



**加捷生醫股份有限公司**  
JIA JIE Biomedical Co., LTD.

2023

# Annual Report

Date of publication: April 21, 2024

Website disclosing the annual report:

Market Observation Post System: <https://mops.twse.com.tw/mops/web/index>

Company's Website: <http://www.jiajiebio.com/>

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Spokesperson: Lin, Ching-Hung

Title: Vice President of Sales Department

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## II. Address and telephone number of the company's headquarters, branch offices, and factories

### 1. Headquarters

3F., No. 61, Jiuru 1st Road, Sanmin District, Kaohsiung City Telephone: (07) 976-1598

### 2. Branches

#### (1) Kaohsiung Branch

1-3F., No. 61, Jiuru 1st Road, Sanmin District, Kaohsiung City Telephone:(07)395-2859

#### (2) Tainan Branch

Address: 15F., No. 248, Sec. 2, Yonghua Rd., Anping Dist., Tainan City Telephone:(06)298-3802

#### (3) Taichung Branch

Address: 14F.-1, No. 631, Sec. 1, Chongde Rd., North Dist., Taichung City Telephone:(04)2237-5325

#### (4) Taipei Branch

Address: 7F., No. 97, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City Telephone:(02)2581-5231

#### (5) Hualien Branch

Address: 1F., No. 180, Zhongmei Rd., Hualien City, Hualien County Telephone:(03)823-2818

#### (6) Taoyuan Branch

Address: 5F., No. 7, Xinming Rd., Zhongli Dist., Taoyuan City Telephone:(03)281-0468

#### (7) Research and Training Center

Address: No. 351, Tai'an Rd., Meinong Dist., Kaohsiung City Telephone:(07)681-1878

### 3. Factory

#### (1) Kaohsiung Factory

Address: 9F., No. 1-30, Kuojian Rd., Qianzhen Dist., Kaohsiung City Telephone:(07)970-0568

#### (2) Meinong Factory

Address: 2-4F, No. 345, Tai'an Rd., Meinong Dist., Kaohsiung City Telephone:(07)681-3581

## III. Share Administration Agency

Name: Yuanta Securities Co., Ltd (Shareholder Service Agency Department)

Address: B1, No. 210, Sec. 1, Chengde Rd., Datong Dist., Taipei City

Telephone:(02)2586-5859

Website: <http://www.yuanta.com.tw>

## IV. The certified public accountants who duly audited the annual financial report for the most recent fiscal year:

Attesting CPAs: Liao, A-Shen and Wang, Kuo-Hua

CPA's firm: PricewaterhouseCoopers, Taiwan (PwC Taiwan)

Address: 22F., No. 95, Minzu 2nd Rd., Xinxing Dist., Kaohsiung City

Telephone:(07)237-3116

Website: <http://www.pwc.tw>

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None

VI. Company's website: <http://www.jiajiebio.com>

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## One. Letter to Shareholders

Dear Shareholders,

2023 was a tough year. After experiencing the post-pandemic era followed by the factors including variant virus, the Russia-Ukraine War, inflation and climate change, the Company still insists the spirit of innovative development, the idea of serving the society, and enhancement of the collaboration with academic and medical institutions, and continue to invest a large amount of capital and manpower to introduce newer and better-quality health foods. We hope to provide consumers with more diverse choices, to meet diverse needs, improve public health, and create a sustainable health product industry.

In the continuous growth of the Company, not only the operational performance is important, the sustainability issues and corporate governance also need significant input. We will incorporate ESG into the overall operation and management more efficiently, and contribute the best strength to the green environment, food safety, social responsibility and happy workplace, with transparent information, smooth communication, and protection of the rights and interests of the public and shareholders, to further enhance the sustainable operation of the Company.

### I. 2023 Business results

#### (I) Implementation achievements of the business plan

Unit: NT\$ Thousand; %

Item	Group		Increase (decrease) change	
	2023	2022	Amount	Proportion
Operating revenue	332,758	317,716	15,042	5
Operating cost	(215,123)	(201,208)	13,915	7
Gross profit	117,635	116,508	1,127	1
Operating expenses	(183,835)	(130,190)	53,645	41
Operating profit	(66,200)	(13,682)	(52,518)	(384)
Non-operating income and expenses	212,749	9,002	203,747	2,263
Net income before tax	146,549	(4,680)	151,229	3,231
Net profit after tax	147,024	(6,443)	153,467	2,382

(II) Budget execution: Not applicable as the Company did not prepare financial forecasts for 2023.

(III) Analysis of financial income and expenses and profitability

1. Analysis of financial income and expenses:

Unit: In Thousands of New Taiwan Dollars

Item		2023	2022
Financial income and expenses	Operating revenue	332,758	317,716
	Gross profit	117,635	116,508
	Net profit after tax	147,024	(6,443)

2. Analysis of profitability:

Unit: In New Taiwan Dollars; %

Item		2023	2022
Profitability	Return on assets	12.19	(0.63)
	Return on equity	14.75	(0.69)
	Pre-tax net profit as a percentage of paid-in capital	16.48	(0.53)
	Net profit margin	44.18	(2.03)
	Earnings per share (NTD)	1.62	(0.06)

(IV) Research and development

1. R&D expenditure and results in the past two years

Unit: In Thousands of New Taiwan Dollars

Item	Year	2023	2022
	R&D expenses		9,324

2. Future research and development plans:

- (1) Continue to develop basic and applied research on softshell turtles, and plan to apply for patent and health food certification for the research results.
- (2) Develop new production processes for softshell turtle-related materials.
- (3) Develop local ingredients local ingredients in Taiwan to become a new material for innovative healthcare.
- (4) Work with the new e-commerce marketing platform to develop diversified and daily health food.

II. Summary of the 2024 business plan:

(I) Business policy

- Continue to improve the efficiency of internal administration and organization
- Strengthen the brand and professional certification of main products, and expand

- product diversity to enhance competitiveness.
- Improve brand image management and strengthen brand belief
- Concentrate on our own business and improve operational performance

## (II) Important production and sales policies

### 1. Sales strategy

- a. Use multimedia electronic marketing tools to improve the promotion efficiency of organizational marketing.
- b. Introduce new products that meet the actual needs of consumers to attract new consumer groups.
- c. Strengthen marketing, establish product brand image and complete product and business introduction system, and improve marketing efficiency through marketing channels such as promotional materials, videos, multimedia, and social media.
- d. Utilize the multimedia electronic marketing platform to explore new marketing channels.

### 2. Production policy

- a. Continue to optimize the production organization structure, refine the process technology, and upgrade the production technology to reduce the production cost.
- b. Strengthen the communication link between production and sales and regularly review the inventory status to prevent the occurrence of inventory overdue.
- c. Continue to strengthen the capacity of the R&D team, improve R&D capabilities, and introduce products that meet market demand through self-developed R&D, strategic alliances, and technology transfer.

## (III) Expected sales volume and basis

Not applicable as the Company did not announce its financial forecasts for 2023.

## III. Future development strategies of the Company

At Jia Jie Bio-medical Co., Ltd., we will continue to actively invest money and manpower in the R&D of new products. In addition to pioneering multiple applied researches on softshell turtles, we also develop and improve active ingredients of natural ingredients from Taiwan, and strengthens cooperation with academic and medical institutions. After scientific evaluation, the results can be made into excellent health food products to improve the health of the public and reduce the threat of diseases.

The Company also continues to deepen organizational promotion, organizes career seminars and health seminars on a regular basis, and enhances the quality of operators and market competitiveness. Through intensive education and training, the Company aims to create business opportunities in the health industry and quality lifestyles.

In addition, we will invest in advertising and marketing budgets in various media, and actively participate and strive for external awards, to increase the exposure of our brand and products and to build a sustainable health industry. We hope to move towards the goal of integrating health, leisure and sports, with the aim of becoming a comprehensive health business group that helps people be healthy, building a century-old business.

#### IV. Impacts of the external competitive environment, the regulatory environment, and the overall business environment

The International Monetary Fund (IMF) pointed out in the "World Economic Outlook Report" of autumn 2023, that the global real GDP growth in 2023 was expected to remain unchanged at 3.0%, but the growth rate for 2024 was revised down to 2.9%, which is 0.1 percentage point lower than the estimated value in July, due to the impact of the Russia-Ukraine War and interest rate hikes by various countries. Although the global economy is headed for a soft landing, the IMF is still concerned about the risks such as China's real estate crisis, commodity price volatility, geopolitical fragmentation, and soaring inflation. Taiwan is currently experiencing moderate economic growth, but there are still many uncertainties in the global economy and trade, and we still need to cautiously respond to such.

Based on Fair Trade Commission's statistics on multi-level marketing business:

By the end of 2022, a total of 373 businesses had implemented multi-level marketing, an increase of 26 from the end of 2021. In terms of the number of MLM distributors, it was 3.486 million at the end of 2022, a decrease of 162,700 from the end of 2021.

In 2022, the total business scale of multi-level marketing was NT\$105.467 billion, a decrease of NT\$1.377 billion or about 1.29% from NT\$106.844 billion in 2021. However, it was still maintained at a level of more than NT\$100 billion.

As for Taiwan's economic growth and financial situation, most research institutions expect a moderate recovery in 2024. The Company will continue to grow and improve in a serious, professional, and disciplined manner against the backdrop where the economic growth is affected by many uncertainties.

We hereby report

Lastly, I would like to extend my best regards for your continued encouragement and guidance, and wish you good health and success in your business.

Jia Jie Biomedical Co., Ltd.

Chairman: Chen, He-Shun

## Two. Company Profile

(I) Date of incorporation: May 6, 1995

(II) Company history

- May 1995: The Company was approved for the incorporation registration, and obtained the permit from the MOEA, with the paid-in capital of NT\$16,000 thousand.
- August 1996: The Kaohsiung and Tainan Offices were established.
- January 1997: To extend the services to distributors in Taichung and Taipei areas, the Offices were established in Taichung and Taipei respectively at the beginning of the year.
- October 1997: Won the “Taiwan Golden Product Award” from the “Enterprises Association of Economics and Trading, ROC.”
- December 1997: Passed the certification of ISO 9002 International quality management standards.
- March 1998: Won the “Golden Medal Award” in the evaluation organized by the Association of Consumers.
- April 1998: Entered a contract officially with “Koyo Sha Co., Ltd.” famous for its “cold extraction health method,” and introduced the main product of “cold extraction health method” promoted in Japan for many years, Pine Hisens, and the product of softshell turtle egg, Remain Young, which created many health miracles, and sold the products in Taiwan.
- May 1998: The Kaohsiung Factory entered the stage of completion, and committed to producing and packaging the main product, “Softshell Turtle Essence-P.”
- November 1998: Conducted a capital increase in cash and the paid-in capital became NT\$76,000 thousand after the capital increase.
- September 1999: Convened a shareholders’ meeting to resolve the capital decrease for NT\$18,240 thousand to compensate the losses from the previous years, and a capital increase in cash for NT\$72,620 thousand to repay the long-term loans for purchases of offices in Taipei, Taichung, and Tainan, while replenishing the working capital. The paid-in capital was NT\$130,380 thousand.
- January 2000: Retroactive handling of public issuance, and the MOF and the Securities and Futures Management Commission approved the offering of common shares; the paid-in capital was NT\$130,380 thousand.
- May 2000: Approved the capitalization of earnings for NT\$10,539 thousand, and the paid-in capital became NT\$140,919 thousand after the capital increase.

