,183 )	( 5,574 )
Total net assets	\$ 71,640	\$ 63,053

#### Statement of Comprehensive Income

	TSG Insurance Broker Co., Ltd.	
	2024	2023
Revenue	\$ 59,643	\$ 62,875
Net income before tax	10,758	6,907
Income tax expenses	( 2,089 )	( 1,373 )
Current net loss	8,669	5,534
Other comprehensive income (net amount after tax)	( 83 )	( 7 )
Total current comprehensive income	\$ 8,586	\$ 5,527
Comprehensive income attributable to non-controlling interests	\$ 3,396	\$ 2,901
Dividends paid to non-controlling interests	\$ -	\$ -

#### Statement of Cash Flows

	TSG Insurance Broker Co., Ltd.	
	2024	2023
Net cash inflow from operating activities	\$ 11,239	\$ 8,968
Net cash outflow from investing activities	( 18,963 )	( 15,647 )
Net cash generated from (used in) financing activities	( 959 )	13,859
(Decrease) increase in current cash and cash equivalents	( 8,683 )	7,180
Opening balance of cash and cash equivalents	20,289	13,109

Closing balance of cash and cash equivalents	\$ 11,606	\$ 20,289
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(IV) Translation of foreign currencies

Items included in the financial report of each entity within the Group are measured by the currency of the primary economic environment in which the entity operates (i.e. the functional currency). The consolidated financial report is presented in the Company's functional currency "NTD."

1. Foreign currency transactions and balances

- (1) Foreign currency transactions are translated into the functional currency at the spot exchange rate on the transaction date or measurement date, and any difference arising from the translation of such transactions is recognized as current profit or loss.
- (2) The balance of foreign currency monetary assets and liabilities is valued and adjusted based on the spot exchange rate on the balance sheet date, and any difference arising from such adjustment is recognized as current profit or loss.
- (3) The balance of foreign currency non-monetary assets and liabilities measured at fair value through profit or loss is valued and adjusted based on the spot exchange rate on the balance sheet date, and any exchange difference arising from such adjustment is recognized as current profit or loss; the balance of those measured at fair value through other comprehensive income is valued and adjusted based on the spot exchange rate on the balance sheet date, and any exchange difference arising from such adjustment is recognized as other comprehensive income; the balance of those not measured at fair value is measured based on the historical exchange rates as of the initial transaction date.
- (4) All exchange gains or losses are stated as "other gains and losses" on the statement of comprehensive income.

2. Translation of foreign operations

- (1) For all group entities, associates, and joint ventures whose functional currency is different from the presentation currency, their operating results and financial position are translated into the presentation currency in the following ways:
  - A. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate on the balance sheet date;
  - B. Income and expenses presented in each statement of comprehensive income are translated at the average exchange rate in the current period; and
  - C. All exchange differences arising from translation are recognized as other comprehensive income.
- (2) When the foreign operation partially disposed of or sold is an associate or joint venture, any exchange difference under other comprehensive income will be re-classified proportionally to current profit or loss as part of the gain or loss on sale. However, if the Group still retains part of its interest in the former associate or joint venture, but has lost significant influence over the foreign operation that is an associate or its joint control over the foreign operation that is a joint venture, the Group's interest in the foreign operation is wholly disposed of.
- (3) When the foreign operation partially disposed of or sold is a subsidiary, the accumulated exchange difference recognized in other comprehensive income is re-attributed to the non-controlling interests of the foreign operation on a pro-rata basis. However, if the Group still retains part of its interest in the former subsidiary, but has lost control of the foreign operation that is a subsidiary, the Group's interest in the

foreign operation is wholly disposed of.

(V) Criteria for classification of assets and liabilities as current and non-current

1. Assets that meet one of the following conditions are classified as current assets:
  - (1) The asset is expected to be realized, sold or consumed in the ordinary course of operations.
  - (2) The asset is held mainly for the purpose of trading.
  - (3) The asset is expected to be realized within 12 months after the balance sheet date.
  - (4) The asset is cash or cash equivalents, except for those that are restricted from being exchanged or used to settle liabilities in at least 12 months after the balance sheet date.

The Group classifies all assets not meeting the above conditions as non-current.

2. Liabilities that meet one of the following conditions are classified as current liabilities:
  - (1) The liability is expected to be settled in the ordinary course of operations.
  - (2) The asset is held mainly for the purpose of trading.
  - (3) The liability is expected to be settled within 12 months after the reporting period.
  - (4) The liability for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

The Group classifies all liabilities not meeting the above conditions as non-current.

(VI) Cash and cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the above criteria and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents

(VII) Financial assets at fair value through profit or loss

1. Referring to the financial assets other than measured at amortized cost or FVTOCI.
2. The Group uses trade date accounting for financial assets measured at fair value through profit or losses in conformity with practical trading.
3. The Group measures at fair value at the time of initial recognition, and the related transaction costs are recognized in profit or loss; subsequently, they are measured at fair value, and the gain or loss is recognized in profit or loss.

(VIII) Financial assets measured at fair value through other comprehensive income

1. The Company may make an irrevocable choice at initial recognition to recognize the fair value changes of equity instrument investments held not for trading in other comprehensive income.
2. The Group uses trade date accounting for financial assets at fair value through other comprehensive income in conformity with practical trading.
3. The Group measures such financial assets at their fair value plus transaction costs at initial recognition, and they are subsequently measured at fair value:

Changes in the fair value of equity instruments are recognized in other comprehensive income. At the time of derecognition, the cumulative gain or loss previously recognized in other comprehensive income shall not be reclassified to profit or loss, but transferred to retained earnings. When the right to receive dividends is established, the economic benefits related to the dividends are very likely to inflow, and when the dividend amount can be

measured reliably, the Group recognizes the dividend revenue in profit or loss.

(IX) Financial assets measured at amortized cost

1. Such financial assets refer to those meeting the following conditions:
  - (1) The financial asset is held under the business model for the purpose of collecting contractual cash flows.
  - (2) The contractual terms of the financial asset generate cash flows on a specific date that are solely payments of the principal and interest on the principal amount outstanding.
2. The Group uses trade date accounting for financial assets at amortized cost in conformity with trading practices.
3. The Group measures such financial assets at their fair value plus transaction costs at initial recognition. Subsequently, the effective interest method is adopted to recognize interest revenue in the period of circulation according to the amortization procedure and any impairment loss is recognized. The gain or loss is recognized in profit or loss at the time of derecognition.
4. The Group holds time deposits that are not cash equivalents. They are measured at the investment amount due to the short holding period and the insignificant impact of discounting.

(X) Accounts and notes receivable

1. They refer to the accounts and notes for which the Company has no unconditional right to receive consideration for transferring goods or services pursuant to contractual agreements.
2. The Group measures short-term accounts and notes receivable with unpaid interest at the initial invoice amount due to the insignificant impact of discounting.

(XI) Impairment of financial assets

On each balance sheet date, the Group, with respect to financial assets measured at amortized cost, takes into account all reasonable and supporting information (including forward-looking ones), and measures the loss allowance for the financial assets measured at amortized cost with no significant increase in credit risk after initial recognition based on 12-month expected credit losses. For those with significant increase in credit risk after initial recognition, the loss allowance is measured based on lifetime expected credit losses. For the accounts receivable or contract assets with no significant financing components, the loss allowance is measured based on the lifetime expected credit losses.

(XII) Derecognition of financial assets

The Group derecognizes financial assets when one of the following conditions is met:

1. The contractual right to receive cash flows from financial assets becomes invalid.
2. The contractual right to receive cash flows from financial assets is transferred, and almost all the risks and rewards of ownership of the financial assets have been transferred.
3. The contractual right to receive cash flows from financial assets is transferred, but control over the financial assets is not retained.

(XIII) Lessor's lease transactions - Operating leases

Lease gains from operating leases, after deducting any incentives given to the lessee, are amortized under the straight-line method over the lease term and recognized as current profit or loss.

(XIV) Inventories

Inventories are measured at the lower of cost or net realizable value, and the cost is determined

using the weighted average method. The cost of finished goods and work in process includes raw material, direct labor and other direct costs as well as production-related manufacturing overhead (allocated based on the normal production capacity), but does not include loan costs. When comparing the cost and net realizable value to see which is lower, the item-by-item comparison method is adopted. The net realizable value is the estimated selling price in the ordinary course of business less the estimated cost required for completion and the estimated costs necessary to make the sale.

(XV) Investments/associates under the equity method

1. Associates are entities over which the Group has significant influence but no control. Generally, the Group holds more than 20% of their shares with voting rights directly or indirectly. The Group's investment in associates is accounted for using the equity method and is recognized at cost at the time of acquisition.
2. The Group recognizes its share in the profit or loss of associates after the acquisition as current profit and loss and recognizes its share in their other comprehensive income after the acquisition as other comprehensive income. If the Group's share in the loss of any associate equals or exceeds its interest in the said associate (including any other unsecured receivables), the Group does not recognize further losses, unless the Group has incurred legal obligations or constructive obligations for the associate or has made payments on behalf of it.
3. When equity changes not related to profit or loss and other comprehensive income occur to an associate, with no impact on the Group's shareholding percentage in the associate, the Group recognizes all equity changes as "capital surplus" based on its shareholding percentage.
4. Any unrealized gains or losses arising from transactions between the Group and associates have been written off proportionally to the interest the Group holds in the said associates. Unless evidence shows that the assets transferred through the said transactions have been impaired, the unrealized losses shall also be written off. Necessary adjustments have been made to the accounting policies of the associates to bring them into line with those adopted by the Group.
5. If the Group loses significant influence over an associate when the Group disposes of it, for all amounts recognized in other comprehensive income related to the associate, the accounting treatment is on the same basis as that for the direct disposal of relevant assets or liabilities by the Group, which means that the gain or loss previously recognized in other comprehensive income will be reclassified as profit or loss when the relevant assets or liabilities are disposed of or from equity to profit or loss when the Group loses significant influence of the associate. If the Group still has significant influence over the associate, only the amount recognized previously in other comprehensive income will be transferred out proportionally using the method described above.

(XVI) Property, plant, and equipment

1. Property, plant, and equipment are recorded at acquisition cost, and the relevant interest during their purchase or construction is capitalized.
2. Subsequent costs are included in the book value of assets or recognized as a separate asset only when the future economic benefits related to the item are likely to flow into the Group and the cost of the item can be measured reliably. The book value of the property, plant and equipment replaced shall be derecognized. All other maintenance expenses are recognized as current profit or loss.
3. Property, plant, and equipment are subsequently measured at cost. Except for land, which is not depreciated, all property, plant and equipment are depreciated using the straight-line

method over their estimated useful lives. If the components of property, plant and equipment are significant, they are depreciated separately.

4. The Group reviews the residual value, useful life and depreciation method of each asset at the end of each fiscal year. If the expected residual value and useful life are different than their estimates, or there has been a material change in the expected consumption pattern of the future economic benefits of the asset, such change shall be treated in accordance with the provisions of IAS 8 "Accounting Policies, Changes and Errors in Accounting Estimates" from the date of the occurrence of the change. The useful life of each asset is as follows:

Houses and buildings	5 - 60 years
Machinery and equipment	5 - 10 years
Transportation equipment	3 - 10 years
Office equipment	3 - 10 years
Other equipment	3 - 20 years

(XVII) Lessee's lease transactions - Right-of-use assets/lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Group. When a lease contract is a short-term lease or a lease of a low-value underlying asset, the lease payment is recognized as an expense during the lease term using the straight-line method.
2. Lease liabilities are recognized at the present value of the lease payments that have not been made on the lease commencement date, which is discounted at the Group's incremental borrowing rate. The lease payments are fixed payments less any lease incentives receivable. Subsequently, the lease liabilities are measured using the interest method at amortized cost, and provision for interest expenses is made during the lease term. In the event of lease term or lease payment changes not resulting from contract modifications, the lease liabilities will be reassessed and the right-of-use assets will be re-measured and adjusted.
3. Right-of-use assets are recognized at cost on the lease commencement date, and the cost is the initially measured amount of lease liabilities.

The subsequent measurement is based on the cost model. Provision is made for depreciation when the useful life of the right-of-use assets expires or the lease term expires, whichever is earlier. When the lease liabilities are reassessed, any remeasurement of the lease liabilities with respect to the right-of-use assets is adjusted.

(XVIII) Investment property

Investment property is recognized at acquisition cost, and the cost model is adopted for its subsequent measurement. Except for land, depreciation is made using the straight-line method according to the estimated useful life, and the useful life is 60 years.