- December 2000: Purchased the lands and buildings for Meinong Factory, as the venue to produce products, and purchase of additional Tainan Office as the venue to sell goods.
- March 2001: To process business faster, it was applied for the establishment of branches, and changed the names of Taipei, Taichung and Tainan Offices to Taipei, Taichung and Tainan Branches.
- May 2001: The regular shareholders' meeting approved the capitalization of undistributed earnings for NT\$7,751 thousand, and the paid-in capital became NT\$148,670 thousand after the capital increase.
- November 2001: The special shareholders' meeting approved a cash capital increase for NT\$43,725 thousand, and amended the Articles of Incorporation. The approved capital was NT\$250,000 thousand, and the paid-in capital was NT\$192,395 thousand.
- January 2002: Approved to apply for listing as an emerging stock, and purchased the Hualien Office to establish the Hualien Branch.
- April 2002: The shares were approved to be listed on Taipei Exchange, and the Hualien Branch was established.
- June 2002: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$18,278 thousand, and the paid-in capital became NT\$211,256 thousand after the capital increase.
- August 2002: The shares were officially listed on Taipei Exchange, under the biochemical and technology sector, the stock code was 4109.
- September 2002: The Board decided to spend NT\$250 million to build the Jia Jie R&D and Training Center.
- May 2003: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$49,050 thousand, and the paid-in capital became NT\$260,305 thousand after the capital increase.
- July 2003: The secured convertible corporate bonds of NT\$200 million were issued, and approved to be listed on Taipei Exchange, code was 41091.
- September 2003: Passed the certification of ISO 9001 International quality management system standards.
- November 2003: The construction of Jia Jie R&D Training Center officially started.
- May 2004: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$64,417 thousand, and the paid-in capital became NT\$359,244 thousand after the capital increase.
- July 2004: Established the Wugu Branch.
- September 2004: The board of directors resolved to repurchase the Company's shares, for a total of 480 thousand shares, and the change registration was completed in March 2005.

- March 2005: The treasury shares of 480 thousand shares were cancelled, and the paid-in capital became NT\$385,146 thousand after the cancellation.
- April 2005: The board of directors resolved to repurchase the Company's shares, for a total of 696 thousand shares, and the change registration was completed in October 2005.
- June 2005: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$19,447 thousand, and distribution of cash dividends for NT\$38,893 thousand; the paid-in capital became NT\$410,673 thousand after the capital increase.
- July 2005: The board of directors resolved to repurchase the Company's shares, for a total of 978 thousand shares, and the change registration was completed in October 2005.
- October 2005: The treasury shares of 1,674 thousand shares were cancelled, and the paid-in capital became NT\$393,933 thousand after the cancellation.
- November 2005: ISO 22000 and HACCP international food safety management system certification were obtained.
- December 2005: Jia Jie R&D Training Center was completed.
- March 2006: The main product, "Softshell Turtle Essence-P" obtained the GMP certification for food.
- June 2006: The shareholders' meeting approved to distribute cash dividends for NT\$39,583 thousand.
- June 2006: The board of directors resolved to repurchase the Company's shares, for a total of 844 thousand shares, and the change registration was completed in October 2006.
- October 2006: The treasury shares of 844 thousand shares were cancelled, and the paid-in capital became NT\$401,962 thousand after the cancellation.
- June 2007: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$52,954 thousand, and capitalization of capital reserve for NT\$15,011 thousand; the paid-in capital became NT\$436,901 thousand after the capital increase, and the change registration was completed in October 2007.
- February 2008: Established the Hsinchu Branch.
- June 2008: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$34,952 thousand, and capitalization of capital reserve for NT\$13,107 thousand; the paid-in capital became NT\$450,008 thousand after the capital increase, and the change registration was completed in September 2008.

- September 2008: The board of directors resolved to repurchase the Company's shares, for a total of 659 thousand shares, and the change registration was completed in February 2009.
- 2008: Won the Golden Award of National Quality Assurance.
- November 2008: The board of directors resolved to repurchase the Company's shares, for a total of 326 thousand shares, and the change registration was completed in April 2009.
- January 2009: The board of directors resolved to repurchase the Company's shares, for a total of 75 thousand shares, and the change registration was completed in April 2009.
- February 2009: The treasury shares of 659 thousand shares were cancelled; the paid-in capital became NT\$443,418 thousand after the cancellation, and the change registration was completed in February 2009.
- April 2009: The treasury shares of 401 thousand shares were cancelled; the paid-in capital became NT\$439,408 thousand after the cancellation, and the change registration was completed in April 2009.
- June 2009: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$21,970 thousand, and capitalization of capital reserve for NT\$8,788 thousand; the paid-in capital became NT\$448,196 thousand after the capital increase, and the change registration was completed in October 2009.
- June 2010: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$22,410 thousand, and capitalization of capital reserve for NT\$13,446 thousand; the paid-in capital became NT\$461,642 thousand after the capital increase, and the change registration was completed in October 2010.
- December 2010: The secured convertible corporate bonds of NT\$210 million were issued, and approved to be listed on Taipei Exchange, code was 41092.
- June 2011: The shareholders' meeting approved the capitalization of capital reserve for NT\$29,652 thousand; the paid-in capital became NT\$532,390 thousand after the capital increase, and the change registration was completed in October 2011.
- November 2011: Won the "Golden Rudder Award" from the "Enterprise Management Association of National Cheng Kung University."
- December 2011: The treasury shares of 2,460 thousand shares were cancelled, and the paid-in capital became NT\$507,790 thousand after the cancellation. The change registration was completed in January

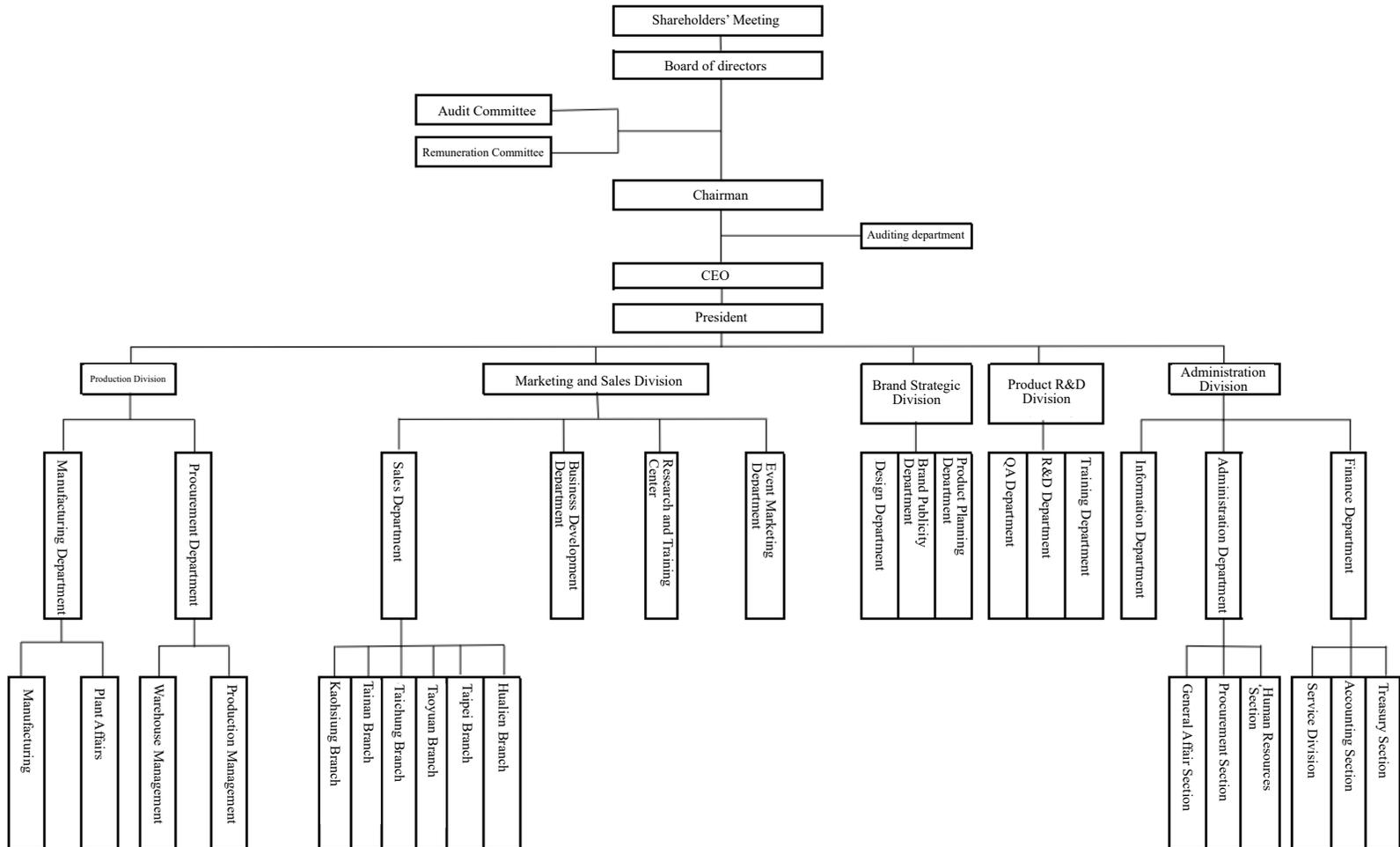
- 2012.
- June 2012: The shareholders' meeting approved the capitalization of capital reserve for NT\$40,623 thousand; the paid-in capital became NT\$548,413 thousand after the capital increase, and the change registration was completed in October 2012.
- May 2013: Established the Zhonghe Branch.
- June 2013: The shareholders' meeting approved the capitalization of capital reserve for NT\$21,937 thousand; the paid-in capital became NT\$573,715 thousand after the capital increase, and the change registration was completed in October 2013.
- October 2013: A private placement was conducted to issue new shares for NT\$50,000 thousand; the paid-in capital became NT\$623,715 thousand after the capital increase, and the change registration was completed in October 2013.
- November 2013: The special shareholders' meeting approved to rename the Company as "Murad Jia Jie Biotechnology Co., Ltd. The rename registration was completed at the end of the same month. In February 2014, the renamed shares were officially listed on Taipei Exchange; the shares' shortened name is Murad, and the stock code 4109 is maintained.
- March 2014: The abolishment registration of the Wugu Branch was completed in April 2014.
- April 2014: A private placement was conducted to issue new shares for NT\$18,000 thousand; the paid-in capital became NT\$679,980 thousand after the capital increase, and the change registration was completed in May 2014.
- June 2014: The shareholders' meeting approved the capitalization of capital reserve for NT\$26,479 thousand; the paid-in capital became NT\$706,459 thousand after the capital increase, and the change registration was completed in October 2014.
- August 2014: Won the "Quality Sustainability Award" from SGS.
- February 2015: The secured convertible corporate bonds of NT\$250 million were issued, and approved to be listed on Taipei Exchange, code was 41093.
- June 2015: The shareholders' meeting approved the capitalization of capital reserve for NT\$28,663 thousand; the paid-in capital became NT\$745,235 thousand after the capital increase, and the change registration was completed in October 2015.
- April 2016: The Taoyuan Branch, Hsinchu Mingzu Road Branch, Kaohsiung Jiuru Road Branch were established.

- May 2016: The Neihu Branch was established.
- June 2016: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$22,313 thousand, and capitalization of capital reserve for NT\$14,875 thousand; the paid-in capital became NT\$787,535 thousand after the capital increase, and the change registration was completed in October 2016.
- April 2017: The Kaohsiung Jiuru Road Branch was renamed as Kaohsiung Branch.
- May 2017: The 5,671,910 common shares of the first private placement in 2013 were officially offered in Taipei Exchange on May 3, 2017.
- June 2017: The shareholders' meeting approved the capitalization of capital reserve for NT\$31,238 thousand; the paid-in capital became NT\$818,773 thousand after the capital increase, and the change registration was completed in September 2017.
- June 2018: The control of management was changed.
- July 2018: The treasury shares of 500 thousand shares were cancelled, and the paid-in capital became NT\$813,773 thousand after the cancellation. The change registration was completed in August 2018.
- October 2018: The abolishment registrations of Zhonghe Branch, Neihu Branch, and Hsinchu Mingzu Road Branch were completed in October 2018
- November 2018: The treasury shares of 159 thousand shares were cancelled, and the paid-in capital became NT\$812,183 thousand after the cancellation. The change registration was completed in November 2018.
- January 2019: The abolishment registration of the Hsinchu Branch was completed in January 2019.
- February 2019: The capital decrease was conducted to compensate loss for 12,282 thousand shares, and the paid-in capital became NT\$689,367 thousand after the cancellation. The change registration was completed in February 2019.
- June 2019: The shareholders' meeting approved to rename the Company as Jia Jie Biomedical Co., Ltd. The rename registration was completed in July 2019. In October 2019, the renamed shares were officially listed on Taipei Exchange; the shares' shortened name is Jia Jie Biotech, and the stock code 4109 is maintained.
- May 2020: won two major awards, namely "Excellent Leaders of Industry Award," and "Excellent Biotech Brand" from the Asia Pacific Health and Biotechnology Award.