(XIX) Intangible assets

1. Goodwill arises from business combinations under the acquisition method.
2. Concessions and other intangible assets are recognized at acquisition cost, and are amortized over their estimated useful lives, which are 10 years and 5 to 17 years, respectively, using the straight-line method.

(XX) Impairment of non-financial assets

1. On the balance sheet date, the Group estimates the recoverable amount of assets with signs of impairment. When the recoverable amount is less than the carrying amount, an impairment loss is recognized. Recoverable amount is the fair value of an asset less its disposal cost or use value, whichever is higher. Except for goodwill, when the impairment of assets recognized in prior years does not exist or decreases, the impairment loss is

reversed. However, the book value of the asset increased as a result of the reversal of the impairment loss shall not exceed the book value of the asset less depreciation or amortization under the assumption that no impairment loss was recognized.

2. The recoverable amount of goodwill shall be estimated periodically. An impairment loss is recognized if the recoverable amount is less than the carrying amount. The impairment loss on goodwill cannot be reversed in subsequent years.
3. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is identified based on operating segments. Goodwill is allocated to cash-generating units or cash-generating unit groups expected to benefit from the business combination where the goodwill is created.

(XXI) Loans

They refer to long-term and short-term loans from banks. The Group measures loans at fair value less transaction costs at initial recognition, and subsequently, for any difference between the proceeds net of the transaction costs and the redemption value, the effective interest method is used to recognize interest expenses in profit or loss during the period of circulation according to the amortization procedure.

(XXII) Accounts and notes payable

1. They refer to debts arising from the purchase of raw materials, goods, or services on credit and notes payable arising and not arising from operations.
2. The Group measures short-term accounts and notes payable with unpaid interest at the initial invoice amount due to the insignificant impact of discounting.

(XXIII) Derecognition of financial liabilities

The Group derecognizes financial liabilities when its contractual obligation is performed, discharged or expired.

(XXIV) Offsetting of financial assets and liabilities

When there is a legally enforceable right to offset the recognized amounts of financial assets and liabilities and the intention is to settle on a net amount basis or to realize the assets and settle the liabilities simultaneously, the financial assets and financial liabilities may be offset in the balance sheet.

(XXV) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the non-discounted amount expected to be paid, and are recognized as expenses when the related services are rendered.

2. Pension

- (1) Defined contribution plan

For the defined contribution plan, the amount that should be contributed to the pension fund is recognized as the pension cost in the current period on an accrual basis. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in the future payments is available.

- (2) Defined benefit plan

A. The net obligation under the defined benefit plan is calculated by discounting the amount of future benefits earned by employees for rendering services in the current period or in the past, and the fair value of plan assets is deducted from the present value of the defined benefit obligations on the balance sheet date. Defined benefit obligations are calculated annually by actuaries using the projected unit credit

method. The discount rate is based on the market yield rate of government bonds (on the balance sheet date) with the same currency and duration as the defined benefit plan on the balance sheet date.

B. Any remeasurement generated from the defined benefit plan is recognized in other comprehensive income in the current period and presented in retained earnings.

### 3. Employees' remuneration and directors' remuneration

Employees' remuneration and director's remuneration are recognized as expenses and liabilities when there are legal or constructive obligations and the amount can be reasonably estimated. Subsequently, if there is any difference between the distribution amount resolved and the estimated amount, it is treated as a change in accounting estimates. If the employees' remuneration is paid in shares, the number of shares is calculated based on the closing price on the day before the resolution is made by the Board of Directors.

## (XXVI) Income tax

1. Income tax expenses include current and deferred income tax. Income tax is recognized in profit or loss, except when it relates to items recognized in other comprehensive income or recognized directly in equity, in which case it is recognized in other comprehensive income or recognized directly in equity.
2. The current income tax is calculated according to the tax rate that has been enacted or substantively enacted in the countries where the Group operates and generates taxable income on the balance sheet date. The management regularly assesses the income tax filing status in accordance with applicable income tax laws and regulations, and, if applicable, estimates income tax liabilities based on the taxes expected to be paid to taxation authorities. For the additional income tax levied on undistributed earnings pursuant to the Income Tax Act, an income tax expense for undistributed earnings will be recognized based on the actual distribution of earnings in the year following the year in which the earnings are generated after the proposal for earnings distribution is passed at the shareholders' meeting.
3. Deferred income tax is recognized based on the temporary difference generated between the tax bases of assets and liabilities and their book values in the consolidated balance sheet using the balance sheet method. The deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. If the deferred income tax is derived from the initial recognition of assets or liabilities in transactions (excluding business combinations), and the deferred income tax liabilities do not affect either the accounting or the taxable income (tax losses), nor generating equivalent taxable tax and deductible temporary differences, the deferred income tax liabilities are not recognized. If the Group can control the time of reversal of any temporary difference generated from its investment in subsidiaries and the temporary difference is unlikely to be reversed in the foreseeable future, the temporary difference is not recognized. Deferred income tax is subject to the tax rate (and tax law) that has been enacted or substantively enacted on the balance sheet date and is expected to apply when the relevant deferred income tax assets are realized or the deferred income tax liabilities are settled.
4. Deferred income tax assets are recognized to the extent that any temporary difference is likely to be available to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.

## (XXVII) Share capital

1. Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or stock warrants, net of income tax, are stated as a deduction from proceeds in equity.
2. When the Company buys back the issued shares, the consideration paid, including any

directly attributable incremental cost, is recognized at the net amount after tax as a deduction from shareholders' equity. When the repurchased shares are subsequently reissued, any difference between the consideration received, net of any directly attributable incremental costs and the effect of income tax, and the carrying amount is recognized as an adjustment to shareholders' equity.

(XXVIII) Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial report when the Company's shareholders' meeting resolves to distribute such dividends. Cash dividends are recognized as liabilities, and stock dividends are recognized as stock dividends to be distributed and then transferred to common stock on the record date for the issuance of new shares.

(XXIX) Recognition of revenue

1. Sales revenue

The Group's revenue from the manufacturing and sale of processed softshell turtle food and other related products, as well as instant meal is recognized when the products are sold to customers. As the time interval between the transfer of the promised goods to the customer and the payment by the customer is less than one year, the Group does not adjust the transaction price to reflect the time value of money.

2. Commission revenue

The Group, as a broker, sells the life insurance and property insurance products of insurance companies to earn commission revenue. The Group recognizes revenue and accounts receivable with respect to the sale of non-multi-year insurance products when the insurance company completes the underwriting procedure. The amount of revenue recognized for the sale of multi-year insurance products is the variable consideration revenue estimated based on the portion of the revenue for which a significant reversal is highly unlikely to occur in the future, and revenue and contract assets are recognized in each fiscal year, and are transferred to accounts receivable when there is a unconditional right to relevant considerations.

(XXX) Government grants

Government grants are recognized at fair value when it is reasonably certain that the enterprise will comply with the conditions attached to the government grants and will receive the grants. If the government grants, in nature, are intended to make up for the expenses incurred by the Group, the government grants are recognized as current profit or loss on a systematic basis during the period when the relevant expenses are incurred.

(XXXI) Business combination

1. The Group adopts the acquisition method for business combinations. A combination consideration is calculated based on the fair value of the assets transferred, liabilities incurred or assumed, and equity instruments issued. The transferred consideration includes the fair value of any assets and liabilities arising from the contingent consideration agreement. Acquisition-related costs are recognized as expenses when incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured at fair value on the acquisition date. Based on individual acquisition transactions, components of non-controlling interests that are current ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at fair value on the acquisition date or the proportionate share of the non-controlling interests in the identifiable assets of the acquiree. All other components of the non-controlling interests are measured at fair value on the acquisition date.

2. If the total fair value of the consideration transferred, non-controlling interest in the acquiree,

and the interest in the acquiree that has been held exceeds the fair value of the identifiable assets and liabilities acquired, the difference is recognized as goodwill. If the fair value of the identifiable assets and liabilities acquired exceeds the total fair value of consideration transferred, non-controlling interest in the acquiree, and the interest in the acquiree that has been held, the difference is recognized as current profit or loss on the acquisition date.

(XXXII) Operating segments

Information on the Group's operating segments is reported consistently with the internal management reports provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources to operating segments and evaluating their performance.

V. Major sources of uncertainty in significant accounting judgments, estimates, and assumptions

When the Group prepared the consolidated financial report, the management used its judgment to determine the accounting policies to be adopted, and made accounting estimates and assumptions based on a reasonable expectation of future events according to the situation on the balance sheet date. The significant accounting estimates and assumptions made may differ from the actual results. Historical experience and other factors will be considered for continuous assessment and adjustment. These estimates and assumptions involve risks that may result in material adjustments to the book values of assets and liabilities in the next fiscal year. Please refer to the following description of the uncertainty in significant accounting judgments, estimates, and assumptions:

Inventory valuation

Since inventories must be priced at the lower of cost or net realizable value, the Group must use judgments and estimates to determine the net realizable value of the inventories on the balance sheet date. Due to the fierce market competition for related products, the Group assesses the amount of obsolete inventories and inventories without marketable value on the balance sheet date, and writes down the cost of the inventories to net realizable value. Such inventory valuation mainly uses the demand for products in a specific future period as the estimation basis. Thus, it may undergo significant changes due to rapid changes in the industry.

As of December 31, 2024, the book value of the Group's inventories was NT\$24,494.

VI. Description of important accounting items

(I) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and working capital	\$ 796	\$ 390
Checkable deposits and demand deposits	109,646	354,034
Time deposits	2,500	-
	<u>\$ 112,942</u>	<u>\$ 354,424</u>

1. The financial institutions that the Group does business with have good credit quality, and the Group does business with multiple financial institutions to diversify credit risk. Thus, the probability of default is expected to be very low.

2. The Group does not pledge cash.

(II) Financial assets measured at amortized cost

<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current items:		
Time deposits with an initial maturity date of more than 3 months	<u>\$ 62,060</u>	<u>\$ 29,742</u>

1. Please refer to Note 6(20) for the interest revenue from time deposits.

2. Without considering the collateral or other credit enhancements held, for the financial assets measured at amortized cost that best represent the Group, the maximum credit risk exposure as of December 31, 2024 and 2023 amounted to NT\$62,060 and NT\$29,742, respectively.
3. The credit quality of the financial institutions that the Group does business with is good, and thus, the probability of default is expected to be very low.

(III) Financial assets at fair value through profit or loss

Item	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed (OTC) companies' stocks	\$ 92,001	\$ -
Valuation adjustment	( 3,954 )	-
Total	\$ 88,047	\$ -
Item	December 31, 2024	December 31, 2023
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
TWSE and TPEX listed shares - private placement	\$ 72,000	\$ 72,000
Valuation adjustment	369,800	182,100
Total	\$ 441,800	\$ 254,100

1. The net gains from financial assets at fair value through profit or loss recognized in 2024 and 2023 were NT\$183,745 and NT\$200,247, respectively.
2. In November 2023, the Group subscribed 10,000 thousand shares of King House CO., Ltd. (formerly known as ENSURE GLOBAL CORP., LTD.) through private placement, which was not transferable within three years.
3. The Group has not pledged financial assets measured at fair value through profit or loss as collateral.
4. Please refer to Note 12(2) for the credit risk information of financial assets measured at fair value through profit or loss.

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

Item	December 31, 2024	December 31, 2023
Equity instruments		
Listed (OTC) companies' stocks	\$ 31,980	\$ 62,949
Non-listed, OTC, or emerging stocks	95,065	95,065
Valuation adjustment	( 75,719 )	( 41,210 )
Total	\$ 51,326	\$ 116,804

1. The Group chooses to classify strategic investments and the equity instrument investments intended for receiving stable dividends as financial assets measured at fair value through other comprehensive income. The fair value of such investments as of December 31, 2024 and 2023 was NT\$51,326 and NT\$116,804, respectively.

2. The financial assets measured at fair value through other comprehensive income recognized in profit or loss and comprehensive income are detailed as follows:

	2024	2023
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Fair value changes recognized in other comprehensive income	\$ 9,696	\$ 3,974
Accumulated profits (losses) transferred to retained earnings due to derecognition	( \$ 24,813 )	\$ -
Dividend revenue recognized in profit or loss held at end of period	\$ 1,000	\$ 4,935

3. The Group has not pledged financial assets measured at fair value through other comprehensive income as collateral.

(V) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ 2,043	\$ 355
Less: Loss allowance	-	-
	<u>\$ 2,043</u>	<u>\$ 355</u>
Accounts receivable	\$ 68,749	\$ 39,488
Less: Loss allowance	( 27,914 )	( 27,407 )
	<u>\$ 40,835</u>	<u>\$ 12,081</u>

1. An aging analysis of the accounts receivable is as follows:

	December 31, 2024		December 31, 2023	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Within 90 days	\$ 2,043	\$ 40,901	\$ 355	\$ 11,994
91-180 days	-	-	-	69
181-365 days	-	-	-	-
More than 366 days	-	27,848	-	27,425
	<u>\$ 2,043</u>	<u>\$ 68,749</u>	<u>\$ 355</u>	<u>\$ 39,488</u>

The above aging analysis is based on the overdue day.

2. The balances of notes receivable and accounts receivable as of December 31, 2024 and 2023 were generated from customer contracts, and the balance of receivables (including notes receivable) from customer contracts as of January 1, 2023 was NT\$37,359.
3. The Group does not hold any collateral.
4. Without considering the collateral or other credit enhancements held, for the notes receivable that best represent the Group, the maximum credit risk exposure as of December 31, 2024 and 2023 amounted to NT\$2,043 and NT\$355, respectively; for the accounts receivable that best represent the Group, the maximum credit risk exposure as of December 31, 2024 and 2023 amounted to NT\$40,835 and NT\$12,081, respectively.
5. For information on the credit risk of relevant notes receivable and accounts receivable, please refer to the description in Note 12(2).

(VI) Inventories

1. The item includes the following:

	December 31, 2024		
	Cost	Allowance for valuation losses	Book value
Raw materials	\$ 5,298	( \$ 201 )	\$ 5,097
Work in process	2,981	( 15 )	2,966
Finished goods	12,032	( 1,841 )	10,191
Goods	9,101	( 2,861 )	6,240
	<u>\$ 29,412</u>	<u>( \$ 4,918 )</u>	<u>\$ 24,494</u>

  

	December 31, 2023		
	Cost	Allowance for valuation losses	Book value
Raw materials	\$ 7,545	( \$ 1,188 )	\$ 6,357
Work in process	3,482	( 6 )	3,476
Finished goods	7,555	( 1,802 )	5,753
Goods	12,370	( 3,275 )	9,095
	<u>\$ 30,952</u>	<u>( \$ 6,271 )</u>	<u>\$ 24,681</u>

2. Inventory costs recognized as expenses in the current period:

	2024	2023
Cost of inventories sold	\$ 311,165	\$ 183,746
Inventory obsolescence loss	1,107	-
Gain on inventory value recovery	( 1,124 )	( 23,083 )
Inventory loss (gain)	32	( 16 )
Others	21,159	18,708
	<u>\$ 332,339</u>	<u>\$ 179,355</u>

Due to the Group's elimination of inventories for which provision has been made for inventory valuation losses, the net realizable value of inventories rebounded and the rebound was recognized as a decrease in the cost of sales.

(VII) Investments under the equity method

Name of associates	December 31, 2024	December 31, 2023
Mi Hsiang Food Co., Ltd. (Note 1)	\$ -	\$ 29,391
Bai Chien Hui Food Co., Ltd. (Note 2)	-	2,565
	<u>\$ -</u>	<u>\$ 31,956</u>

Note 1: On December 1, 2023, the Group invested NT\$29,250 in Mi Hsiang Food Co., Ltd., acquiring 39% of shares. On January 2, 2024, the Group acquired the remaining 61% of shares, and the entity was included in the consolidated financial statements. For further details, please refer to Note 4(3).

Note 2: On December 1, 2023, the Group invested NT\$2,400 in Bai Chien Hui Food Co., Ltd., acquiring 48% of shares. On January 2, 2024, the Group acquired the remaining 52% of shares, and the entity was included in the consolidated financial statements. For further details, please refer to Note 4(3).

1. The basic information of the major affiliates of the Group is stated as follows:

Company name	Principal places of business	Shareholding	Percentage	Nature of the relationship	Measurement method
		December 31, 2024	December 31, 2023		
Mi Hsiang Food Co., Ltd.	Taiwan	-	39%	Strategic investment	Equity method
Bai Chien Hui Food Co., Ltd.	Taiwan	-	48%	Strategic investment	Equity method

2. The summarized financial information of the major affiliates of the Group is as follows:

Balance Sheet:

	Mi Hsiang Food Co., Ltd.	
	December 31, 2024	December 31, 2023
Current assets		
Non-current assets		
Current liabilities		
Total net assets		
Share in net assets of affiliates		
Goodwill		
Book value of affiliates		
Current assets		
Non-current assets		
Current liabilities		
Total net assets		
Share in net assets of affiliates		
Goodwill		
Book value of affiliates		
Income Statement:		
Revenue		
Net income from continuing operations (Total current comprehensive income)		
Revenue		
Net income from continuing operations (Total current comprehensive income)		

The investment income recognized under equity method in 2024 and 2023 was NT\$0 and NT\$306, respectively.

(VIII) Property, plant, and equipment

	<u>Land</u>	<u>Houses and buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
January 1, 2024							
Cost	\$ 178,907	\$ 382,811	\$ 19,325	\$ 2,917	\$ 15,534	\$ 40,433	\$ 639,927
Accumulated depreciation and impairment	-	( 130,382 )	( 17,696 )	( 1,282 )	( 11,096 )	( 32,392 )	( 192,848 )
	<u>\$ 178,907</u>	<u>\$ 252,429</u>	<u>\$ 1,629</u>	<u>\$ 1,635</u>	<u>\$ 4,438</u>	<u>\$ 8,041</u>	<u>\$ 447,079</u>
<u>113 years</u>							
January 1	\$ 178,907	\$ 252,429	\$ 1,629	\$ 1,635	\$ 4,438	\$ 8,041	\$ 447,079
Addition	-	181	-	1,514	470	1,270	3,435
Disposition	-	-	( 530 )	( 58 )	( 73 )	-	( 661 )
Acquired through business combination	-	-	3,713	1,743	67	2,328	7,851
Depreciation expense	-	( 6,433 )	( 941 )	( 742 )	( 1,002 )	( 2,228 )	( 11,346 )
December 31	<u>\$ 178,907</u>	<u>\$ 246,177</u>	<u>\$ 3,871</u>	<u>\$ 4,092</u>	<u>\$ 3,900</u>	<u>\$ 9,411</u>	<u>\$ 446,358</u>
December 31, 2024							
Cost	\$ 178,907	\$ 380,849	\$ 23,735	\$ 7,236	\$ 16,326	\$ 45,626	\$ 652,679
Accumulated depreciation and impairment	-	( 134,672 )	( 19,864 )	( 3,144 )	( 12,426 )	( 36,215 )	( 206,321 )
	<u>\$ 178,907</u>	<u>\$ 246,177</u>	<u>\$ 3,871</u>	<u>\$ 4,092</u>	<u>\$ 3,900</u>	<u>\$ 9,411</u>	<u>\$ 446,358</u>

	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Total
January 1, 2023							
Cost	\$ 178,549	\$ 380,890	\$ 19,205	\$ 2,917	\$ 29,193	\$ 40,861	\$ 651,615
Accumulated depreciation and impairment	-	( 124,067 )	( 17,100 )	( 890 )	( 25,097 )	( 36,840 )	( 203,994 )
	<u>\$ 178,549</u>	<u>\$ 256,823</u>	<u>\$ 2,105</u>	<u>\$ 2,027</u>	<u>\$ 4,096</u>	<u>\$ 4,021</u>	<u>\$ 447,621</u>
<u>112 years</u>							
January 1	\$ 178,549	\$ 256,823	\$ 2,105	\$ 2,027	\$ 4,096	\$ 4,021	\$ 447,621
Addition	358	1,921	120	-	891	5,294	8,584
Disposition	-	-	-	-	( 146 )	( 15 )	( 161 )
Transfer	-	-	-	-	624	-	624
Depreciation expense	-	( 6,315 )	( 596 )	( 392 )	( 1,027 )	( 1,259 )	( 9,589 )
December 31	<u>\$ 178,907</u>	<u>\$ 252,429</u>	<u>\$ 1,629</u>	<u>\$ 1,635</u>	<u>\$ 4,438</u>	<u>\$ 8,041</u>	<u>\$ 447,079</u>
December 31, 2023							
Cost	\$ 178,907	\$ 382,811	\$ 19,325	\$ 2,917	\$ 15,534	\$ 40,433	\$ 639,927
Accumulated depreciation and impairment	-	( 130,382 )	( 17,696 )	( 1,282 )	( 11,096 )	( 32,392 )	( 192,848 )
	<u>\$ 178,907</u>	<u>\$ 252,429</u>	<u>\$ 1,629</u>	<u>\$ 1,635</u>	<u>\$ 4,438</u>	<u>\$ 8,041</u>	<u>\$ 447,079</u>

1. There was no capitalization of borrowing costs for property, plant, and equipment in 2024 and 2023.
2. For information on the property, plant and equipment provided as collateral, please refer to the description in Note 8.
3. The accumulated impairment amount of property, plant, and equipment as of December 31, 2024 and 2023 was NT\$19,907. The reportable segment for the said asset was nutritional supplement.

(IX) Lease transactions - Lessee

1. The underlying assets of the Group's leases are buildings. The term of the lease contracts ranges from 1 year to 5 years. The lease contracts are negotiated individually and contain various terms and conditions. The leased assets shall not be used as collateral for loans, lent, sublet, sold, used for passenger and cargo transportation, or handed over to others for use in any other disguise. Other than that, there are no restrictions.
2. Information on the carrying amount of the right-of-use assets and the recognized depreciation expenses is as follows:

	December 31, 2024	December 31, 2023
	Book value	Book value
Houses	\$ 4,395	\$ 1,728

  

	2024	2023
	Depreciation expense	Depreciation expense
Houses	\$ 2,733	\$ 2,877

3. The additions to the Group's right-of-use assets in 2024 and 2023 amounted to NT\$5,400 and NT\$1,815, respectively.
4. Information on profit and loss items related to lease contracts is as follows:

	2024	2023
<u>Items affecting current profit or loss</u>		
Interest expense on lease liabilities	\$ 119	\$ 61
Expenses related to short-term lease contracts	477	1,048
Expenses of low-value lease contracts	624	565
Gain on lease modification	-	7

5. The total cash outflow from the leases of the Group in 2024 and 2023 was NT\$3,920 and NT\$4,554 respectively.

(X) Investment property

	113 years		
	Land	Houses and buildings	Total
January 1			
Cost	\$ 31,174	\$ 10,032	\$ 41,206
Accumulated depreciation	-	( 916 )	( 916 )
	\$ 31,174	\$ 9,116	\$ 40,290
January 1	\$ 31,174	\$ 9,116	\$ 40,290
Depreciation expense	-	( 181 )	( 181 )
December 31	\$ 31,174	\$ 8,935	\$ 40,109
December 31			
Cost	\$ 31,174	\$ 10,032	\$ 41,206
Accumulated depreciation	-	( 1,097 )	( 1,097 )
	\$ 31,174	\$ 8,935	\$ 40,109

	2023		
	Land	Houses and buildings	Total
January 1			
Cost	\$ 31,174	\$ 10,032	\$ 41,206
Accumulated depreciation	-	( 734 )	( 734 )
	<u>\$ 31,174</u>	<u>\$ 9,298</u>	<u>\$ 40,472</u>
January 1	\$ 31,174	\$ 9,298	\$ 40,472
Depreciation expense	-	( 182 )	( 182 )
December 31	<u>\$ 31,174</u>	<u>\$ 9,116</u>	<u>\$ 40,290</u>
December 31			
Cost	\$ 31,174	\$ 10,032	\$ 41,206
Accumulated depreciation	-	( 916 )	( 916 )
	<u>\$ 31,174</u>	<u>\$ 9,116</u>	<u>\$ 40,290</u>

1. Rental revenue and direct operating expenses from investment property:

	2024	2023
Rental revenue from investment property	<u>\$ 1,358</u>	<u>\$ 1,624</u>
Direct operating expenses from investment property that generates rental revenue in the current period	<u>\$ 181</u>	<u>\$ 182</u>

2. For information on the investment property provided as collateral, please refer to the description in Note 8.
3. As of December 31, 2024 and 2023, the fair value of the investment property held by the Group for generating rental revenue was NT\$102,478 and NT\$82,441, respectively. The fair value is derived by the Company's management based on the market transaction price of similar properties in nearby areas. Such valuation uses the market approach and the fair value is a Level 3 fair value.