- December 2018: A private placement was conducted to issue new shares for NT\$200,000 thousand; the paid-in capital became NT\$889,367 thousand after the capital increase, and the change registration was completed in January 2021.
- April 2022: Five products, including Softshell Turtle Essence-P, Jia Yong Yong Caplets, Traditional Essence of Chinese Softshell Turtle, and Essence of Antrodia Cinnamomea, won the Silver Award of Monde Selection.
- August 2022: Two products, namely Slim Stable Bitter Melon Peptide Compound Tablets and Essence of Antrodia Cinnamomea, won the national quality label, SNQ.
- December 2022: Striving in the health industry for 27 years, Jia Jie Bio-medical was awarded with the Appraising Certificate of Long-Term Cultivation of Multilevel Marketing Industry
- March 2023: Softshell Turtle Chuan Pei Series won the silver award of the Taiwan Health Food Association's Nutrition and Health Food Innovation Award.
- April 2023: Softshell Turtle Chuan Pei Series won the bronze award of the 2023 World Quality Awards.
- June 2023: Softshell Turtle Chuan Pei Series won the 20th National Brand Yushan Award.
- September 2023: Softshell Turtle Koo Elite Bright Capsule was awarded the national quality label, SNQ.
- September 2023: Softshell Turtle Chuan Pei Series won the gold medal of the 2023 International Salon of Inventions and New Technologies.
- October 2023: Softshell Turtle Chuan Pei Series won the first prize in the best product category of the 20th National Brand Yushan Award.
- November 2023: Softshell Turtle Chuan Pei Series won the gold medal of the 2023 14th International Inventor Prize & IIIC Award.
- December 2023: Softshell Turtle Chuan Pei Series won the gold medal in the 2023 Hong Kong International Invention and Design Competition.
- December 2023: Softshell Turtle Chuan Pei Series was awarded the national quality label, SNQ.
- December 2023: Softshell Turtle Chuan Pei Series won the gold medal at the 2023 International Invention and Innovation Show.
- December 2023: Always Healthy Probiotics won the Innovative Product Excellence Award from the Taiwan Association for Lactic Acid Bacteria.
- December 2023: Softshell Turtle Essence-P passed Double Clean Label Certification.

Three. Corporate Governance Report  
 I. Organization  
 1. Organizational structure

Organizational Chart of Jia Jie Biomedical Co., Ltd.



## 2. Scope of business of the major department

Department	Scope of business
Chairman's Office	Execution and management of projects
CEO	<p>(1) The planning of the Company's organizational operation strategies, as well as the overall guidance and coordination.</p> <p>(2) Analyze the latest information in the industry and monitor the future changes in the industry market.</p> <p>(3) Analysis and management of statements of income, planning and stimulating financial growth through operating strategies.</p> <p>(4) Shaping the Company's organization and corporate culture, to meet the needs of development, and guide the operational direction of each department to align with the Company's operational direction.</p> <p>(5) Adjusting marketing strategies and approaches according to the current market conditions and motivating all personnel to achieve their goals.</p> <p>(6) Planning and reviewing various management systems to meet of the Company to meet the needs of business management</p> <p>(7) Assisting the Company in promoting strategies for reform and innovation and business objectives to all departments.</p> <p>(8) Regularly holding operating meetings and implement, urge and coordinate the work progress of various departments.</p>
President	<p>(1) The establishment of the Company's business philosophy, business strategies, and business objectives.</p> <p>(2) Approval and supervision of reinvested enterprises.</p> <p>(3) Maintenance of public relations and corporate image.</p> <p>(4) Implementation of business objectives.</p> <p>(5) Evaluation and implementation of reinvested business.</p> <p>(6) Evaluation, analysis and improvement of the Company's operating performance.</p> <p>(7) Implementation of objective management and hierarchical responsibility, as well as rewards and punishments.</p>
Marketing and Sales Division	<p>(1) Formulating business strategies, directions, and goals.</p> <p>(2) Branch business operation and management.</p> <p>(3) Branches –</p> <ul style="list-style-type: none"> <li>* Counter operations of product sales and after-sales service.</li> <li>* Administrative management of branches.</li> <li>* Contacting, counseling and following up with the distributors.</li> </ul> <p>(4) Setting distributors' performance goals and their achievement</p> <p>(5) Achieving performance goals.</p> <p>(6) Education and training lecturers and support.</p> <p>(7) Education and training: primary, intermediate and advanced training.</p> <p>(8) Shaping the organizational culture and the establishment of mentality.</p>
Brand Strategic Division	<p>Product Planning Department</p> <p>(1) Market trend research, competitive product analysis, product information collection and analysis.</p> <p>(2) New product planning: including product positioning, sales targets, pricing, naming, among other things.</p> <p>(3) Setting the tone of new product advertisements and communication materials.</p> <p>(4) Communicating the product feasibility with product R&amp;D personnel, including raw material suggestions, formula design, among other things.</p>

Department	Scope of business
	<p>(5) Discussing the new product manufacturing schedule with the Factory, including arranging proofing, trial production and mass production scheduling, among other things.</p> <p>(6) Products' property insurance, certification label application and execution of application process.</p> <p>(7) Participation in product-related seminars, societies and other activities.</p> <p>Brand Publicity Department</p> <p>(1) Writing of Company news writing and media exposure scheduling, writing and providing materials for the Group's monthly and quarterly magazines.</p> <p>(2) Visual suggestions and copywriting for brand advertisers, as well as suggestions on suitable media for exposure.</p> <p>(3) Planning and participating in suitable group and sponsorship activities, including TSG HAWKS baseball team, basketball team and soccer team.</p> <p>(4) Negotiation of the Company's cooperation with other industries, sponsorship activities and brand exposure activities.</p> <p>(5) Assisting in planning the Company's brand CI/VI planning and introduction of Company advertisements, packaging, catalogs and other marketing-related materials.</p> <p>(6) Applications for external awards of the Company and implementation of related procedures.</p> <p>(7) Assisting in collecting market information, product information and setting the tone of product advertisements, etc.</p> <p>(8) The planning and preparation for the Company's exhibitions.</p> <p>Design Department</p> <p>(1) Participating in the creation and typesetting of the Company's CI&amp;VI planning and design elements.</p> <p>(2) Brand storming, design, and finalization of external communication materials for the Group and the Company, including print advertisements, Company profiles, product packaging design, and presentation production.</p> <p>(3) Management and updating the content of the Jia Jie official website.</p> <p>(4) Assisting the Company in exhibition design and preparation.</p> <p>(5) LINE account access management and reimbursement.</p> <p>(6) Planning and shooting of the Company's health education videos.</p> <p>(7) Requirements for filming and editing of online event videos for multiple level marketing and e-commerce.</p>
Finance Department	<p>(1) Accounting Section – responsible for general accounting affairs, cost carry-forward, report preparation and other matters.</p> <p>(2) Treasury Section – fund scheduling, bank transactions, cash, checks and various payment services and other treasury matters.</p> <p>(3) Shareholder Service Section – responsible for the Company's shareholder service operations, and shareholders' meetings and other related matters.</p>
Administration Department	<p>(1) Procurement Section – procurement of raw materials, supplies of general affairs and fixed assets.</p> <p>(2) Human Resources Section – labor and national health insurance, salary disbursement, leaves, sick leaves, unpaid leaves and other management, education and training, appraisal, promotion, rewards</p>

Department	Scope of business
	<p>and punishments and other matters. And taking charge of the management of the Company's daily affairs and the maintenance of assets.</p> <p>(3) General Affairs Section – taking charge of the management of the Company's daily affairs and the maintenance of assets.</p>
Information Department	<p>Responsible for the Company's computer digitization processing and planning, maintenance of software and hardware for various departments, standard document issuance management, and data-related project processing. Software and hardware planning and maintenance of electronic medical equipment. Comprehensive management of the Company information system maintenance and development.</p>
Production Division	<p>(1) Quality control – coping with the Company's TQF operation, to adopt an independent operation of comprehensive quality management on the quality of the products produced and distributed by the Company, to ensure that customers have the highest quality products.</p> <p>(2) Production management – responsible for the coordination of production and sales; planning production schedules, and evaluating the demand for manpower, machinery equipment, and parts and raw materials; drafting production schedule plans.</p> <p>(3) Factory affairs – maintenance and management of water and power, mechanical and electrical equipment (generator/boiler/laundry equipment/air conditioning units).</p> <p>(4) Manufacturing – manufacturing and packaging of the Company's products</p>
Product R&D Division	<p>(1) Formulating product development plans and R&amp;D projects</p> <p>(2) Organizing new product development projects</p> <p>(3) Formulating education and training plans of products</p> <p>(4) Factory quality assurance (concurrent)</p> <p>(5) Sample development and preparation, SOP writing, quality improvement and stability design for mass production.</p> <p>(6) Experimental cooperation by linking research institutes</p> <p>(7) Collaborating SNQ and health food application matters, and the window for application of national quality label, SNQ</p> <p>(8) Research on food processing, conditioning or preparation, collection and analysis of raw materials of food, and build a database.</p> <p>(9) Learning and researching new technologies, practical adjustment and component analysis to make products</p> <p>(10) Production of teaching plans and material of products, copywriting of promotional materials and review</p> <p>(11) Public product education and training (OPP, HP, community lectures, vice manager training, product training, lecturer training) and product education and training for employees</p> <p>(12) Product consulting, collaborating with product launching activity planning</p>
Auditing department	<p>Investigation, evaluation, abnormality analysis and improvement suggestions of internal control operations, assessment and tracking of performance of each unit.</p>

II. Information on Directors, President, Vice Presidents, Assistant Vice Presidents, and directors of departments and branches

(I) Directors

(1) Directors

April 21, 2024 Unit: share; %

Title	Nationality or place of registration	Name	Gender and age	Date elected	Term	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Major experience and education	Concurrent duties in the Company and other companies	Spouse or relatives of the second degree or closer acting as manager, director, or supervisor			Remarks
							Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship	
Chairman	The Republic of China	Jin-Zhi-Hong Investment Co., Ltd. (Note 1)	-	2020.05.11	3	2020.05.11	800,000	1.16	800,000	0.90	-	-	-	-	None	None	None	None	None	
		Taiwan Health and Fitness Investment	-	June 13, 2023		June 13, 2023	5,000	0.01	5,000	0.01	-	-	-	-	None	None	None	None	None	
		Representative: Chen, He-Shun	Male 71~80	June 13, 2023	3	June 13, 2023	-	-	-	-	-	-	-	-	Department of Chemical Engineering, Yung-Ta Institute of Technology	Corporate Representative as Chairman of the Company Chairman, Xin-A-Po-Luo Energy Co., Ltd. Chairman, Jia Jie Biotechnology Co., Ltd. Chairman, Daily Cosmetics Co., Ltd. Representative Chairman, Jia Jie Investment Co., Ltd. Representative Director, Tai-Ding Insurance Brokerage Co., Ltd. Director, Star Travel Corp. Director, TSG Hawks Baseball Co., Ltd. Representative Corporate Chairman, NewSoft Technology Corporation Representative Corporate Chairman, ENSURE GLOBAL CORP., LTD.	None	None	None	
Director	The Republic of China	Tai-Ben Investment Co., Ltd. (Note 1)	-	2020.05.11	3	2020.05.11	200,000	0.29	4,899,000	5.51	-	-	-	-	None	None	無	無	無	
		Taiwan Health and Fitness Investment	-	June 13, 2023		June 13, 2023	5,000	0.01	5,000	0.01	-	-	-	-	None	None	None	None	None	
		Representative: Hsieh, Wen-Fang	Female 31~40	June 13, 2023	3	June 13, 2023	-	-	-	-	-	-	-	-		CEO of the Company Representative Director, Jia Jie Biotechnology Co., Ltd. Representative Director, Tai-Ding Insurance Brokerage Co., Ltd. Representative Corporate Director, TSG Hawks Baseball Co., Ltd. Representative Corporate Director, TSG Sports	Director	Hsieh, I-Ching	Sisterhood	

																	Marketing Co., Ltd. Director, Star Travel Corp. Representative Corporate Director, UFC Gym Taiwan Ltd. Representative Corporate Director, KUEI TIEN CULTURAL & CREATIVE ENTERTAINMENT CO., LTD. Representative Corporate Director, Argo Yachts Development Co., Ltd					
Director	The Republic of China	Taiwan Health and Fitness Investment Representative: Chang, Po-Sheng	Male 41~50	June 13, 2023 June 13, 2023	3	June 13, 2023 June 13, 2023	-	-	-	-	-	-	-	-	-	-	Department of Public Administration and Policy, National Chi Nan University	Director, TSG Sports Marketing Co., Ltd. President, You Dong Construction Co., Ltd. Responsible Person, Chun Lin Construction Co., Ltd. Responsible Person, Dong Yuan Construction Co., Ltd.	None	None	None	
Director	The Republic of China	Hsieh, Chin-Kun	Male 71~80	June 13, 2023	3	June 13, 2023	1,437,000	1.46	1,437,000	1.46	206,000	0.21	-	-	Department of Agricultural Machinery, National Pingtung University of Science and Technology	Modern Plaza Hotel Chairman	None	None	None			
Director	The Republic of China	Green Summit Co., Ltd. Lin, Ching-Hung (Note 1) Huang, Chun-I	- Male 41~50 Male 51~60	June 13, 2023 2020.05.11 June 13, 2023	3	June 13, 2023 2018.6.19 June 13, 2023	52,000 - -	0.05 - -	52,000 - -	0.05 - -	- - -	- - -	- - -	- Department of Accounting, National Chung Hsing University Department of Financial Management, National Kaohsiung First University of Science and Technology	None Vice President of the Company Supervisor, Dongguan Jia Jie Biotechnology Co., Ltd. Corporate Representative Supervisor, Jia Jie Biotechnology Co., Ltd. President, Jinzhifu Asset Management Co., Ltd. Chairman, Yi Tong Yuan Investment Co., Ltd. Chairman, Formosa Green Power Corporation Supervisor, Taiwan Steel Group United Co., Ltd. Supervisor, TAIWAN STEEL GROUP AEROSPACE TECHNOLOGY CORPORATION Supervisor, Youshun Investment Co., Ltd. Supervisor, Tian-Quan Investment Co., Ltd. Chairman, Taiwan Health and Fitness Investment Director, UFC Gym Taiwan Ltd. Director, NewSoft Technology Corporation	None 無 無	None 無 無	None 無 無				

																Director, Argo Yachts Development Co., Ltd. Director, YUNG FU CO., LTD Director, UNITED FIBER OPTIC COMMUNICATION INC. Supervisor, TSG Constructions Co., Ltd. Supervisor, Taiwan Netcom Investment Holding Co., Ltd.				
Director	The Republic of China	Bei Jia Yuan Investment Co., Ltd.	-	June 13, 2023	3	June 13, 2023	20,000,000	22.49	21,819,000	22.10	-	-	-	-	None	None	None	None	None	
		Hsieh, I-Ching	Female 31~40	June 13, 2023		June 13, 2023	-	-	-	-	-	-	-	-	-	Master of Network Engineering, National Chiao Tung University	Technical Assistant Manager, MediaTek Inc. Director, Star Travel Corp. Representative Corporate Director, UFC Gym Taiwan Ltd. Representative Corporate Director, KUEI TIEN CULTURAL & CREATIVE ENTERTAINMENT CO., LTD.	Director, CEO	Hsieh, Wen-Fang	Sisterhood
Independent Director	The Republic of China	Hsu, Yin-Chu	Female 31~40	June 13, 2023	3	June 13, 2023	-	-	-	-	-	-	-	-	Department of Business Administration, Cheng Shiu University	Director, PONTEX POLYBLEND CO., LTD	None	None	None	
		Tsai Hui-Ming	Male 41~50	June 13, 2023	3	June 13, 2023	-	-	-	-	-	-	-	-	Department of Accounting, National Cheng Kung University	Finance Manager, Raw Breathe biotech co., Ltd.	None	None	None	
		Kao Chia-Liang	Male 61~70	June 13, 2023	3	Nov 29, 2023	-	-	-	-	-	-	-	-	School of Dentistry, Taipei Medical University	Dentist in charge, Shan Jian Qing Dental Clinic	None	None	None	
		Hung Jen-Chieh (Note 2)	Male 51~6	June 13, 2023	3	June 13, 2023	-	-	-	-	-	-	-	-	Department of Law, National Chung Hsing University	Hun-Jen-Chieh Law Firm				
	The Republic of China	Lin, Yu-Chang (Note 1)	Male 61~70	2020.05.11	3	2020.05.11	-	-	-	-	-	-	-	-	National Yilan Senior Vocational School of Business	Independent Director, Cameo Communications Inc. Independent Director, Taiwan Styrene Monomer Corporation Chairman, UFOC Investment Co., Ltd. Chairman, Ottimo Connectech Inc. Chairman, Advanced Communication Technology & Solutions Corporation Independent Director, KAIMEI ELECTRONIC CORP. Chairman, United Fiber Optic Communication Inc.	無	無	無	
		Chen,	Male	2020.05.11	3	2020.05.11	-	-	-	-	-	-	-	-	Master of Financial	Chairman and President of	無	無	無	

		Lien-Hsing (Note 1)	51~60												Management, National Kaohsiung First University of Science and Technology	Wau Yuan Property Appraisal Co., Ltd.				
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Note 1: All directors and independent directors were discharged and re-elected at the general shareholders' meeting on June 13, 2023.

Note 2: Resigned on August 30, 2023.

(2) The Company's directors or supervisors who are corporate entities

April 21, 2024

Corporate shareholder	Major shareholders of corporate shareholders
Taiwan Health and Fitness Investment	Jinzhifu Asset Management Co., Ltd. (100%)
Bai-Jia-Yuan Investment Co., Ltd.:	PROMINENT SINO HOLDINGS LIMITED (100%)
Green Summit Co., Ltd.	Hung, Yu-Sheng (17.86%); Hung, Hsiu-Huei (82.14%)

Major shareholders of major corporate shareholders:

Corporation	Major shareholders of corporate shareholders:
Jinzhifu Asset Management Co., Ltd.	Huang, Chun-I (45%) Wang, Chiung-Fen (36%) E-Top Metal Co., Ltd. (19%)
PROMINENT SINO HOLDINGS LIMITED	INNOVATIVE ADVISORS LTD. (100%)

(3) Disclosure of professional qualification of Directors and independence of supervisors:

Criteria Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of concurrent duties as an independent director at a public company
Chen, He-Shun	<p>Possessing work experience in commerce, law, finance, management administration, or corporate operations.</p> <p>Corporate Representative as Chairman of the Company</p> <p>Chairman, Xin-A-Bo-Luo Energy Co., Ltd.</p> <p>Chairman, Jia Jie Biotechnology Co., Ltd.</p> <p>Chairman, Daily Cosmetics Co., Ltd.</p> <p>Representative Chairman, Jia Jie Investment Co., Ltd.</p> <p>Representative Director, Tai-Ding Insurance Brokerage Co., Ltd.</p> <p>Director, Star Travel Corp.</p> <p>Director, TSG Hawks Baseball Co., Ltd.</p> <p>Representative Corporate Chairman, NewSoft Technology Corporation</p> <p>Representative Corporate Chairman, ENSURE GLOBAL CORP., LTD.</p> <p>None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.</p>	Not an independent director and thus not applicable.	None
Hsieh, Wen-Fang	<p>Possessing work experience in commerce, law, finance, management administration, or corporate operations.</p> <p>CEO of the Company.</p> <p>Representative Director, Jia Jie Biotechnology Co., Ltd.</p> <p>Representative Director, Tai-Ding Insurance Brokerage Co., Ltd.</p> <p>Representative Corporate Director, TSG Hawks Baseball Co., Ltd.</p> <p>Representative Corporate Director, TSG Sports Marketing Co., Ltd.</p> <p>Director, Star Travel Corp.</p> <p>Representative Corporate Director, UFC Gym Taiwan Ltd.</p> <p>Representative Corporate Director, KUEI TIEN CULTURAL &amp; CREATIVE ENTERTAINMENT CO., LTD.</p> <p>Representative Corporate Director, Argo Yachts Development Co., Ltd</p> <p>None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.</p>	Not an independent director and thus not applicable.	None
Chang, Po-Sheng	<p>Possessing work experience in commerce, law, finance, management administration, or corporate operations.</p> <p>Director, TSG Sports Marketing Co., Ltd.</p> <p>President, You Dong Construction Co., Ltd.</p> <p>Responsible Person, Chun Lin Construction Co., Ltd.</p> <p>Responsible Person, Dong Yuan Construction Co., Ltd.</p> <p>None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.</p>	Not an independent director and thus not applicable.	None
Hsieh, Chin-Kun	<p>Possessing work experience in commerce, law, finance, management administration, or</p>	Not an independent director and thus not	None

Criteria Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of concurrent duties as an independent director at a public company
	<p>corporate operations. Chairman, Modern Plaza Hotel. None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.</p>	applicable.	
Huang, Chun-I	<p>Possessing work experience in commerce, law, finance, management administration, or corporate operations. President, Jinzhifu Asset Management Co., Ltd. Chairman, Yi Tong Yuan Investment Co., Ltd. Chairman, Formosa Green Power Corporation Supervisor, Taiwan Steel Group United Co., Ltd. Supervisor, TAIWAN STEEL GROUP AEROSPACE TECHNOLOGY CORPORATION Supervisor, Youshun Investment Co., Ltd. Supervisor, Tian-Quan Investment Co., Ltd. Chairman, Taiwan Health and Fitness Investment Director, UFC Gym Taiwan Ltd. Director, NewSoft Technology Corporation Director, Argo Yachts Development Co., Ltd. Director, YUNG FU CO., LTD Director, UNITED FIBER OPTIC COMMUNICATION INC. Supervisor, TSG Constructions Co., Ltd. Supervisor, Taiwan Netcom Investment Holding Co., Ltd. None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.</p>	Not an independent director and thus not applicable.	None
Hsieh, I-Ching	<p>Possessing work experience in commerce, law, finance, management administration, or corporate operations. Technical Assistant Manager, MediaTek Inc. Director, Star Travel Corp. Representative Corporate Director, UFC Gym Taiwan Ltd. Representative Corporate Director, KUEI TIEN CULTURAL &amp; CREATIVE ENTERTAINMENT CO., LTD. None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.</p>	Not an independent director and thus not applicable.	None
Hsu, Yin-Chu	<p>Possessing work experience in commerce, law, finance, management administration, or corporate operations. Director, PONTEX POLYBLEND CO., LTD None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.</p>	including but not limited to the following: They or their spouse or any relative within the second degree not serving as a director, supervisor, or employee of the Company or any of its affiliates; not holding shares of the Company; not serving as a director, supervisor, or employee of	None

Criteria Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of concurrent duties as an independent director at a public company
		any company having a specified relationship with the Company; not receiving any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate	
Tsai Hui-Ming	Possessing work experience in commerce, law, finance, management administration, or corporate operations. Finance Manager, Raw Breathe biotech co., ltd. None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.	including but not limited to the following: They or their spouse or any relative within the second degree not serving as a director, supervisor, or employee of the Company or any of its affiliates; not holding shares of the Company; not serving as a director, supervisor, or employee of any company having a specified relationship with the Company; not receiving any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate	None
Kao Chia-Liang	Possessing work experience in commerce, law, finance, management administration, or corporate operations. Dentist in charge, Shan Jian Qing Dental Clinic None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.	including but not limited to the following: They or their spouse or any relative within the second degree not serving as a director, supervisor, or employee of the Company or any of its affiliates; not holding shares of the Company; not serving as a director, supervisor, or employee of any company having a specified relationship with the Company; not receiving any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate	None