(XI) Intangible assets

	Goodwill	Customer relationship	Concession	Others	Total
January 1, 2024					
Cost	\$ 47,852	\$ -	\$ 20,749	\$ 1,115	\$ 69,716
Accumulated amortization and impairment	( 28,073 )	-	( 20,749 )	( 714 )	( 49,536 )
	<u>\$ 19,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 401</u>	<u>\$ 20,180</u>
<u>113 years</u>					
January 1	\$ 19,779	\$ -	\$ -	\$ 401	\$ 20,180
Amortization expense	-	-	-	( 47 )	( 47 )
Additions - acquired through business combination	52,078	3,321	-	-	55,399
Net exchange difference	-	-	-	14	14
December 31	<u>\$ 71,857</u>	<u>\$ 3,321</u>	<u>\$ -</u>	<u>\$ 368</u>	<u>\$ 75,546</u>
December 31, 2024					
Cost	\$ 99,930	\$ 3,321	\$ 20,749	\$ 1,057	\$ 125,057
Accumulated amortization and impairment	( 28,073 )	-	( 20,749 )	( 689 )	( 49,511 )
	<u>\$ 71,857</u>	<u>\$ 3,321</u>	<u>\$ -</u>	<u>\$ 368</u>	<u>\$ 75,546</u>

	<u>Goodwill</u>	<u>Concession</u>	<u>Others</u>	<u>Total</u>
January 1, 2023				
Cost	\$ 47,852	\$ 20,749	\$ 1,136	\$ 69,737
Accumulated amortization and impairment	( 28,073 )	( 20,749 )	( 679 )	( 49,501 )
	<u>\$ 19,779</u>	<u>\$ -</u>	<u>\$ 457</u>	<u>\$ 20,236</u>
<u>112 years</u>				
January 1	\$ 19,779	\$ -	\$ 457	\$ 20,236
Amortization expense	-	-	( 48 )	( 48 )
Net exchange difference	-	-	( 8 )	( - )
December 31	<u>\$ 19,779</u>	<u>\$ -</u>	<u>\$ 401</u>	<u>\$ 20,180</u>
December 31, 2023				
Cost	\$ 47,852	\$ 20,749	\$ 1,115	\$ 69,716
Accumulated amortization and impairment	( 28,073 )	( 20,749 )	( 714 )	( 49,536 )
	<u>\$ 19,779</u>	<u>\$ -</u>	<u>\$ 401</u>	<u>\$ 20,180</u>

1. The amortization expense of intangible assets is presented in administration expenses.
2. The segments to be reported to the good will and customer relationship include insurance brokerage and instant meal manufacturing.
3. The accumulated impairment amount of the intangible assets amounted to NT\$39,181 as of both December 31, 2024 and 2023. The reporting segment for the assets is nutritional supplements.
4. The Group performs an annual impairment test on goodwill. The recoverable amount is determined based on its value in use, which is calculated using pre-tax cash flow projections derived from a five-year financial budget approved by management. In Q4 2024, the Group determined that the recoverable amount, calculated based on value in use, exceeded the carrying amount. As a result, no impairment was recognized.

(XII) Short-term borrowings

<u>Nature of loan</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>
Bank loans		
Secured borrowings	<u>\$ 75,000</u>	2.06%~2.19%

December 31, 2024: None.

1. Please refer to the descriptions in Note 6(23) for the Group's interest expenses of bank borrowings recognized in profit and loss.
2. For the collateral for the above-mentioned short-term borrowings, please refer to the descriptions in Note 8.

(XIII) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Commission payable	\$ 42,221	\$ 45,973
Salary payable	19,772	14,925
Remuneration payable to employees, directors and supervisors	9,756	7,006
Others	19,221	13,381
	<u>\$ 90,970</u>	<u>\$ 81,285</u>

(XIV) Pension

1. Since July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution plan in accordance with the "Labor Pension Act," which is applicable to the employees of Taiwanese nationality. For employees choosing the labor pension system under the "Labor Pension Act," the Company contributes no less than 6% of their monthly salary to their personal accounts at the Labor Insurance Bureau. The employees may receive monthly pension payments or lump sum payments according to the amount of their pension in their personal pension accounts and the amount of accumulated gains.
2. Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd., Xiamen Zengmeinong Biotech Co., Ltd., and Dongguan Jia Jie Biotechnology Co., Ltd. make a monthly pension contribution of a certain percentage of their employees' total salary in accordance with the old-age insurance mechanism of the People's Republic of China. The employees' monthly pension contributions are managed by the government, and the Group has no obligation other than making such contribution on a monthly basis.
3. In 2024 and 2023, the pension cost recognized by the Group according to the pension recognition policies mentioned above was NT\$5,352 and NT\$2,797, respectively.

(XV) Share capital

1. As of December 31, 2024, the total authorized capital of the Company was NT\$1,600,000, divided into 160,000 thousand shares (including 24,000 thousand shares reserved for warrants, preferred shares with warrants, or subscription options for corporate bonds with warrants to be exercised). The paid-in capital amounted to NT\$987,367, with a par value of NT\$10 per share. The payment for the issued shares of the Company has been received.

A reconciliation of the number of outstanding common shares at the beginning and end of the period was as follows: (unit: thousand shares)

	113 years	2023
January 1	88,937	88,937
Cash capital increase by private placement	9,800	-
December 31	98,737	88,937

2. With regard to the Company's rights and obligations for privately placed common shares, the Company is subject to the restrictions on the negotiation and transfer of the common shares under the Securities and Exchange Act and may apply for the OTC listing of the common shares after 3 years have elapsed from the delivery date and a supplemental public offering is conducted. All other rights and obligations are the same as those for the other issued common shares. As of December 31, 2024, the Company has privately placed 31,600 thousand shares (including 1,800 thousand shares issued in 2014, 20,000 thousand shares issued in 2020, and 9,800 thousand shares issued in 2024), for which a supplemental public offering has not been conducted.
3. The Company's board of directors resolved on September 28, 2023 to conduct a cash capital increase by private placement. The purpose of the cash capital increase is to replenish the working capital, repay bank borrowings, and respond to the Company's future development needs. The maximum number of shares privately was 15,000 thousand shares. Furthermore, on November 29, 2023, a resolution was approved at the interim shareholders' meeting, the issuance of which was divided into one or two installments in one year from the resolution date of the shareholders' meeting. However, on January 16, 2024, due to the qualification of the placee not complying with the requirements specified in the private placement regulations, the private placement funds were returned, resulting in the invalidation of the private placement. On January 16, 2024, the Company's Board of Directors resolved to conduct a private placement at the subscription price of NT\$13.34 per share, and the base

date of capital increase was January 30, 2024. The capital increase has raised 9,800 thousand shares amounting to NT\$130,732, and the change of registration has been completed.

(XVI) Capital surplus

Pursuant to the Company Act, any premium from the issuance of shares above par value and the capital surplus from the receipt of gifts may not only be used to make up for losses, but also be distributed to shareholders in proportion to their existing shareholding in new shares or cash when the Company has no accumulated losses. In addition, according to the relevant regulations of the Securities and Exchange Act, the total amount of the above-mentioned capital surplus to be appropriated as capital shall not exceed 10% of the paid-in capital each year. A majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors shall resolve that the Company shall not use the capital surplus to make up for any capital deficit, unless the surplus reserve is insufficient to cover the capital deficit.

(XVII) Retained earnings

1. If the Company has earnings after finalizing the accounts each year, the Company shall first appropriate 10% of the earnings as legal reserves after paying the profit-seeking enterprise income tax and making up for losses from prior years, unless the legal reserves have reached the amount of the total capital. In addition, after the appropriation or reversal of special reserves according to laws and regulations, the remaining earnings and the undistributed earnings at the beginning of the period are used as the accumulated earnings distributable to shareholders. The Board of Directors drafts a motion for distribution of the earnings and submits it to the shareholders' meeting for resolution. The total amount of shareholders' dividends and bonuses shall be at least 50% of the accumulated distributable earnings, and the cash dividend shall not be less than 10% of the shareholders' dividends and bonuses distributed.

The Company shall distribute dividends and bonuses, capital surplus, or legal reserve, in whole or in part in the form of cash; the distribution shall be resolved by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors and reported thereon at the shareholders' meeting.

2. Legal reserves shall not be used except for the purpose of making up for the Company's losses and being distributed in new shares or cash to shareholders in proportion to their shareholding, in which case, however, the portion of the legal reserves distributed shall be limited to the legal reserves net of 25% of the paid-in capital.
3. The Company may distribute earnings only after a special reserve is set aside based on the debit balance of other equity items on the balance date in the current year in accordance with laws and regulations. Subsequently, when the debit balance of other equity items is reversed, the amount of the reversal may be included in distributable earnings.
4. At the shareholders' meeting held on June 16, 2024, the Company resolved to distribute a dividend of NT\$0.5 per common share on 2023 earnings for a total dividend of NT\$49,368 (taking into account the capital increase of 9,800 thousand shares by private placement in January 2024). The proposal for distributing earnings and making up for losses for 2022 was resolved at the shareholders' meetings on June 13, 2023.
5. The Board of Directors resolved to distribute a dividend of NT\$0.5 per common share on 2024 earnings, for a total dividend of NT\$59,368 (taking into account the cash capital increase of 20,000 thousand shares in February 2025, please see Note 11), as resolved by the Board of Directors on February 25, 2025.

(XVIII) Other equity items

	113 years		
	Unrealized valuation gain or loss	Translation of foreign currencies	Total
January 1	( \$ 41,749 )	( \$ 22,066 )	( \$ 63,815 )
Valuation adjustment	( 9,156 )	-	( 9,156 )
Valuation adjustment transferred to retained earnings	( 24,813 )	-	( 24,813 )
Difference in foreign exchange:			
- Group	-	550	550
December 31	<u>( \$ 75,718 )</u>	<u>( \$ 21,516 )</u>	<u>( \$ 97,234 )</u>

	2023		
	Unrealized valuation gain or loss	Translation of foreign currencies	Total
January 1	( \$ 45,727 )	( \$ 21,544 )	( \$ 67,271 )
Valuation adjustment	3,978	-	3,978
Difference in foreign exchange:			
- Group	-	( 522 )	( 522 )
December 31	<u>( \$ 41,749 )</u>	<u>( \$ 22,066 )</u>	<u>( \$ 63,815 )</u>

(XIX) Operating revenue

	2024	2023
Revenue from customer contracts	<u>\$ 537,070</u>	<u>\$ 332,758</u>

1. Breakdown of revenue from customer contracts

The Group's operating revenue comes from the revenue from customer contracts. The revenue can be classified by type as follows:

	2024	2023
Nutritional health products	\$ 304,610	\$ 259,901
Insurance brokerage	59,643	62,875
Instant Meal Box Food Manufacturing	165,374	-
Others	7,443	9,982
	<u>\$ 537,070</u>	<u>\$ 332,758</u>

2. When the Group sells multi-year insurance products, the Group receives the commission income for the first period from the insurance company upon the approval of the policy, and also receives the commission income from the renewal of the policy when the policyholder pays the premiums in the following year. Therefore, the amount of income recognized by the Group includes the consideration income from the relevant changes by taking into account of the renewal of the policy history.

3. Contract assets

The contract assets related to the revenue from customer contracts recognized by the Group are as follows:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract assets - current	\$ 5,177	\$ 5,333	\$ 5,544
Contract assets - non-current	5,397	6,721	7,401
	<u>\$ 10,574</u>	<u>\$ 12,054</u>	<u>\$ 12,945</u>

#### 4. Contract liabilities

The contract liabilities related to the revenue from customer contracts recognized by the Group are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract liabilities:			
Contract liabilities - sales			
Merchandise contracts	\$ 375	\$ 532	\$ 357

Opening contract liabilities recognized as revenue in the current period:

	<u>2024</u>	<u>2023</u>
Opening balance of contract liabilities		
Revenue recognized in the current period:		
Sale of goods contracts	\$ 205	\$ 48

#### 5. The refund liabilities related to the revenue from customer contracts recognized by the Group are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Refund liabilities:		
Refund liabilities - sale of goods contracts	\$ 2,180	\$ 936

#### (XX) Interest revenue

	<u>2024</u>	<u>2023</u>
Interest on bank deposits	\$ 2,170	\$ 1,822

#### (XXI) Other revenue

	<u>2024</u>	<u>2023</u>
Rental revenue	\$ 2,966	\$ 3,703
Dividend revenue	1,317	4,935
Other revenue - others	3,385	1,990
	<u>\$ 7,668</u>	<u>\$ 10,628</u>

#### (XXII) Other gains and losses

	<u>2024</u>	<u>2023</u>
Loss on disposal of property, plant and equipment	( \$ 576 )	( \$ 116 )
Gain on lease modification	-	7
Net gains from foreign currency exchange	470	285
Financial assets income measured at fair value through profit or loss	183,746	200,247
Others	( 522 )	( 82 )
	<u>\$ 183,118</u>	<u>\$ 200,341</u>

#### (XXIII) Financial cost

	<u>2024</u>	<u>2023</u>
Interest expense:		
Bank loans	\$ 405	\$ 134
Lease liabilities	119	61
Other financial expenses	117	153
	<u>\$ 641</u>	<u>\$ 348</u>

(XXIV) Additional information on the nature of expenses

	2024	2023
Employee benefit expenses	\$ 125,345	\$ 72,935
Depreciation expense of property, plant and equipment	11,346	9,589
Depreciation expense of investment property	181	182
Depreciation expense of right-of-use assets	2,733	2,877
Intangible assets and other non-current assets		
- other amortization expenses	1,542	2,239
	<u>\$ 141,147</u>	<u>\$ 87,822</u>

(XXV) Employee benefits

	2024	2023
Salary expense	\$ 105,795	\$ 61,967
Labor and health insurance expenses	11,473	5,836
Pension expense	5,352	2,797
Directors' remuneration (Note)	1,237	1,250
Other employee benefit expenses	1,488	1,085
	<u>\$ 125,345</u>	<u>\$ 72,935</u>

Note : Traveling allowance.