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of

each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

#### (4) Diversity and independence of the Board

1. According to Article 20 of the “Corporate Governance Best-Practice Principles” of the Company, the composition of the Board shall be determined by taking diversity into consideration. An appropriate policy on diversity based on the Company’s business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:
  - (1) Basic requirements and values: Gender, age, nationality, and culture; it is advisable that the number of female directors account for at least one-third of all the directors.
  - (2) Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
2. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:
  - (1) Ability to make operational judgments.
  - (2) Ability to perform accounting and financial analysis.
  - (3) Ability to conduct management administration.
  - (4) Ability to conduct crisis management.
  - (5) Knowledge of the industry.
  - (6) An international market perspective.
  - (7) Ability to lead.
  - (8) Ability to make policy decisions.
3. Independence of the Board:

Name of director	Nationality	Gender	Serving as an employee	Basic composition						Core items of diversity								
				Age				Term of office and seniority of Independent Director		Operational judgments	Accounting and financial analysis	Management administration	Crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions	
				31-40 years old	41-50 years old	51-60 years old	61-70 years old	Under three years	More than 3 years but less									More than 6 years but less
Chen, He-Shun	The Republic of China	Male	-	-	-	-	V	-	-	-	V	-	V	V	V	V	V	V
Hsieh, Wen-Fang	The Republic of China	Female	V	V	-	-	-	-	-	-	V	-	V	V	V	V	V	V
Chang, Po-Sheng	The Republic of China	Male	-	-	V	-	-	-	-	-	V	-	V	V	V	V	V	V
Hsieh, Chin-Kun	The Republic of China	Male	-	-	-	-	V	-	-	-	V	-	V	V	V	V	V	V
Huang, Chun-I	The Republic of China	Male	-	-	-	V	-	-	-	-	V	-	V	V	V	V	V	V
Hsieh, I-Ching	The Republic of China	Female	-	V	-	-	-	-	-	-	V	-	V	V	V	V	V	V
Hsu, Yin-Chu	The Republic of China	Female	-	V	-	-	-	-	V	-	V	-	V	V	V	V	V	V
Tsai Hui-Ming	The Republic of China	Male	-	-	V	-	-	V	-	-	V	V	V	V	V	V	V	V
Kao Chia-Liang	The Republic of China	Male	-	-	-	V	V	V	-	-	V	-	V	V	V	V	V	V

## (III) President, Vice Presidents, Assistant Vice Presidents, and directors of departments and branches

April 21, 2024 Unit: shares; %

Title	Nationality	Name	Gender	Election (inauguration) Date	Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) experience	Concurrent positions in other companies	Spouse or relatives of the second degree or closer acting as managers			Remarks
					Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship	
CEO	The Republic of China	Hsieh, Wen-Fang	Female	2021/08/12	-	-	-	-	-	-	Institute of Information Management, National Sun Yat-Sen University	CEO of the Company Representative Director, Jia Jie Biotechnology Co., Ltd. Representative Director, Tai-Ding Insurance Brokerage Co., Ltd. Representative Corporate Director, TSG Hawks Baseball Co., Ltd. Representative Corporate Director, TSG Sports Marketing Co., Ltd. Director, Star Travel Corp. Representative Corporate Director, UFC Gym Taiwan Ltd. Representative Corporate Director, KUEI TIEN CULTURAL & CREATIVE ENTERTAINMENT CO., LTD. Representative Corporate Director, Argo Yachts Development Co., Ltd	None	None	None	
President	The Republic of China	Tseng, Ming-Chuan	Female	2021/08/12	16,000	0.02	-	-	-	-	Institute of Business Administration, National Cheng Kung University	Representative Director, Jia Jie Biotechnology Co., Ltd.; President Representative Corporate Chairman, Mi Hsiang Food Co., Ltd. Representative Corporate Chairman, Bai Chien Hui Food Co., Ltd.	None	None	None	
Deputy General Manager	The Republic of China	Chiang, Chen-I (Note 1)	Male	2003/03/27	147,957	0.15	-	-	-	-	Department of Electric Engineering, Lunghwa Junior College of Engineering	None	None	None	None	

Title	Nationality	Name	Gender	Election (inauguration) Date	Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) experience	Concurrent positions in other companies	Spouse or relatives of the second degree or closer acting as managers			Remarks
					Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship	
Deputy General Manager	The Republic of China	Chung, I-Chien	Female	2016/03/27	-	-	-	-	-	-	Department of Industrial Economics, Kun Shan University	None	None	None	None	
Deputy General Manager	The Republic of China	Lin, Ching-Hung	Male	2013/07/14	-	-	-	-	-	-	Department of Accounting, National Chung Hsing University	Supervisor, Dongguan Jia Jie Biotechnology Co., Ltd. Representative Supervisor, Jia Jie Biotechnology Co., Ltd.	None	None	None	
Deputy General Manager	The Republic of China	Hsieh, Hsiu-Ping	Female	2003/03/27	2,586	0.00	-	-	-	-	Department of Biotechnology, Chung Hua College of Medical Technology	None	None	None	None	
Associate Vice President	The Republic of China	Wu, Bao-Tai	Male	2003/03/27	9,710	0.01	-	-	-	-	Department of Electronics, Asia Eastern Junior College of Engineering	None	None	None	None	
Associate Vice President	The Republic of China	Fang Ya-Chi	Female	2023/06/27	10,000	0.01	-	-	-	-	Department of Food and Nutrition, Fu Jen Catholic University	None	None	None	None	
Associate Vice President	The Republic of China	Li, Yuan-Hui (Note 2)	Female	2023/01/07	-	-	-	-	-	-	Department of Information Education, The University of Manchester, UK	None	None	None	None	
Associate Vice President	The Republic of China	Wu, Ming-Chieh (Note 3)	Male	2023/02/01	-	-	-	-	-	-	Department of Oriental Languages and Literature, Chinese Culture University	None	None	None	None	
Associate Vice President	The Republic of China	Chang Min-Wen (Note 4)	Female	2023/11/07	1,187	-	-	-	-	-	Department of International Trade, China University of Technology	None	None	None	None	

Note 1: Resigned on December 31, 2023.

Note 2: Took office on January 7, 2023

Note 3: Took office on February 1, 2023; resigned on April 30, 2023.

Note 4: Took office on November 7, 2023.

## (III) Remunerations of Directors (Independent Directors Included), supervisors, President, and Vice Presidents

## 1. Remuneration to Ordinary Directors and Independent Directors

Unit: Thousand NTD; Thousand Shares; %

Job Title	Name	Directors' remuneration								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee (Note 2)								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Compensation (A)		Retirement pay and pensions (B)		Remuneration of Directors (C)		Expenses for business execution (D)				Salary, bonus, and special allowance (E)		Retirement pay and pensions (F)		Remuneration of employees (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
																Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Chairman	Chen, He-Shun	2446	2446	-	-	-	-	90	170	1.76	1.78	-	-	-	-	-	-	-	-	1.76	1.78	-
Director	Taiwan Health Fitness Investment Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bei Jia Yuan Investment Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Green Summit Ltd. The Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Jin-Zhi-Hong Investment Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tai-Ben Investment Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Hsieh, Chin-Kun	-	-	-	-	-	-	80	80	0.06	0.05	-	-	-	-	-	-	-	-	0.06	0.05	-
	Hsieh, Wen-Fang	-	-	-	-	-	-	80	160	0.06	0.11	1544	1799	-	-	-	-	-	-	1.13	1.33	-
	Chang, Po-Sheng	-	-	-	-	-	-	50	50	0.03	0.03	-	-	-	-	-	-	-	-	0.03	0.03	-
	Hsieh, I-Ching	-	-	-	-	-	-	50	50	0.03	0.03	-	-	-	-	-	-	-	-	0.03	0.03	-
	Huang, Chun-I	-	-	-	-	-	-	50	50	0.03	0.03	-	-	-	-	-	-	-	-	0.03	0.03	-
Lin, Ching-Hung	-	-	-	-	-	-	40	40	0.03	0.03	491	570	-	-	-	-	-	-	0.37	0.41	-	
Independent Director	Hsu, Yin-Chu	360	360	-	-	-	-	170	170	0.37	0.36	-	-	-	-	-	-	-	-	0.37	0.36	-
	Tsai Hui-Ming	198	198	-	-	-	-	110	110	0.21	0.21	-	-	-	-	-	-	-	-	0.21	0.21	-
	Kao Chia-Liang	32	32	-	-	-	-	20	20	0.04	0.04	-	-	-	-	-	-	-	-	0.04	0.04	-
	Hung Jen-Chieh	78	78	-	-	-	-	30	30	0.07	0.07	-	-	-	-	-	-	-	-	0.07	0.07	-
	Lin, Yu-Chang	162	162	-	-	-	-	60	60	0.15	0.15	-	-	-	-	-	-	-	-	0.15	0.15	-
	Chen, Lien-Hsing	162	162	-	-	-	-	60	60	0.15	0.17	-	-	-	-	-	-	-	-	0.15	0.17	-

\*Note 1. This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

2. The remuneration received by directors for concurrent service as an employee refers to the remuneration received during the directorship, not the remuneration for the whole year.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Name of director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Below NT\$1,000,000	Taiwan Health and Fitness Investment; Bei Jia Yuan Investment Co., Ltd.; Green Summit Co., Ltd.; Jin-Zhi-Hong Investment Co., Ltd.; Tai-Ben Investment Co., Ltd.; Chang, Po-Sheng; Hsieh, I-Ching; Huang, Chun-I; Hsieh, Chin-Kun; Lin, Ching-Hung; Hsu, Yin-Chu; Tsai, Hui-Ming; Kao, Chia-Liang; Hung Jen-Chieh; Chen, Lien-Hsing; Lin, Yu-Chang	Taiwan Health and Fitness Investment; Bei Jia Yuan Investment Co., Ltd.; Green Summit Co., Ltd.; Jin-Zhi-Hong Investment Co., Ltd.; Tai-Ben Investment Co., Ltd.; Chang, Po-Sheng; Hsieh, I-Ching; Huang, Chun-I; Hsieh, Chin-Kun; Lin, Ching-Hung; Hsu, Yin-Chu; Tsai, Hui-Ming; Kao, Chia-Liang; Hung, Jen-Chieh; Chen, Lien-Hsing; Lin, Yu-Chang	Taiwan Health and Fitness Investment; Bei Jia Yuan Investment Co., Ltd.; Green Summit Co., Ltd.; Jin-Zhi-Hong Investment Co., Ltd.; Tai-Ben Investment Co., Ltd.; Chang, Po-Sheng; Hsieh, I-Ching; Huang, Chun-I; Hsieh, Chin-Kun; Lin, Ching-Hung; Hsu, Yin-Chu; Tsai, Hui-Ming; Kao, Chia-Liang; Hung, Jen-Chieh; Chen, Lien-Hsing; Lin, Yu-Chang	Taiwan Health and Fitness Investment; Bei Jia Yuan Investment Co., Ltd.; Green Summit Co., Ltd.; Jin-Zhi-Hong Investment Co., Ltd.; Tai-Ben Investment Co., Ltd.; Chang, Po-Sheng; Hsieh, I-Ching; Huang, Chun-I; Hsieh, Chin-Kun; Lin, Ching-Hung; Hsu, Yin-Chu; Tsai, Hui-Ming; Kao, Chia-Liang; Hung, Jen-Chieh; Chen, Lien-Hsing; Lin, Yu-Chang
NT\$1,000,000 (inclusive) – NT\$2,000,000 (non-inclusive)	Hsieh, Wen-Fang	Hsieh, Wen-Fang	Hsieh, Wen-Fang	Hsieh, Wen-Fang
NT\$2,000,000 (inclusive) – NT\$3,500,000 (non-inclusive)	Chen, He-Shun	Chen, He-Shun	Chen, He-Shun	Chen, He-Shun
NT\$3,500,000 (inclusive) – NT\$5,000,000 (non-inclusive)				
NT\$5,000,000 (inclusive) – NT\$10,000,000 (non-inclusive)				
NT\$10,000,000 (inclusive) – NT\$15,000,000 (non-inclusive)				
NT\$15,000,000 (inclusive) – NT\$30,000,000 (non-inclusive)				
NT\$30,000,000 (inclusive) – NT\$50,000,000 (non-inclusive)				
NT\$50,000,000 (inclusive) – NT\$100,000,000 (non-inclusive)				
NT\$100,000,000 and above				
Total	18 people	18 people	18 people	18 people