1. The Group shall distribute 1%-10% of the profit in the current year as the employees' remuneration and no more than 5% as the directors' remuneration, based on the profit performance in the current year. However, if the Company has accumulated losses, such losses should be made up for.
2. The Group estimated NT\$6,776 and NT\$4,670 for employees compensation and NT\$2,980 and NT\$2,336 for directors' compensation for the years ended December 31, 2024 and 2023, respectively, and the aforementioned amounts are recorded in the salary expense account.

The Company estimates the amount for 2024 based on a certain percentage of the profit for that year. The employee compensation and remuneration to directors for 2023 as resolved by the Board of Directors were NT\$4,660 and NT\$2,331, respectively, and the difference between the employee compensation of NT\$4,670 and the remuneration to directors of NT\$2,336 recognized in the 2023 financial statements was NT\$10 and NT\$5, respectively, which were adjusted to the profit or loss in 2024.

Information on the employees' remuneration and the directors' remuneration approved by the Company's Board of Directors is available on the Market Observation Post System.

(XXVI) Income tax

1. Income tax expenses (benefits)

Components of income tax expenses (benefits):

	<u>2024</u>	<u>2023</u>
Current income tax:		
Income tax on current income	\$ 4,584	\$ 1,977
Additional income tax on undistributed earnings	1,762	-
The underestimates of income tax in prior years	-	32
Total current income tax	<u>6,346</u>	<u>2,009</u>
Deferred income tax:		
Initial occurrence and reversal of temporary differences	2,989	( 2,484 )
Income tax expenses (benefits)	<u>\$ 9,335</u>	<u>( \$ 475 )</u>

2. Relationship between income tax expenses (benefits) and accounting profit

	<u>2024</u>	<u>2023</u>
Income tax on net profit before tax calculated at the statutory tax rate	\$ 49,769	\$ 20,526
Income tax effect of items adjusted in accordance with tax laws	( 51,023 )	( 30,525 )
Income exempted from taxation under tax laws	( 200 )	( 987 )
Temporary differences not recognized as deferred income tax assets	494	146
Tax losses not recognized as deferred income tax assets	8,534	10,333
Additional income tax on undistributed earnings	1,761	-
The underestimates (overestimates) of income tax in prior years	-	3
Income tax expenses (benefits)	<u>\$ 9,335</u>	<u>( \$ 475 )</u>

3. The amounts of deferred income tax assets and liabilities arising from temporary differences and tax losses are as follows:

		2024			
		January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Deferred income tax assets:					
- Temporary differences:					
Allowance for bad debts	\$	434	\$ -	\$ -	\$ 434
Inventory valuation loss		1,066	( 225 )	-	841
Unrealized valuation gain or loss on financial assets		-	171	-	171
Unrealized gross profit		482	-	-	482
Investment loss recognized for overseas subsidiaries		27,746	-	-	27,746
Exchange difference from foreign operations		2,654	-	-	2,654
Others		214	16	-	230
- Tax losses		17,339	( 2,951 )	-	14,388
	\$	<u>49,935</u>	<u>( \$ 2,989 )</u>	<u>\$ -</u>	<u>\$ 46,946</u>
		2023			
		January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Deferred income tax assets:					
- Temporary differences:					
Allowance for bad debts	\$	434	\$ -	\$ -	\$ 434
Inventory valuation loss		5,683	( 4,617 )	-	1,066
Unrealized gross profit		482	-	-	482
Investment loss recognized for overseas subsidiaries		27,746	-	-	27,746
Exchange difference from foreign operations		2,654	-	-	2,654
Others		357	( 143 )	-	214
- Tax losses		10,095	7,244	-	17,339
	\$	<u>47,451</u>	<u>\$ 2,484</u>	<u>\$ -</u>	<u>\$ 49,935</u>

4. The expiry date of the Group's unused tax losses and the amounts related to unrecognized deferred income tax assets are as follows:

Domestic companies:

December 31, 2024					
Year of occurrence	Amount reported/approved	Amount	Amount yet to be offset	Portion not recognized as deferred income tax assets	Last year of credit
107	Amount approved	\$ 1,379	\$ 1,379	\$ 1,379	117
109	Amount approved	4,760	4,760	4,760	119
110	Amount approved	29,013	28,269	1,126	120
111	Amount reported	12,997	12,997	12,997	121
112	Amount reported	135,359	135,359	89,661	122
113	Estimated amount reported	4,672	4,672	4,672	123
		<u>\$ 188,180</u>	<u>\$ 187,436</u>	<u>\$ 114,595</u>	

Domestic companies:

2023					
December 31					
Year of occurrence	Amount reported/approved	Amount	Amount yet to be offset	Portion not recognized as deferred income tax assets	Last year of credit
106	Amount approved	\$ 329	\$ 329	\$ 329	116
107	Amount approved	11,870	7,436	3,715	117
108	Amount approved	2,107	2,107	587	118
109	Amount approved	22,403	22,403	5,109	119
110	Amount approved	29,290	29,290	1,404	120
111	Amount reported	13,793	13,793	12,997	121
112	Amount reported	88,837	88,837	51,661	122
		<u>\$ 168,629</u>	<u>\$ 164,195</u>	<u>\$ 75,802</u>	

5. Deductible temporary differences not recognized as deferred income tax assets:

	December 31, 2024	December 31, 2023
Deductible temporary differences	<u>\$ 156,839</u>	<u>\$ 154,370</u>

6. The profit-seeking enterprise income tax returns of the Company as of 2021 have been approved by the tax collection authority.

(XXVII) Earnings per share

	2024		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Current net profit attributable to the parent company's common stock shareholders	\$ 211,372	97,958	\$ 2.16
<u>Diluted earnings per share</u>			
Current net profit attributable to the parent company's common stock shareholders	211,372	97,958	
Effect of potentially dilutive common shares			
Remuneration to employees	-	228	
Current net profit attributable to the parent company's common stock shareholders	\$ 211,372	\$ 98,186	\$ 2.15

	2023		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT\$)
<u>Basic earnings per share</u>			
Current net profit attributable to the parent company's common stock shareholders	\$ 144,146	88,937	\$ 1.62
<u>Diluted earnings per share</u>			
Current net profit attributable to the parent company's common stock shareholders	144,146	88,937	
Effect of potentially dilutive common shares			
Remuneration to employees	-	258	
Current net income	\$ 144,146	\$ 89,195	\$ 1.62

(XXVIII) Transactions with non-controlling interests

1. The cash capital increase of a subsidiary not subscribed pro rata by the Group

The Group's subsidiary, TSG Insurance Broker Co., Ltd. issued new shares for cash capital increase on June 29, 2023. The Group did not subscribe pro rata to its shareholding ratio, so the stake was increased by 18.54%. The transaction reduced the non-controlling interests by NT\$1,487, and the equity attributable to owners of the parent company increased by NT\$1,293. The effect of changes in the equity of TSG Insurance Broker Co., Ltd. for 2023 on the owners' equity attributable to the parent company is as follows:

	2023
Cash	\$ 2,780
Decrease in the carrying amount of non-controlling interests	( 1,487 )
Capital reserves - changes in ownership interests in subsidiaries recognized	\$ 1,293

## 2. Acquisition of additional equity in subsidiaries

On November 30, 2023, the Group purchased an additional 7.16% of the outstanding shares of its subsidiary, TSG Insurance Broker Co., Ltd., for NT\$4,387 in cash. The carrying amount of the non-controlling interests of TSG Insurance Broker Co., Ltd. on the acquisition date was NT\$29,089, and the transaction has reduced the non-controlling interests by NT\$4,387. The effect of changes in the equity of TSG Insurance Broker Co., Ltd. for 2023 on the owners' equity attributable to the parent company is as follows:

	2023
Book value of non-controlling interests purchased	\$ 4,387
Consideration paid to non-controlling interests	( 4,387 )
Capital reserve - difference between the price and the book value of the subsidiary's equity acquired or disposed of	\$ -

### (XXIX) Business combination

1. The Group has conducted the following mergers and acquisitions in 2024; there were no mergers and acquisitions in 2023:

- (1) On January 2, 2024, the Group acquired 61% of the shares of Mi Hsiang Food Co., Ltd. ("Mi Hsiang") for a cash amount of NT\$45,750 and gained control over Mi Hsiang. Mi Hsiang is engaged in group meal contracting and catering business in Taiwan; the Group expects to expand its business after the acquisition.
- (2) On January 2, 2024, the Group acquired 52% of the shares of Bai Chien Hui Food Co., Ltd. ("Bai Chien Hui") for a cash amount of NT\$2,600 and gained control over Bai Chien Hui. Bai Chien Hui is engaged in group meal contracting and catering business in Taiwan; the Group expects to expand its business after the acquisition.

2. Information on the fair values of the consideration paid, assets acquired and liabilities assumed at the acquisition date of the above subsidiaries is summarized below:

	Mi Hsiang Food Co., Ltd.	Bai Chien Hui Food Co., Ltd.
Consideration for acquisition		
Cash	\$ 45,750	\$ 2,600
Fair value of the equity previously held in Mi Hsiang and Bai Chien Hui at the acquisition date	29,391	2,565
	<u>75,141</u>	<u>5,165</u>
Fair value of identifiable assets acquired and liabilities assumed		
Cash	6,446	605
Accounts receivable	14,819	6,243
Inventories	221	-
Other receivables	3,600	-
Other current assets	391	-
Property, plant, and equipment	5,990	1,861
Intangible assets	3,321	-
Refundable deposits	904	604
Accounts payable	( 5,290 )	( 466 )
Other payables	( 5,737 )	( 4,451 )
Current income tax liabilities	( 478 )	( 355 )
Total net identifiable assets	<u>24,187</u>	<u>4,041</u>
Goodwill	<u>\$ 50,954</u>	<u>\$ 1,124</u>

3. The acquisition price for the acquisition of Mi Hsiang was amortized completely in February

2025, and the fair value of the identifiable goodwill acquired was NT\$50,954.

4. The relevant acquisition price of Bai Chien Hui was amortized in February 2025, and the fair value of the identifiable goodwill acquired was NT\$1,124.
5. Since the Group's merger with Mi Hsiang on January 2, 2024, the operating revenue and net profit before tax contributed by Mi Hsiang have amounted to NT\$152,758 and NT\$10,649, respectively.
6. Since the Group's merger with Bai Chien Hui on January 2, 2024, the operating revenue and net profit before tax contributed by Bai Chien Hui have amounted to NT\$13,818 and NT\$910, respectively.

(XXX) Supplementary information on cash flows

1. Investing activities partially involving cash collections and payments:

	2024	2023
Acquisition of property, plant, and equipment (including prepayment for equipment)	\$ 19,444	\$ 8,584
Plus: Opening payables for equipment (stated as "other payables")	182	210
Less: Ending payables for equipment (stated as "other payables")	-	( 182 )
Cash paid in the current period	<u>\$ 19,626</u>	<u>\$ 8,612</u>

(XXXI) Changes in liabilities from financing activities

	January 1, 2024	Changes in cash flow from financing	Other non-cash changes (Note)	Effect of exchange rate changes	December 31, 2024
Short-term borrowings	\$ 75,000	( \$ 75,000 )	\$ -	\$ -	\$ -
Other payables - related parties	162,449	( 162,449 )	-	-	-
Lease liabilities	1,749	( 2,700 )	5,400	-	4,449
	<u>\$ 239,198</u>	<u>( \$ 240,149 )</u>	<u>\$ 5,400</u>	<u>\$ -</u>	<u>\$ 4,449</u>
	January 1, 2023	Changes in cash flow from financing	Other non-cash changes	Effect of exchange rate changes	December 31, 2023
Short-term borrowings	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000
Other payables - related parties	-	162,449	-	-	162,449
Lease liabilities	3,615	( 2,880 )	1,014	-	1,749
	<u>\$ 3,615</u>	<u>\$ 234,569</u>	<u>\$ 1,014</u>	<u>\$ -</u>	<u>\$ 239,198</u>

Note : Mainly the changes in current additions.