## 2. Remuneration of CEO, President and Vice Presidents

Unit: NT\$ Thousand; %

Title	Name	Salary (A)		Retirement pay and pensions (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
CEO	Hsieh, Wen-Fang	1,544	1,799	93	93	101	101	-	-	-	-	1.26%	1.36%	-
President	Tseng, Ming-Chuan	1,800	1,800	108	108	215	215	-	-	-	-	1.47%	1.44%	-
Deputy General Manager	Chiang, Chen-I (Note 1)	845	845	55	55	132	132	-	-	-	-	0.72%	0.70%	-
Deputy General Manager	Chung, I-Chien	942	942	58	58	118	118	-	-	-	-	0.78%	0.76%	-
Deputy General Manager	Lin, Ching-Hung	1,092	1,171	66	66	111	111	-	-	-	-	0.88%	0.92%	-
Deputy General Manager	Hsieh, Hsiu-Ping	824	824	50	50	93	93	-	-	-	-	0.67%	0.66%	-
Deputy General Manager	Wu, Ming-Chieh	258	258	16	16	4	4	-	-	-	-	0.19%	0.19%	-

### Remuneration Range Table

Range of remuneration paid to the President and Vice Presidents	Names of General Manager and Deputy General Managers	
	The Company	All companies included in the financial statements
Below NT\$1,000,000	Hsieh, Hsiu-Ping 、 Wu, Ming-Chieh	Hsieh, Hsiu-Ping 、 Wu, Ming-Chieh
NT\$1,000,000 (inclusive) – NT\$2,000,000 (non-inclusive)	Hsieh, Wen-Fang; Chiang, Chen-I; Lin, Ching-Hung; Chung, I-Chien	Chiang, Chen-I; Hsieh, Wen-Fang; Lin, Ching-Hung; Chung, I-Chien
NT\$2,000,000 (inclusive) – NT\$3,500,000	Tseng, Ming-Chuan	Tseng, Ming-Chuan
NT\$3,500,000 (inclusive) – NT\$5,000,000		
NT\$5,000,000 (inclusive) – NT\$10,000,000		
NT\$10,000,000 (inclusive) – NT\$15,000,000		
NT\$15,000,000 (inclusive) – NT\$30,000,000		
NT\$30,000,000 (inclusive) – NT\$50,000,000		
NT\$50,000,000 (inclusive) – NT\$100,000,000		
NT\$100,000,000 and above		
Total	Seven people	Seven people

Note 1: Resigned on December 31, 2023.

## Remuneration to the Five Highest Remunerated Management Personnel

Title	Name	Salary (A)		Retirement pay and pensions (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A, B, C, and D as a % of the net profit after tax		Compensation from the parent company or business investments other than subsidiaries
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All consolidated entities		The Company	All companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
CEO	Hsieh, Wen-Fang	1,544	1,799	93	93	101	101	-	-	-	-	1.2%	1.4%	-
President	Tseng, Ming-Chuan	1,800	1,800	108	108	215	215	-	-	-	-	1.5%	1.5%	-
Vice President	Lin, Ching-Hung	1,092	1,171	66	66	111	111	-	-	-	-	0.9%	0.9%	-
Deputy General Manager	Chung, I-Chien	942	942	58	58	118	118	-	-	-	-	0.8%	0.8%	-
Deputy General Manager	Chiang, Chen-I (Note 1)	845	845	55	55	132	132	-	-	-	-	0.7%	0.7%	-
Deputy General Manager	Wu, Ming-Chieh (Note 2)	258	258	16	16	4	4	-	-	-	-	0.2%	0.2%	-

Note 1: Resigned on December 31, 2023.

Note 2: Took office on February 1, 2023; resigned on April 30, 2023.

3. Names of managers who distribute employee remuneration and the distribution status

December 31, 2023  
Unit: NT\$ Thousand; %

	Title	Name	Amount paid in shares	Amount in cash	Total	Total as a percentage of net profit after tax
	Executive Vice President	Tseng, Ming-Chuan				
	Executive Vice President	Hsieh, Wen-Fang				
	Deputy General Manager	Chiang, Chen-I (Note 1)				
	Deputy General Manager	Chung, I-Chien				
	Deputy General Manager	Lin, Ching-Hung				
	Deputy General Manager	Hsieh, Hsiu-Ping	-	-	-	-
	Deputy General Manager	Wu, Ming-Chieh (Note 3)				
	Associate Vice President	Wu, Bao-Tai				
	Associate Vice President	Fang Ya-Chi				
	Associate Vice President	Li, Yuan-Hui (Note 2)				
	Associate Vice President	Chang Min-Wen (Note 4)				

Note 1: Resigned on December 31, 2023.

Note 2: Took office on January 7, 2023

Note 3: Took office on February 1, 2023; resigned on April 30, 2023.

Note 4: Took office on November 7, 2023.

(IV) Compare and describe the analysis of the ratio of total remuneration to net profit after tax in the parent company only or separate financial statements, as paid by the Company and all companies in the consolidated statements during the most recent two years to the Directors, President, and Vice Presidents of the Company, and describe the remuneration policies, standards, and packages, the procedures for determining remunerations, and its linkage to business performance and future risks:

1. Analysis of percentage of the total remuneration paid to directors, president and vice presidents by the Company and all consolidated entities to net income during the past 2 fiscal years:

Unit: NT\$ Thousand; %

Item	Total remuneration			
	2022		2023	
	The Company	The Company	The Company	All companies included in the financial statements
Director	3,930	4,050	4,328	4,488
President and Vice Presidents	7,895	7,895	8,329	8,859
Percentage of the total remuneration to net income	(2.16)	(1.85)	0.09	0.09

2. Remuneration policies, standards and package, procedures for establishing remunerations, and their linkage to business performance and future risks:

(1) Remuneration policies, standards and package

Based on the recommendations of the Remuneration Committee, the Company pays the president and vice presidents with a basic salary, and then subsidizes transportation allowances based on the characteristics of the job. Their salaries are determined on the basis of education, experience, seniority, and work contribution; the rule for the payment of directors' remunerations is to determine in accordance with the Company's Articles of Incorporation and the recommendations of the Remuneration Committee, and then submitted to the shareholders' meeting for resolution.

(2) Procedures for establishing remunerations,

In accordance with Article 21 of the Articles of Incorporation of the Company, The Company shall distribute 1%–10% of the remuneration to employees and no more than 5% of the remuneration to directors/supervisors depending on the current year's profit. However, if there are any accumulated losses, the amount to compensate shall be set aside first; the employees entitled to the remunerations may include the employees of subordinate companies meeting certain criteria. The aforesaid "current year's profit" refers to the profit before deducting the distribution of the remunerations to employees, directors, and supervisors from the profit before tax of the same year. The allocation of remuneration to employees and directors/supervisors shall be resolved and approved by a majority of the directors present at a directors' meeting attended by more than two-thirds of the whole directors, and reported to a shareholders' meeting.

When the board meeting is held, NT\$10,000 will be given to the attending directors for each meeting as the transportation allowance; in addition, a

special bonus is granted to the president based on the resolution passed by the Remuneration Committee meeting, and submitted to the board meeting for resolution; the threshold for the special bonus is the annual net profit after tax exceeding NT\$15 million; 10% of the part exceeding NT\$15 million will be granted as the special bonus.

(3) Linkage to business performance and future risks

For the remuneration of the Company's directors and managerial officers, in addition to referring to the usual level of payment in the industry, the considerations of the amount of remuneration, the Company's operating conditions, future risks and other factors are also taken, which are highly related to their operational responsibilities assumed, contribution and performance. There is the Remuneration Committee in place to regularly evaluate or review it.

### III. Corporate governance

#### (I) Operation of the Board

10 Board meetings were held in 2023, and the attendance (presence) of Directors is as follows:

Title		Name	No. of meetings attended in person	Number of proxy attendance	Attendance Rate (%)	Remarks
Representative, Taiwan Health and Fitness Investment	Chairman	Chen, He-Shun	6	-	100	Took office on 2023/06/13
	Director	Hsieh, Wen-Fang	6	-	100	Took office on 2023/06/13
	Director	Chang, Po-Sheng	6	-	100	Took office on 2023/06/13
Bei Jia Yuan Investment Co., Ltd.	Director	Hsieh, I-Ching	5	1	83	Took office on 2023/06/13
Representative of Green Summit Co., Ltd.	Director	Huang, Chun-I	6	-	100	Took office on 2023/06/13
	Director	Lin, Ching-Hung	4	-	100	Discharged on 2023/06/12
Representative of Jin-Zhi-Hong Investment Co., Ltd.	Chairman	Chen, He-Shun	4	-	100	Discharged on 2023/06/12
Representative of Tai-Ben Investment Co., Ltd.	Director	Hsieh, Wen-Fang	4	-	100	Discharged on 2023/06/12
Director	Hsieh, Chin-Kun	10	-	100	None	
Independent Director	Hsu, Yin-Chu	10	-	100	None	
Independent Director	Tsai Hui-Ming	6	-	100	Took office on 2023/06/13	
Independent Director	Kao Chia-Liang	2	-	100	Took office on 2023/11/29	
Independent Director	Hung Jen-Chieh	2	-	100	Took office on 2023/06/13 Discharged on 2023/08/30	
Independent Director	Lin, Yu-Chang	4	-	100	Discharged on 2023/06/12	
Independent Director	Chen, Lien-Hsing	3	1	75	Discharged on 2023/06/12	

Other mandatory disclosures:

I. If the operations of the Board are under any of the circumstances below, the date of the Board meeting, the session, the content of the proposal, all Independent Directors' opinions, and the Company's response to said opinions shall be specified:

(I) Matters specified in Article 14-3 of the Securities and Exchange Act:

Board meetings	Motion	All Independent Directors' opinions and the Company's response to said opinions
March 21, 2023 (2nd meeting in 2023)	1. Proposal for the evaluation for the independence and competency of the attesting CPAs and its CPA firm for the Company's financial statements. 2. Appointment of the Company's CPAs. 3. Proposal for removal of non-compete restriction on directors. 4. Approval for the amendments to the internal control system forms of the Company 5. The Company's plan to increase capital of and investment in subsidiaries.	Approved by all attending independent directors.
April 18, 2023 (3rd meeting in 2023)	Indirect capital increase by the Company in subsidiaries through 100% reinvestment in subsidiaries.	Approved by all attending independent directors.
August 8, 2023 (6th meeting in 2023)	1 The Company's short-term investment. 2. Approval for the amendments to the internal control system forms of the Company	Approved by all attending independent directors.
September 28, 2023 (7th meeting in 2023)	1. Proposal for lifting the non-compete restriction on the newly elected independent directors. 2. Proposal for the Company's intention to issue new shares for cash capital increase through private placement.	Approved by all attending independent directors.
November 2, 2023 (8th meeting in 2023)	Supplementary report on the issuance of new shares for cash capital increase by the Company through private placement.	Approved by all attending independent directors.
November 7, 2023 (9th meeting in 2023)	Indirect capital increase by the Company in subsidiaries through 100% reinvestment.	Approved by all attending independent directors.
November 29, 2023 (10th meeting in 2023)	The Company's acquisition of private placement of common shares.	Approved by all attending independent directors.

(II) Any objections or qualified opinions raised by an Independent Director against a Board resolution with records or written statements other than the abovementioned matters: None.

II. For the execution status regarding the recusal of Directors for proposals of conflict of interests, describe the name of the Director, the content of proposals, the reason for the recusal for conflict of interests, and voting status.

Board of directors	Motion	Director was required to enter recusal	The reasons why the director was required to enter recusal
March 21, 2023 The 18th meeting of the 11th term	Proposal for removal of non-compete restriction on directors.	Chen, He-Shun Hsieh, Wen-Fang Hsieh, I-Ching	Other than the directors recused themselves due to the conflicts of interest from discussion and poll, the chair requested all attending directors, and the proposal was approved as proposed without dissent.

III. State of implementation of the evaluation of the Board

Evaluation cycle	Evaluation period	Evaluation scope	Method of evaluation	Content of evaluation
Implemented once per year	Evaluation of the Board's performance between January 1, 2023 to December 31, 2023.	Board of directors, individual Board members, and functional committees	<p>Questionnaire of internal self-evaluation of the Board</p> <p>Questionnaire of self-evaluation of board members</p> <p>Questionnaire of self-evaluation of functional committee</p>	<p>The self-evaluation of the Board's performance includes participation in the operation of the Company, improvement of the quality of the Board's decision-making, composition and structure of the Board, election and continuing education of the Directors, and internal control.</p> <p>The peer evaluation of board members includes the alignment of the goals and missions of the Company, awareness of the duties of Directors, participation in the operation of the Company, management of internal relationships and communication, and professionalism and continuing education of Directors.</p> <p>The self-evaluation of the functional committees' performance includes participation in the operation of the Company, awareness of the duties of the member, improvement of quality of decisions made by the functional committee, the makeup of the functional committee and election of its members, and internal control.</p>

IV. Objectives for strengthening the functions of the board of directors in the current year and the most recent

year (such as setting up an audit committee, improving information transparency) and the evaluation of its implementation:

1. The goal of strengthening the functions of the board of directors and implementing corporate governance with enhanced information transparency: The operation of the board of directors complies with the “Rules of Procedures for the Board of Directors,” and the board meetings are held accordingly; the implementation is good.
2. Evaluation of implementation: The Company insists on the principle of transparent operation, and publishes important resolutions on the MOPS immediately after the board meetings to protect shareholders’ rights and interests.

## (II) Operation of the Audit Committee or participation of supervisors in the Board’s operation

The Audit Committee of the Company is composed of three independent directors. The Audit Committee aims to assist the board of directors to perform its supervision of the quality and integrity of the Company in the implementation of accounting, auditing, financial reporting processes and financial control.

The main annual key tasks are as follows: 1. financial statements; 2. audit and accounting policies and procedures; 3. internal control system, related policies and procedures; 4. significant asset or derivatives transactions; 5. significant loaning of funds, and making endorsements or guarantee; 6. raising or issuing securities; 7. investments in derivatives and cash; 8. legal compliance; 9. engagement, dismissal or compensations of the CPAs.

### ●Financial statements.

The 2023 business report, financial statements, and statement of earnings distribution of the Company are hereby prepared by the Board of Directors. The financial statements have been audited by PwC Taiwan, with an audit report issued. The aforesaid business report, financial statements, and statement of earnings distribution have been audited by the Audit Committee and found no inconsistency.

### ●Evaluating the effectiveness of the internal control system

The Audit Committee evaluates the effectiveness of the policies and procedures of the Company’s internal control system (including control measures for finance, operation, information security, and legal compliance), and reviews the regular reports from Company’s Audit Department, the CPAs, and the management. The Audit Committee believes that the Company’s internal control system is effective, and the Company has adopted necessary control mechanisms to monitor and correct violations.

● Appoint the attesting CPAs

The Audit Committee is entrusted with the responsibility of supervising the independence of the attesting accounting firm to ensure the fairness of the financial statements.

To ensure the independence of the accounting firm, the Audit Committee evaluates the independence, professionalism and competence of the CPAs, and evaluates whether the Company is related to each other, and has any relationship involving business or financial interests. On March 21, 2023, the 13th meeting of the 3rd Audit Committee and the 18th meeting of the 10th Board of Directors reviewed and approved Liao, Ah-Shen and Wang, Kuo-Hua, CPAs from PwC Taiwan that both of them comply with the criteria of independence and competent to serve as the Company's finance and taxation attesting CPAs.

(1) Operation of the Audit Committee.

5 Board meetings were held in 2023, and the attendance (presence) of independent directors is as follows:

Title	Name	No. of meetings attended in person	Number of proxy attendance	In-person attendance rate (%)	Remarks
Independent Director (Convener of the 4th term)	Hsu, Yin-Chu	5	0	100	None
Independent Director	Tsai Hui-Ming	3	0	100	Took office on 2023/06/13
Independent Director	Kao Chia-Liang	1	0	100	Took office on 2023/11/29
Independent Director	Hung Jen-Chieh	1	0	100	Resigned on 2023/08/30
Independent Director (Convener of the 3rd term)	Lin, Yu-Chang	2	0	100	Discharged on 2023/06/12
Independent Director	Chen, Lien-Hsing	2	0	100	Discharged on 2023/06/12

Other mandatory disclosures:

- I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

(I) Any matter under Article 14-5 of the Securities and Exchange Act:

Audit	Motion	The dissenting	The outcomes
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Committee Date and session		or qualified opinion or significant recommendation of the independent directors	of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee
2023/3/21 The 13th meeting, the 3rd Audit Committee	<ol style="list-style-type: none"> <li>1. The Company's 2022 financial statements.</li> <li>2. Proposal for the 2022 internal control statement of the Company.</li> <li>3. Proposal for the evaluation for the independence and competency of the attesting CPAs and its CPA firm for the Company's financial statements.</li> <li>4. Appointment of the Company's CPAs</li> <li>5. Proposal for removal of non-compete restriction on directors.</li> <li>6. Proposal to amend the internal control system of the Company</li> </ol>	None	Approved by all Independent Directors. Submitted to the 18th board meeting of the 10th Board for resolution and implemented accordingly.
2023/08/08 The 1st meeting of the 4th term	<ol style="list-style-type: none"> <li>1. Approval for the amendments to the internal control system forms of the Company</li> </ol>		Approved by all Independent Directors. Submitted to the 2nd board meeting of the 11th Board for resolution and implemented accordingly.
2023/09/28 The 2nd meeting of the 4th term	<ol style="list-style-type: none"> <li>1. Proposal for lifting the non-compete restriction on the newly elected independent directors.</li> <li>2. Proposal for the Company's intention to issue new shares for cash capital increase through private placement.</li> </ol>		Approved by all Independent Directors. Submitted to the 3rd board meeting of the 11th Board for resolution and implemented accordingly.

(II) Any other proposals not approved by the Audit Committee that were approved by two-thirds of all Directors other than the abovementioned matters: None.

II. For the execution status regarding the recusal of Independent Directors for proposals of conflict of interests, describe the name of the Independent Director, the content of the proposals, the reason for the recusal for conflict of interests,

and voting status: None.

III. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication).

1. In addition to submitting the audit report and follow-up report to the independent directors for review before the end of the next month after the month of completion, the Company's internal chief auditor also attends the Audit Committee meetings. Independent directors can fully communicate with the internal chief auditor.
2. The CPAs of the Company will fully communicate with the independent directors on the scope of the audit and the findings of the audit process through written or in person communication, and attend the Audit Committee meetings to provide relevant opinions.

(III) Implementation of corporate governance and the deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company is committed to the promotion of corporate governance, and on March 18, 2019, the Board approved to establish the “Corporate Governance Best-Practice Principles,” and reported such to the 2019 regular shareholders’ meeting.	None
II. Shareholding structure and shareholders’ equity (I) Has the Company created a set of internal procedures to handle shareholders’ suggestions, queries, disputes, and litigations and enforced them accordingly?	V		The Company has spokespersons, acting spokespersons and shareholder service, to communicate with shareholders in various ways. Shareholders attending the Company’s shareholders’ meetings have appropriate time to discuss the proposals of the shareholders’ meeting. For feasible suggestions without disputes, the Company adopts all and improved, but disputed proposals are resolved by voting in accordance with the rules of procedures.	None
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		The Company grasps the list of major shareholders who actually control the Company all the time, and the shareholder service agency assists in handling it.	None

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(III) Has the Company established and implemented risk management practices and firewalls for its affiliated companies?	V		The Company operates in accordance with the regulations of the competent authority, and has established internal control and internal audit regulations for the supervision of subsidiaries.	None
(IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	V		To maintain the fairness of transactions in the securities market, the Company has formulated written regulations in accordance with the relevant regulations of the competent authority, the Company has established the “Operational Procedures for Handling Material Inside Information,” and “Regulations for Preventing Insider Trading.” On March 18, 2019, the Board approved to establish the “Code of Ethical Conducts” for implementation. The insiders are requested to strictly comply with these regulations, to reduce the circumstances of intentional or accidental insider trading by insiders due to ignorance of the regulations, and avoid damaging the Company’s reputation.	None
III. Composition and responsibilities of the board of directors (I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		1. The Company passed the “Corporate Governance Best-Practice Principles” in the 22nd meeting of the 8th Board of Directors on March 18, 2019. In Chapter 3 “Strengthening the Functions of the Board of Directors” the diversity policy is specified. The nomination and selection of board members of the Company comply with the Company’s Articles of Incorporation. In addition to	None

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			evaluating the education, work experience, and qualifications of each director, the opinions of stakeholders are referred to, and the “Regulations Governing the Election of Directors and Independent Directors” and the “Corporate Governance Best-Practice Principles” are complied with to ensure the board members’ diversity and independence.	
			<p>2. Among the 11th board of directors, not only are three female members included, but the directors having expertise in operation management, business judgement, crisis management, knowledge of industry, leadership and decision-making include Chen, He-Shun, Hsieh, Wen-Fang, Hsieh, Chin-Kun, Hsieh, I-Ching, Huang, Chun-I、Chang, Po-Sheng, Hsu, Yin-Chu, Kao Chia-Liang; Director Tsai, Hui-Ming has the expertise in accounting and finance.</p> <p>3. The Company has one director who is also an employee. The proportion of independent directors is 33%, and the proportion of female directors is 33%. The term of office of the three independent directors is less than 3 years; three directors are aged over 60 years old, and six are aged 37–59.</p> <p>4. The board of directors formulates a diversity policy on the composition of members and discloses it on the Company’s website and the MOPS.</p>	None

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with the law, has the Company voluntarily set up other functional committees?	V		The Company has established the Remuneration Committee and Audit Committee; other functional committees will be established based on the regulations and the requirements of the Company. The establishment will be made pursuant to the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the actual requirements of the Company.	None
(III) Has the Company established its Regulations for Performance Evaluation of the Board and the evaluation methods and conducted regular performance evaluations each year? Has the Company reported the results to the Board as the reference for individual Directors’ remuneration and nomination for re-appointment?	V		The Company has formulated the “Rules for Performance Evaluation of Board of Directors.” At the end of each year, the Board shall conduct at least one internal performance evaluation of the Board. The results of self-evaluation of the Board in 2023 and self-evaluation of board members are expected to be submitted to the Board in the second quarter of 2024, and furnish suggestions for improvement to strengthen the effectiveness of the Board. The Company’s directors’ remuneration complies with the Company’s Articles of Incorporation, while considering the Company’s operating results and their contribution to the Company’s performance, to give them a reasonable remuneration.	None
(IV) Are external auditors’ independence assessed regularly?	V		The Company evaluates the independence and competence of the CPAs at least once a year, and requests the CPAs and their firms to provide relevant information and statements for the evaluation by the Finance Department. The evaluations of the	None