## VII. Transactions with related parties

### (I) Name of related party

Name of related party	Relationship with the Group
Director of TSG Hawks Baseball Co., Ltd. (hereinafter referred to as "TSG Hawks")	A director of the company is the director of the Company
TSG Sports Marketing Co., Ltd. (hereinafter referred to as "TSG Sports")	A director of the company is the director of the Company
Taiwan Steel Group Aerospace Technology Corporation (hereinafter referred to as "TSG Aerospace")	A supervisor of the company is a director of the Company (Note 3)
TSG Transportation Corporation (hereinafter referred to as "TSG Transportation")	A director of the company is the director of the Company
Chun Yu Works & Co., Ltd. (hereinafter referred to as "Chun Yu Works")	The deputy chairman of the company is the Chairman of the Company
CHUN BANG PRECISION CO.,LTD. (hereinafter referred to as "Chun Bang Precision")	A supervisor of the company is the Chairman of the Company
Chun Yu Bio-Tech Corp. (hereinafter referred to as "Chun Yu Bio-Tech")	A supervisor of the company is the Chairman of the Company
CHUN ZU MACHINERY INDUSTRY CO., LTD. (hereinafter referred to as "Chun Zu Machinery")	The chairman of the company is a director of the Company
NewSoft Technology Corporation (hereinafter referred to as "NewSoft")	A director of the company is the Chairman of the Company(Note 2)
OFCO Industrial Corporation (hereinafter referred to as "OFCO")	The Chairman of the company is a director of the Company
UNITED FIBER OPTIC COMMUNICATION INC. (hereinafter referred to as "United Fiber Optic")	The Chairman of the company is an independent director of the Company (Note 1)
TSG Star Travel Corp. (hereinafter referred to as "TSG Star Travel")	A director of the company is the director of the Company
YUNG FU CO., LTD (hereinafter referred to as "Yung Fu")	The chairman of the company is a director of the Company
D-Link Corporation (hereinafter referred to as "D-Link")	A supervisor of the company is the representative the Company's corporate director
CAMEO COMMUNICATIONS,INC. (hereinafter referred to as "Cameo")	The chairman of the company is the representative the Company's corporate director
KUEI TIEN CULTURAL & CREATIVE ENTERTAINMENT CO., LTD. (hereinafter referred to as "Kuei Tien Cultural and Creative")	A director of the company is the director of the Company
Argo Yachts Development Co., Ltd. (hereinafter referred to as "Argo Yachts")	The chairman of the company is a director of the Company
E-Sheng Steel Co., Ltd. (hereinafter referred to as "E-Sheng Steel")	Substantive related party
E-Top Metal Co., Ltd. (hereinafter referred to as "E-Top Metal")	Substantive related party

Note 1: The director resigned from the Company's independent director position on June 13,

2023.

Note 2: The director resigned from the Company's Chairman position on June 18, 2024.

Note 3: The director resigned from the Company's supervisor position on December 18, 2024.

(II) Significant transactions with related parties

1. Sales of goods

	2024	2023
Sale of goods:		
- Chun Yu Works	\$ 5,987	\$ 2,277
- United Fiber Optic	-	1,040
- NewSoft	1,126	1,000
- OFCO	2,651	703
- E-Sheng Steel	2,885	815
- E-Top Metal	1,154	413
- Chun Zu Machinery	2,679	-
- Others	2,977	1,562
	<u>\$ 19,459</u>	<u>\$ 7,810</u>

The above sales of goods was based on a general sales price and general payment receiving terms.

2. Rental revenue

(1) The Group leases an office to related party at a rent payment on a monthly basis.

(2) Rental revenue

	2024	2023
Rental revenue:		
- TSG Hawks	\$ 114	\$ 686
- Kuei Tien Cultural and Creative	115	-
	<u>\$ 229</u>	<u>\$ 686</u>

3. Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable:		
- Yung Fu	\$ -	\$ 100
- Chun Yu Works	339	-
- Chun Zu Machinery	182	-
- E-Top Metal	369	-
- OFCO	154	-
- Others	119	-
	<u>\$ 1,163</u>	<u>\$ 100</u>

4. Other payables

	December 31, 2024	December 31, 2023
Other payables:		
- E-Sheng Steel	\$ -	\$ 108,300
- E-Top Metal	-	54,149
	<u>\$ -</u>	<u>\$ 162,449</u>

The other payables listed above are the refundable proceeds of privately placed common shares, and the interest is collected at an interest rate of 1.6% per annum.

## 5. Prepayments

	December 31, 2024	December 31, 2023
Prepayment:		
- Kuei Tien Cultural and Creative	\$ 2,619	\$ -
- NewSoft	675	-
- TSG Star Travel	-	600
	<u>\$ 3,294</u>	<u>\$ 600</u>

### (III) Information on the remuneration of the key management

	2024	2023
Short-term employee benefits	\$ 15,457	\$ 12,252
Post-employment benefits	377	406
	<u>\$ 15,834</u>	<u>\$ 12,658</u>

## VIII. Pledged assets

The Group's assets pledged as collateral are detailed as follows:

Asset	Book value		Purpose of collateral
	December 31, 2024	December 31, 2023	
Land	\$ 125,221	\$ 125,221	Note
Buildings and buildings - net	114,414	117,301	Note
Net investment property	40,109	40,290	Note
	<u>\$ 279,744</u>	<u>\$ 282,812</u>	

Note : Used as collateral for the Group's short-term and long-term loan facilities.

## IX. Significant contingent liabilities and unrecognized contractual commitments

None.

## X. Significant disaster losses

None.

## XI. Significant subsequent events

On October 30, 2024, the Company's Board of Directors resolved to issue new shares for a cash capital increase. It is estimated that 20,000 thousand shares will be issued at NT\$18 per share, totaling NT\$360,000. February 12, 2025 is the record date for the cash capital increase.

## XII. Others

### (I) Capital management

The Group's capital management objectives are to ensure the Company can continue as a going concern and maintain the optimal capital structure to reduce the cost of capital and provide returns to shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholders, return capital to them, issue new shares, or sell assets to reduce liabilities. Consistent with the industry practice, the Group controls capital based on the liabilities to assets ratio.

The Group's strategy is to maintain a stable liabilities to assets ratio as follows:

	December 31, 2024	December 31, 2023
Total liabilities	\$ 123,082	\$ 342,692
Total assets	\$ 1,482,284	\$ 1,412,913
Liabilities to assets ratio	8	24

(II) Financial instruments

1. Types of financial instruments

	December 31, 2024	December 31, 2023
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 529,847	\$ 254,100
Financial assets at fair value through other comprehensive income choose to designate investments in equity instruments.	51,326	116,804
Financial assets measured at amortized cost		
Cash and cash equivalents	112,942	354,424
Financial assets measured at amortized cost	62,060	29,742
Notes receivable	2,043	355
Accounts receivable	40,835	12,081
Other receivables	1,621	2,798
Refundable deposits	3,042	3,739
	\$ 803,716	\$ 774,043
	December 31, 2024	December 31, 2023
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term borrowings	\$ -	\$ 75,000
Notes payable	300	-
Accounts payable (including related parties)	12,155	11,268
Other payables (including related parties)	90,970	243,734
Long-term notes and accounts payables	4,029	4,704
Deposits received	211	211
	\$ 107,665	\$ 334,917
Lease liabilities	\$ 4,449	\$ 1,749

2. Risk management policies

- (1) The daily operations of the Group are subject to multiple financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.
- (2) For risk management, the Finance Department of the Group is responsible for

identifying, assessing and avoiding financial risks through close cooperation with operating units within the Group in accordance with the approved policies. The Group's Finance Department has written principles for the overall risk management and also provides written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and investment of residual liquid funds.

### 3. Nature and extent of significant financial risks

#### (1) Market risk

##### Exchange rate risk

A. As the Group operates businesses worldwide, it is exposed to the exchange rate risk arising from transactions with currencies (USD in particular) different from the respective functional currency of the Company and the subsidiaries. The related exchange rate risk mainly comes from future business transactions and recognized assets and liabilities.

B. The management of the Group has formulated the policy for all companies within the Group to manage the exchange rate risk relative to their functional currencies. Each company shall hedge its exposure to the overall exchange rate risk through the Group's Finance Department.

C. The business of the Group involves several non-functional currencies (the functional currency of the Company and some subsidiaries is NTD, and the functional currencies of some subsidiaries are USD and CNY), and thus, is subject to exchange rate fluctuations. Information on the foreign currency assets and liabilities subject to significant exchange rate fluctuations is as follows:

December 31, 2024						
Sensitivity analysis						
Foreign currency (thousand)	Exchange rate	Book value (NT\$)	Range of change	Impact on profit or loss	Impact on other comprehensive income	
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 9	32.79	\$ 295	1%	\$ 3	\$ -
USD:CNY	36	7.30	1,180	1%	12	-

December 31, 2023						
Sensitivity analysis						
Foreign currency (thousand)	Exchange rate	Book value (NT\$)	Range of change	Impact on profit or loss	Impact on other comprehensive income	
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 97	30.71	\$ 2,978	1%	\$ 30	\$ -
USD:CNY	36	7.10	1,105	1%	11	-

D. Due to the significant impact of exchange rate fluctuations on the monetary items of the Group in 2024 and 2023, the total amount of exchange losses was NT\$470 and NT\$285 respectively.

### Price risk

- A. The Group's equity instruments exposed to price risk are financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income.
- B. The Group mainly invests in the domestic TWSE/TPEX listed and non-TWSE/TPEX listed shares. The price of these equity instruments is subject to the uncertainty of the future value of the underlying investments. If the price of these equity instruments rose or fell by 1%, with all other factors remaining unchanged, the other comprehensive income in 2024 and 2023, would have been increased or decreased by NT\$5,298 and NT\$2,541, respectively, due to the gains or losses from the equity instruments at FVTPL; for the other comprehensive income would have been increased or decreased by NT\$513 and NT\$1,168 due to the rise or fall classified as a gain or loss on equity investments measured at fair value through other comprehensive income.

### (2) Credit risk

- A. The credit risk of the Group is the risk of financial losses incurred by the Group due to the failure of customers or counterparties of financial instrument transactions to fulfill their contractual obligations, which mainly comes from the inability of the counterparties to settle the accounts receivable paid according to payment terms.
- B. The Group manages credit risk from a group perspective. Only creditworthy banks are accepted as counterparties for transactions. According to the internal credit policy, each operating entity within the Group must manage each new customer and analyze them for credit risk before proposing terms and conditions for payment and delivery with them. Internal risk control is to evaluate the credit quality of customers by considering their financial status, past experience and other factors. The risk limit for individual customers is set by the Board of Directors according to the internal or external rating. The use of their credit limits is also monitored regularly.
- C. The premise/assumption made by the Group based on IFRS 9 is that when a contract payment is more than 90 days overdue pursuant to the agreed payment terms, a default is considered to have occurred.
- D. The premise/assumption made by the Group based on IFRS 9 is that when a contract payment is more than 30 days overdue pursuant to the agreed payment terms, the credit risk of the financial asset is considered to have increased significantly since the original recognition.
- E. The Group groups accounts receivable and contract assets from customers according to the terms of the credit facilities and uses a simplified approach to estimate expected credit losses based on a provision matrix.
- F. The Group's adjustments to forward-looking considerations are based on the loss rate derived according to the historical information for a specific period and current information in order to estimate the allowance loss for notes receivable, accounts receivable and contract assets. The provision matrix as of December 31, 2024 and 2023 is as follows:

	Overdue for less than 90 days	Overdue for 91-180 days	Overdue for 181-365 days	Overdue for more than 366 days	Total
<u>December 31, 2024</u>					
Expected loss rate	0.133%	0.0%	0.0%	99.99%	
Total book value	\$ 53,518	\$ -	\$ -	\$ 27,848	\$ 81,366
Loss allowance	\$ 72	\$ -	\$ -	\$ 27,842	\$ 27,914
	Overdue for less than 0 days	Overdue for 91-180 days	Overdue for 181-365 days	Overdue for more than 366 days	Total
<u>December 31, 2023</u>					
Expected loss rate	0.1%	1.0%	5.0%	100%	
Total book value	\$ 24,403	\$ 69	\$ -	\$ 27,425	\$ 51,897
Loss allowance	\$ 21	\$ -	\$ -	\$ 27,386	\$ 27,407

G. The Group's simplified statement of changes in the loss allowance for accounts receivable is as follows:

	113 years	2023
	Accounts receivable	Accounts receivable
January 1	\$ 27,407	\$ 26,698
Impairment loss (gain on recovery)	51	( 283 )
Exchange rate effect	456	992
December 31	\$ 27,914	\$ 27,407

The impairment gain recognized for receivables arising from customers contracts in 2024 and 2023 was (NT\$51) and NT\$283, respectively.

(3) Liquidity risk

- A. Cash flow forecasting is carried out by each operating entity within the Group and summarized by the Group's Finance Department. The Finance Department of the Group monitors the forecast of the Group's need for liquid funds to ensure that it has sufficient funds to meet its operating needs and maintain sufficient undrawn loan commitments at all times to prevent the Group from breaching relevant loan limits or covenants. The forecast takes into account the Group's debt financing plan, compliance with debt terms, and achievement of the financial ratio targets on the internal balance sheet.
- B. When the remaining cash held by each operating entity exceeds the amount required for the management of working capital, the remaining funds are invested in interest-bearing demand deposits, time deposits, and marketable securities with appropriate due dates or sufficient liquidity to respond to the forecast above and provide adequate liquid resources. As of December 31, 2024 and 2023, the Group's money market positions amounted to NT\$286,853 and NT\$461,628, respectively, which were expected to generate cash flows immediately for the management of liquidity risk.
- C. The following table shows the Group's non-derivative financial liabilities and derivative financial liabilities settled on a net basis. They are grouped by relevant maturity dates. The non-derivative financial liabilities are analyzed based on the residual period from the balance sheet date to the contract maturity date, and the derivative financial liabilities are analyzed based on the residual period from the balance sheet date to the expected maturity date. The contractual cash flows disclosed in the table below are the undiscounted amounts.

December 31, 2024

<u>Non-derivative financial liabilities:</u>	Less than 1 year	1~2 years	More than 2 years	Total
Accounts payable	\$ 12,155	\$ -	\$ -	\$ 12,155
Other payables	90,970	-	-	90,970
Lease liabilities (including those due within one year)	2,524	2,016	-	4,540
Long-term notes and accounts payables	-	4,029	-	4,029
Deposits received	211	-	-	211

December 31, 2023

<u>Non-derivative financial liabilities:</u>	Less than 1 year	1~2 years	More than 2 years	Total
Short-term borrowings	\$ 75,127	\$ -	\$ -	\$ 75,127
Accounts payable	11,269	-	-	11,269
Other payables (including related parties)	243,734	-	-	243,734
Lease liabilities (including those due within one year)	959	664	156	1,779
Long-term notes and accounts payables	-	4,704	-	4,704
Deposits received	211	-	-	211

D. The Group does not expect that the timing of cash flows in the maturity analysis will be significantly earlier or that the actual amount will be significantly different.

(III) Fair value information

1. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities accessible to the entity on the measurement date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the listed (OTC) stocks invested by the Group falls within Level 1.

Level 2: Inputs other than the quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability. The Group's investment in the private placement of TPEX-listed shares (20.85% at liquidity discount) is within the category .

Level 3: Inputs that are unobservable to the asset or liability. The equity instruments with no active market invested by the Group fall within Level 3.

2. For information on the fair value of investment property measured at cost, please refer to the description in Note 6(10).

3. The Group classifies financial and non-financial instruments measured at fair value by the nature, characteristics, risk, and fair value level of assets and liabilities. Relevant information is as follows:

- (1) Information on the Group's classification by the nature of assets and liabilities is as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial asset equity securities measured at fair value through profit or loss	\$ 88,047	\$ 441,800	\$ -	\$ 529,847
Financial asset equity securities measured at fair value through other comprehensive income	24,600	-	26,726	51,326
	<u>\$ 112,647</u>	<u>\$ 441,800</u>	<u>\$ 26,726</u>	<u>\$ 581,173</u>

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ 254,100	\$ -	\$ 254,100
Financial assets measured at fair value through other comprehensive income				
Equity securities	77,852	-	38,952	116,804
	<u>\$ 77,852</u>	<u>\$ 254,100</u>	<u>\$ 38,952</u>	<u>\$ 370,904</u>

- (2) The methods and assumptions used by the Group to measure fair value are described as follows:

- A. If the Group uses market quotations as fair value inputs (i.e. Level 1), the market quotations are listed below according to the characteristics of instruments:

Market quotation	Shares of TWSE (TPEX) listed companies
	Closing price

- B. Except for those with active markets, the fair value of all financial instruments is derived using valuation techniques or with reference to the quotations of counterparties. The fair value derived through the valuation techniques can be obtained by referring to the current fair value of other financial instruments with similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including using the market information available on the consolidated balance sheet date along with models for the calculation.

4. There were no transfers between Level 1 and Level 2 in 2024 and 2023.

5. The following table shows the changes in Level 3 in 2024 and 2023:

	113 years	2023
	Equity instruments	Equity instruments
January 1	\$ 38,952	\$ 45,869
Recognized in other comprehensive income	( 12,226 )	( 6,917 )
December 31	<u>\$ 26,726</u>	<u>\$ 38,952</u>
Changes in unrealized gains or losses from assets and liabilities held at end of period included in profit or loss	<u>\$ -</u>	<u>\$ -</u>

6. There was no transfer in or out from Level 3 in 2024 and 2023.

7. The Group's Finance Department is in charge of valuation procedures for fair value

measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and making any other necessary adjustments to the fair value.

8. The quantitative information of the significant unobservable inputs in the valuation model used for Level 3 fair value measurements and the sensitivity analysis of significant unobservable input changes are as follows:

	Fair value on December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-listed (non-OTC) companies' stocks	\$ 26,726	Price-to- book ratio approach	Price-to-book ratio	0.34	The higher the price- to-book ratio, the higher the fair value.
	Fair value on December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-listed (non-OTC) companies' stocks	\$ 38,952	Price-to- book ratio approach	Price-to-book ratio	0.52	The higher the price- to-book ratio, the higher the fair value.

9. The Group carefully selects the valuation model and valuation parameters to be used. However, the use of different valuation models or valuation parameters may result in different valuation results. If the valuation parameters for financial assets and financial liabilities classified as Level 3 change, the impact on the current profit or loss or other comprehensive income is as follows:

		December 31, 2024			
		Recognized in profit or loss		Recognized in other comprehensive income	
Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets Equity instruments	ratio ±10%	\$ -	\$ -	\$ 2,673	(\$ 2,673)
		December 31, 2023			
		Recognized in profit or loss		Recognized in other comprehensive income	
Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets Equity instruments	ratio ±10%	\$ -	\$ -	\$ 3,895	(\$ 3,895)

### XIII. Notes in disclosures

#### (I) Information on significant transactions

1. Loaning of funds to others: Please refer to Table 1.
2. Endorsements/guarantees for others: None.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, associates, and jointly controlled companies): Please refer to Table 2.
4. Accumulated purchases or sales of the same marketable securities amounting to over NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of real estate amounting to over NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate amounting to over NT\$300 million or 20% of the paid-in capital: None.
7. Purchases from and sales to related parties amounting to over NT\$100 million or 20% of the paid-in capital: None.
8. Accounts receivable from related parties amounting to NT\$100 million or 20% of the paid-in capital: None.
9. Trading of derivatives: None.
10. Business relationship, important transactions and transaction amounts between the parent company and its subsidiaries and between the subsidiaries: Please refer to Table 3.

#### (II) Information on investees

The name, location and other information of investee companies (excluding those in Mainland China): Please refer to Table 4.

#### (III) Information on investment in Mainland China

1. Basic information: Please refer to Table 5.
2. Significant transactions with investee companies in Mainland China directly or indirectly through businesses in a third region: None.

#### (IV) Information on major shareholders

Information on major shareholders: Please refer to Table 6.

### XIV. Segment information

#### (I) General information

The Group conducts business and makes decisions from the industry perspective, and the management also uses this model to identify reportable segments.

The Group consists of two reportable segments: the production and distribution segment of nutritional health products, the insurance brokerage segment and instant meal manufacturing segment.

The Group considers the attributes of the customers served and the products to divide the information of the segments. The operating results of different segments in the consolidated financial statements are presented to the operational decision-makers for review, in order to divide the operating segments and evaluate the operating results of each department.

#### (II) Measurement of segment information

The Group evaluates the performance of the operating segments based on their net operating

profit.

(III) Information on segment profit or loss, assets and liabilities

Information on reportable segments provided to the chief operating decision maker is as follows:

	2024					
	Nutritional health products	Insurance brokerage	Instant meal box food manufacturing	Others	Adjustments and write-offs (Note)	Consolidated
External revenue	\$ 304,610	\$ 59,643	\$ 165,374	\$ 7,443	\$ -	\$ 537,070
Internal segment revenue	1,258	-	1,202	-	( 2,460 )	-
Segment revenue	<u>\$ 305,868</u>	<u>\$ 59,643</u>	<u>\$ 166,576</u>	<u>\$ 7,443</u>	<u>( \$ 2,460 )</u>	<u>\$ 537,070</u>
Segment profit or loss	<u>\$ 15,250</u>	<u>\$ 9,253</u>	<u>\$ 9,916</u>	<u>( \$ 1,249 )</u>	<u>\$ -</u>	<u>\$ 33,170</u>
Interest revenue						2,170
Other revenue						7,668
Other gains and losses						183,118
Interest expense						( 641 )
Net profit or loss before tax from continuing operations						<u>\$ 225,485</u>
Segment assets	<u>\$ 546,906</u>	<u>\$ 11,890</u>	<u>\$ 7,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 566,407</u>
Company's general assets						915,877
Total assets						<u>\$ 1,482,284</u>
Depreciation and amortization expenses	<u>\$ 12,895</u>	<u>\$ 1,331</u>	<u>\$ 1,576</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,802</u>
Capital expenditure	<u>\$ 19,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,626</u>
Segment liabilities	<u>\$ 84,454</u>	<u>\$ 18,053</u>	<u>\$ 20,767</u>	<u>\$ -</u>	<u>( \$ 192 )</u>	<u>\$ 123,082</u>
	2023					
	Nutritional health products	Insurance brokerage		Others	Adjustments and write-offs (Note)	Consolidated
External revenue	\$ 259,901	\$ 62,875		\$ 9,982	\$ -	\$ 332,758
Internal segment revenue	3,780	-		-	( 3,780 )	-
Segment revenue	<u>\$ 263,681</u>	<u>\$ 62,875</u>		<u>\$ 9,982</u>	<u>( \$ 3,780 )</u>	<u>\$ 332,758</u>
Segment profit or loss	<u>( \$ 67,183 )</u>	<u>\$ 4,555</u>		<u>( \$ 3,572 )</u>	<u>\$ -</u>	<u>( \$ 66,200 )</u>
Interest revenue						1,822
Other revenue						10,628
Other gains and losses						200,341
Interest expense						( 348 )
Investment losses under equity method						306
Net profit or loss before tax from continuing operations						<u>\$ 146,549</u>
Segment assets	<u>\$ 493,681</u>	<u>\$ 15,498</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 509,179</u>
Company's general assets						903,734
Total assets						<u>\$ 1,412,913</u>
Depreciation and amortization expenses	<u>\$ 13,672</u>	<u>\$ 1,215</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,887</u>
Capital expenditure	<u>\$ 8,612</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,612</u>
Segment liabilities	<u>\$ 322,391</u>	<u>\$ 20,322</u>		<u>\$ -</u>	<u>( \$ 21 )</u>	<u>\$ 342,692</u>

Note : Write-offs of internal segment revenue.

(IV) Information on the reconciliation of segment profit or loss

Inter-segment sales are conducted under the arm's length principle. The external income reported to the key operating decision maker is consistent with the income in the statement of comprehensive income See (III) above for a reconciliation of segment profit or loss to continuing segment profit or loss before income tax for the years ended December 31, 2024 and 2023, respectively.

(V) Information by product and service

Please refer to Note 6(19).

(VI) Information by region

The Group's information by region in 2024 and 2023 is as follows:

	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 537,070	\$ 585,069	\$ 332,758	\$ 511,953
Mainland China	-	368	-	400
	<u>\$ 537,070</u>	<u>\$ 585,437</u>	<u>\$ 332,758</u>	<u>\$ 512,353</u>

Non-current assets refer to property, plant and equipment, right-of-use assets, investment property, intangible assets and other non-current assets - others.

(VII) Important customer information

The Group's operating revenue is generated by the sale of products to individual distributors. In 2024 and 2023, there was no customer that accounted for more than 10% of the operating revenue.

Jia Jie Biomedical Co., Ltd.  
Loaning of Funds to Others  
January 1 to December 31, 2024

Table 1

Unit: In Thousands of New Taiwan Dollars  
(unless otherwise stated)

No.	Lending company	Borrower	Account	Related party	Current maximum amount	Closing balance	Amount used	Interest rate range	Nature of loaning of funds	Amount of business transactions	Reasons for the need for short-term financing	Amount of allowance for bad debts	Collateral		Limit on funds loaned to individual borrowers	Limit on total funds loaned	Remarks
													Name	Value			
1	Dongguan Jia Jie Biotechnology Co., Ltd.	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Other receivables	Yes	\$ 4,959	\$ 4,939	2,784	-	Short-term financing	-	Operating turnover	2,784	None	-	\$ 7,218	\$ 7,218	-

Note 1: The description of the number column is as follows:

(1) 0 is reserved for the issuer.

(2) Investee companies are numbered sequentially starting from 1.

Note 2: According to the Company's management procedure for the loaning of funds to others, the Company's funds loaned to individual borrowers shall not exceed 10% of the net worth of the Company, and the Group's subsidiaries' funds loaned to individual borrowers shall not exceed 100% of the net worth of the respective subsidiaries.

Note 3: According to the Company's management procedure for the loaning of funds to others, the total amount of funds loaned by the Company shall not exceed 20% of the net worth of the Company, and the total amount of funds loaned by the subsidiaries of the Group shall not exceed 100% of the net worth of the respective subsidiaries.

Note 4: Translated into NTD at the CNY-NTD exchange rate of 4.46 on the financial statement date.

Jia Jie Biomedical Co., Ltd.  
 Marketable Securities Held at the End of the Period (excluding investments in subsidiaries, associates, and jointly controlled companies)  
 December 31, 2024

Table 2

Unit: In Thousands of New Taiwan Dollars  
 (unless otherwise stated)

Holding company	Type and name of marketable securities	Relationship with the issuer of marketable securities	Account	Closing			Fair value	Remarks
				Shares	Book value	Shareholding percentage		
Jia Jie Biomedical Co., Ltd.	AlfaPlus Semiconductor Inc. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	263,529	\$ -	0.76	\$ -	
Jia Jie Biomedical Co., Ltd.	Choice Publishing Co., Ltd. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	300,000	-	9.04	-	
Jia Jie Biomedical Co., Ltd.	FM International Inc. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	2,448,572	26,726	18.64	26,726	
Jia Jie Biomedical Co., Ltd.	Shuo Rong Tai Xing IoT Technology Co., Ltd. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	500,000	-	1.25	-	
Jia Jie Biomedical Co., Ltd.	TAIWAN JUIJANG BIOTECHNOLOGY CO., LTD. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	20,000	-	4.82	-	
Jia Jie Biomedical Co., Ltd.	Taiwan Styrene Monomer Corporation (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	435,000	4,150	0.08	4,150	
Jia Jie Biomedical Co., Ltd.	OFCO Industrial Corp. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	1,000,000	20,450	0.99	20,450	
TSG Insurance Broker Co., Ltd.	TMP Steel Corporation (stock)	None	Financial assets measured at fair value through other comprehensive income - current	1,590,000	43,089	1.59	43,089	
TSG Insurance Broker Co., Ltd.	Gloria Material Technology Corp. (stock)	None	Financial assets measured at fair value through other comprehensive income - current	55,000	2,558	0.01	2,558	
Jia Jie Biomedical Co., Ltd.	King House CO., Ltd. (stock) (Note)	None	Financial assets measured at fair value through other comprehensive income - non-current	10,000,000	441,880	6.32	441,880	
Jia Jie Biomedical Co., Ltd.	TMP Steel Corporation (stock)	None	Financial assets measured at fair value through other comprehensive income - current	500,000	13,550	0.50	13,550	
Jia Jie Biomedical Co., Ltd.	S-Tech Corp (stock)	None	Financial assets measured at fair value through other comprehensive income - current	1,000,000	28,850	0.43	28,850	

Note: Originally named "ENSURE INTERNATIONAL CO., LTD", it was renamed "King House CO., Ltd." on May 2, 2024.

Table 2 Page 1

Jia Jie Biomedical Co., Ltd.  
Business Relationship, Important Transactions and Transaction Amounts between the Parent Company and Its Subsidiaries and between the Subsidiaries  
January 1 to December 31, 2024

Table 3

Transactions between the parent company and its subsidiaries and between the subsidiaries with an amount of NT\$1 million or more are as follows:

Unit: In Thousands of New Taiwan Dollars  
(unless otherwise stated)

No. (Note 1)	Name of trader	Counterparty	Relationship with trader (Note 2)	Transaction			As a percentage of total consolidated revenue or total consolidated assets (Note 3)
				Account	Amount	Transaction terms	
1	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Xiamen Zengmeinong Biotech Co., Ltd.	3	Accounts receivable	1,730	As agreed by both parties	0.12%
0	Jia Jie Biomedical Co., Ltd.	Jia Jie Biotech Co., Ltd.	1	Sales revenue	1,258	As agreed by both parties	0.23%

Note 1: Business transactions between the parent company and its subsidiaries should be specified in the number column as follows: (1) 0 is reserved for the parent company. (2) Subsidiaries are numbered sequentially starting from 1.

Note 2: The relationship with the trader is classified into the following three types, and it is only required to indicate the type (It is not necessary to disclose a transaction between the parent company and a subsidiary or between subsidiaries repeatedly. For example, if the parent company has disclosed the transactions with its subsidiaries, the subsidiaries are not required to repeat the disclosure; if a subsidiary has disclosed the transactions with another subsidiary, the latter is not required to repeat the disclosure):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: With regard to the calculation of the transaction amount as a percentage of the total consolidated revenue or total consolidated assets, for an asset or liability item, the percentage is calculated as the ending balance's percentage of the total consolidated assets; for a profit or loss item, the percentage is calculated as the interim cumulative amount's percentage of the total consolidated revenue.

Jia Jie Biomedical Co., Ltd.  
Name, Location and Other Information of Investee Companies (excluding those in Mainland China)  
January 1 to December 31, 2024

Table 4

Unit: In Thousands of New Taiwan Dollars  
(unless otherwise stated)

Name of investing company	Name of investee company	Location	Main business activity	Initial investment amount		Held at end of period			Current profit or loss of investee company	Investment gain or loss recognized in the current period	Remarks
				End of current period	End of last year	Shares	Percentage	Book value			
Jia Jie Biomedical Co., Ltd.	Wisetech Corporation	Samoa	Overseas investment	\$	\$ 353,298	11,890,234	100.00	\$	(\$	(\$	Subsidiary
					353,298			9,388	2,469	2,469	
Jia Jie Biomedical Co., Ltd.	Jia Jie Investment Co., Ltd.	Taiwan	Investment	134,000	134,000	15,462,500	100.00	167,819	13,954	13,954	Subsidiary
Jia Jie Biomedical Co., Ltd.	Jia Jie Biotechnology co., Ltd.	Taiwan	Wholesale of foods, groceries and daily commodities, and retail sale of other products	100,000	100,000	10,000,000	100.00	30,762	(4,672)	(4,672)	Subsidiary
Wisetech Corporation	Honor Peak Holdings Limited	Hong Kong	Overseas investment	267,833	267,833	-	100.00	8,882	(2,397)	-	Sub-subsubsidiary
Jia Jie Investment Co., Ltd.	Titan Assurance Broker Co., Ltd.	Taiwan	Personal insurance and property insurance broker	54,082	54,082	2,431,190	60.83	63,115	8,669	-	Sub-subsubsidiary
Jia Jie Investment Co., Ltd.	Mi Xiang Food Co., Ltd.	Taiwan	Ready-to-eat meal manufacturing	87,000	29,250	2,852,200	100.00	95,562	8,507		Sub-subsubsidiary
Jia Jie Investment Co., Ltd.	Baiqianhui Food Co., Ltd.	Taiwan	Ready-to-eat meal manufacturing	5,000	2,400	100,000	100.00	5,808	728		Sub-subsubsidiary

Note 1: Except for the current profit and loss, which was translated at the average exchange rate of 32.112 between January 1 and December 31, 2024, the information related to the investees was translated at the exchange rate of 32.785 on December 31, 2024.

Note 2: For the "Investment gain recognized in the current period" column, it is only required to provide the amount of recognized profits or losses of each subsidiary directly invested by the Company (listed company) and of each investee valued using the equity method. Other information is not required. When providing the "amount of recognized current profits or losses of subsidiaries directly invested," it should be confirmed that each subsidiary's current profit or loss has included the investment gain from its reinvestment that should be recognized in accordance with regulations.

Jia Jie Biomedical Co., Ltd.  
Information on Investment in Mainland China - Basic Information  
January 1 to December 31, 2024

Table 5

Unit: In Thousands of New Taiwan Dollars  
(unless otherwise stated)

Name of investee company in Mainland China	Main business activity	Paid-in capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the current period	Investment amount remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the current period	Current profit or loss of investee company	Direct or indirect investment shareholding percentage of the Company	Investment gain or loss recognized in the current period (Note 2)	Book value of investment at end of period	Investment gain repatriated by the end of the current period	Remarks
					Remitted	Recovered							
Harbin Shen-Shou Biotechnology Ltd.	Development of biological products	\$ 26,410	2	\$ 15,383	\$ -	\$ -	\$ 15,383	\$ -	48.98	\$ -	\$ -	\$ -	-
Harbin Dian Yi Technology Ltd.	Smart card application systems	244,789	2	-	-	-	-	-	49.00	-	-	-	-
Jing-Ding Murad Biomedical Technology Ltd.	Development of biological products	356,586	2	80,276	-	-	80,276	-	15.01	-	-	-	-
Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Development of aquatic product technology, and production and processing of softshell turtle powder and softshell turtle oil	92,454	2	46,227	-	-	46,227	2,765	50.00	1,383	(127)	-	Note 2
Xiamen Zengmeining Biotech Co., Ltd.	Development of biological products	78,684	2	78,684	-	-	78,684	(193)	100.00	(193)	1,857	-	Note 2
Heilongjiang Shen Shou Pharmaceutical Co., Ltd.	Production, processing, and sale of Chinese herbal medicine	48,503	1	38,952	-	-	38,952	-	41.00	-	-	-	-
Dongguan Jia Jie Biotechnology Co., Ltd.	Retail	22,458	2	24,691	-	-	24,691	(3,537)	100.00	(3,537)	7,218	-	Note 2
Shuo Rong Tai Xing IoT Technology Co., Ltd.	Internet of Things	15,425	1	16,393	-	-	16,393	-	1.25	-	-	-	-

Company name	Accumulated investment amount remitted from Taiwan to Mainland China by the end of the current period	Investment amount approved by the Investment Commission, MOEA	Limit on investment in Mainland China as specified by the Investment Commission, MOEA (Note 4)
Jia Jie Biomedical Co., Ltd.	\$ 300,60	\$ 310,7	\$ 815,5
	6	40	21

Note 1: Investment methods are classified into the following three types, and it is only required to indicate the type:

- (1) Direct investment
- (2) Investing in companies in Mainland China by investing in and establishing companies in third regions
- (3) Investing in companies in Mainland China by investing in existing companies in third regions

Note 2: Valued based on the investee company's financial statements audited by CPAs.

Note 3: Relevant figures in this table should be stated in NTD. Except for the current profit and loss, which was translated at the average exchange rate of 32.112 between January 1 and December 31, 2024, all figures were translated at the exchange rate of 32.785 on December 31, 2024.

Note 4: Investment in Mainland China is limited to 60% of the net worth according to the regulations of the Investment Commission, MOEA.

Jia Jie Biomedical Co., Ltd.  
Information on major shareholders  
December 31, 2024

Table 6

Name of major shareholder	Shares	
	Shareholding	Shareholding percentage
Bai-Jia-Yuan Investment Co., Ltd.:	20,000,000	20.25%
Kings Asset Management K	9,800,000	9.92%

Table 6 Page 1