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies									
	Yes	No	Summary										
			<p>last two years were submitted on March 21, 2023 and on March 12, 2024, to the Audit Committee for deliberation and to the Board for approval. The results of the 2024 evaluation are as follows:</p> <table border="1"> <thead> <tr> <th>Assess criteria</th> <th>Assessment results</th> <th>Whether the requirements of independence are met</th> </tr> </thead> <tbody> <tr> <td>The CPAs themselves, their spouses, and minor children have no investment or financial interest sharing relationship with the Company.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>The CPAs themselves, their spouse, and minor children have no loans borrowed from or lent to the Company. However, this restriction does not apply if the principal is a financial institution and the dealings are normal business</td> <td>Yes</td> <td>Yes</td> </tr> </tbody> </table>	Assess criteria	Assessment results	Whether the requirements of independence are met	The CPAs themselves, their spouses, and minor children have no investment or financial interest sharing relationship with the Company.	Yes	Yes	The CPAs themselves, their spouse, and minor children have no loans borrowed from or lent to the Company. However, this restriction does not apply if the principal is a financial institution and the dealings are normal business	Yes	Yes	
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Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>transactions.</p> <p>The accounting firm has not presented the assurance service report on the effective operation of the financial information system designed or assisted for implementation.</p> <p>The CPAs or any member of the audit team have not been a director, managerial officer, or any position of the Company who may exert significant influence over the audit engagement within the most recent two years.</p> <p>The non-audit services provided to the Company are not critical to the audit cases.</p> <p>The CPAs or any member of the audit team is not promoters or agents of shares and other securities issued by the Company.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies		
	Yes	No	Summary			
			Accountants or members of the audit service team do not represent the Company in defense of legal cases or other disputes between the Company and third parties, except for these permitted by laws.	Yes	Yes	
			The CPAs or members of the audit service team have no relationship as spouses, direct blood relatives, direct relatives by marriage, or collateral blood relatives within the second degree of kinship with the Company's directors, managerial officers, or personnel with positions that have a significant influence on audit cases.	Yes	Yes	
			The partner CPAs who have left the position within one year have not served as directors or managerial	Yes	Yes	



Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>conflict of interests with the CPAs, affecting their impartiality and independence?</p> <p>When the CPAs provide audit, review, or special review of financial statements and prepares an opinion, in addition to maintaining independence in substance, do they also maintain independence in form?</p> <p>Do the members of the audit service team, other partner CPAs or shareholders of corporate accounting firms, accounting firms, its affiliates and alliance firms also maintain independence from the Company?</p> <p>Are the CPAs performing professional services with integrity and rigor?</p> <p>Do the CPAs maintain a fair</p>	
				Yes

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies						
	Yes	No	Summary							
			<table border="1"> <tr> <td>and objective stance when performing professional services, and have they avoided prejudice, conflicts of interest or interests affecting their professional judgment?</td> <td></td> <td></td> </tr> <tr> <td>The CPAs' integrity, impartial and objective stance are not affected due to lack or loss of independence.</td> <td>Yes</td> <td>Yes</td> </tr> </table>	and objective stance when performing professional services, and have they avoided prejudice, conflicts of interest or interests affecting their professional judgment?			The CPAs' integrity, impartial and objective stance are not affected due to lack or loss of independence.	Yes	Yes	
and objective stance when performing professional services, and have they avoided prejudice, conflicts of interest or interests affecting their professional judgment?										
The CPAs' integrity, impartial and objective stance are not affected due to lack or loss of independence.	Yes	Yes								
IV. Has the Company allocated an appropriate number of qualified persons and appointed a chief of corporate governance in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by Directors and supervisors, assisting Directors and supervisors to comply with laws, handling matters relating to Board meetings and shareholders' meetings according to laws, and preparing minutes of Board meetings and shareholders' meetings)?	V		The Company's Finance Department is a dedicated unit for corporate governance. Department employees provide directors with information needed to perform business, handle matters related to board meetings and shareholders' meetings in accordance with the law, handle Company registration and change registration, and prepare minutes of board and shareholders' meetings and other corporate governance-related matters.	None						

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company maintains good communication channels with different stakeholders according to the scope of business that each department is responsible for, and has set up a dedicated section for stakeholders on the Company website to properly respond to important corporate social responsibility issues that stakeholders are concerned about.	None
VI. Does the Company engage a share transfer agency to handle shareholders' meeting affairs?	V		The Company engages Shareholder Service Agency Department of Yuanta Securities to handle the affairs of shareholders' meetings.	None
VII. Information disclosure (I) Has the Company established a website that discloses financial, business, and corporate governance-related information?	V		A "Shareholder Column" is set up on the website to fully disclose finance, business, and corporate governance information.	None
(II) Has the Company adopted other means to disclose information (e.g. English website, assignment of dedicated personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor	V		The Company has dedicated personnel responsible for the collection of disclosure information and implements the spokesperson system.	None

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
conferences via the company website)?				
(III) Has the Company published and declared its annual financial statements within two months from the end of the fiscal year and published and declared its Q1, Q2 and Q3 financial statements along with the monthly business performance statements before the prescribed deadline?	V		The Company publishes and declares its annual financial statements within three months from the end of the fiscal year and published and declared its Q1, Q2 and Q3 financial statements along with the monthly business performance statements before the prescribed deadline. Please inquire at the “MOPS” with TWSE.	None
VIII. Does the Company have other important information to facilitate a better understanding of the Company’s implementation of corporate governance (including but not limited to employees’ interest, employee care, investor relations, supplier relations, stakeholder rights, continuing education of Directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company’s purchase of liability insurance for	V		(I) Employees’ interest Based on the human-oriented principle, the Company regards employees as an important asset of the Company. It has established a complete management system for employees’ working environment, education and training, so that employees can integrate their personal interests with the Company’s interests under the prerequisite of peace of mind and security, enabling them to contribute wholeheartedly to the Company and create benefits. (II) Employee care Every year, regular health examination for employees and health examination for special operations are implemented, and family members are also allowed to participate in	None

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
Directors and supervisors)?			<p>general health examination.</p> <p>(III) Investor relations The Company insists on the principle of creating maximum benefits for the investing public, increasing the return on shareholders' equity, and providing sufficient information for investors' reference.</p> <p>(IV) Rights of suppliers and stakeholders To ensure that the suppliers perform the contracts stably, the Company regularly assesses the suppliers.</p> <p>(V) Rights of stakeholders A. Responsibility to customers: The Company provides safe and high-quality products, values customers' opinions, and immediately takes measures to handle customers' complaints to meet customer needs. B. Responsibilities to shareholders: The goal of the Company is to fully protect the rights and interests of shareholders.</p> <p>(VI) Implementation of risk management policies and risk measurement standards The Company has established various internal control regulations for risks such as finance, raw materials, human resources, engineering, information security, and work safety, with critical insurance purchased relevant to reasonably manage and control the Company's overall</p>	

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>operating risks.</p> <p>(VII) Implementation of customer policy The Company adjusts its product mixes according to customers' needs, and is committed to product safety and quality maintenance to provide customers with the best products and services.</p> <p>(VIII) Continuing education of directors and supervisors: please refer to page 49 of the annual report. The directors of the Company comply with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," where any proposal in a board meeting involving of the circumstances requiring recusal of certain director(s) and specifying that conflict of interest may be harmful to the Company's interests, the director shall recuse him/herself, not participate in voting, and shall not exercise voting rights on behalf of other directors.</p> <p>(IX) The liability insurance the Company purchased for directors and supervisors: The Company has purchased liability insurance for directors and key staff every year since December 19, 2017.</p> <p>(X) The Company also has dedicated personnel to regularly and irregularly update the important financial and business information on the Company website, and follow the</p>	

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			internal control system.	
<p>IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified.</p> <p>Improved: enhancement of information disclosure on the Company's website</p> <p>Enhancement for rectification: 1. Upload the meeting handbook and supplementary Shareholders' meeting materials 30 days prior to the meeting, and the annual report 18 days prior to the meeting.</p> <p>2. Directors and supervisors are arranged to complete the continuing education hours as required in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies."</p>				

(IV). If the Company has established its Remuneration Committee, the composition, responsibilities, and operations of the Committee shall be disclosed:

(1) Members of the Remuneration Committee

The responsibility of the Remuneration Committee is to evaluate the Company’s directors and managerial officers’ remuneration policies and systems from a professional and objective perspective, and to make recommendations to the Board for its reference of resolution.

Capacity (Note 1)	Name	Professional qualifications and experience (Note 2)	Independence analysis (Note 3)	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director (convener)	Hsu, Yin-Chu	Possessing work experience in commerce, law, finance, management administration, or corporate operations.  Director, PONTEX POLYBLEND CO., LTD  None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.	including but not limited to the following: They or their spouse or any relative within the second degree not serving as a director, supervisor, or employee of the Company or any of its affiliates; not holding shares of the Company; not serving as a director, supervisor, or employee of any company having a specified relationship with the Company; not receiving any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate	0
Independent Director	Tsai Hui-Ming	Possessing work experience in commerce, law, finance, management administration, or corporate operations.  Finance Manager, Raw Breathe biotech co., ltd.  None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.	including but not limited to the following: They or their spouse or any relative within the second degree not serving as a director, supervisor, or employee of the Company or any of its affiliates; not holding shares of the Company; not serving as a director, supervisor, or employee of any company having a specified relationship with the Company; not receiving any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate	0
Independent Director	Kao Chia-Liang	Possessing work experience in commerce, law, finance, management administration, or corporate operations.  Dentist in charge, Shan Jian Qing Dental Clinic  None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.	including but not limited to the following: They or their spouse or any relative within the second degree not serving as a director, supervisor, or employee of the Company or any of its affiliates; not holding shares of the Company; not serving as a director, supervisor, or employee of any company having a specified relationship with the Company; not receiving any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate	0

Note 1: Please specify in the form the years of professional service, professional qualifications and experience, and independence of the members of the Remuneration Committee. If they are Independent Directors, a remark to refer to Table 1 Information on Directors and Supervisors (I) on page OO may be made. Please fill in “Independent Director” or “Others” in the title column (please indicate “convener” if applicable).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of individual members of the Remuneration Committee.

Note 3: Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a “specified company” (see subparagraphs 5 to 8, paragraph 1, Article 3, of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

(2) Operation of the Remuneration Committee

1. The Company's remuneration committee has a total of three members.
2. The term of the current members is from June 13, 2023 to June 12, 2026.  
The number of remuneration committee meetings held in 2023 was four. The attendance by the members was as follows:

Title	Name	No. of meetings attended in person	Number of proxy attendance	Attendance Rate (%)	Remarks
Convener (the 6th term)	Hsu, Yin-Chu	4	-	100	Required attendance: 4.
Member	Tsai Hui-Ming	2	-	100	Took office on 2024/06/13, Required attendance: 2.
Member	Kao Chia-Liang	-	-	100	Took office on November 29, 2024 Required attendance: 0.
Member	Hung Jen-Chieh	1	-	100	Discharged on 2023/08/30 Required attendance: 1
Convener (the 5th term)	Lin, Yu-Chang	2	-	100	A full re-election of directors was held on June 13, 2023, and they are naturally dismissed at the expiration of their terms of office.
Member	Chen, Lien-Hsing	2	-	100	A full re-election of directors was held on June 13, 2023, and they are naturally dismissed at the expiration of their terms of office.

Other mandatory disclosures:

- I. If the board of directors declines to adopt or modifies a recommendation of the Remuneration Committee, it should specify the date of the meeting, session, the content of the motion, the resolution by the board of directors, and the Company's response to the Remuneration Committee's opinion (e.g. the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.
- II. For any objections or qualified opinions raised by a member of the Remuneration Committee against a resolution with records or written statements, the date of the Remuneration Committee meeting, session, the content of the proposals, opinions of all members, and the Company's response to the opinions of members shall be described: None.

(3) Information on Members and the Operation of the Nomination Committee:

not applicable

(V) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
I. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	✓		The Company's internal risk management policy adopts preventive measures in advance and reduces the losses caused by risks as a principle. A management review meeting has been established to identify, evaluate, handle and monitor potential risks that may affect the Company's achievement of goals, and regularly track and incorporate such into the daily operations of each unit.	None
II. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		The Company has not established such, but may establish the same depending on the actual operational needs.	If it is required by laws or actual operation, the "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and related laws and regulations will be complied with.
III. Environmental issues (I) Has the Company set up an appropriate environmental management system based on	✓		(I) To ensure that the environmental performance can be achieved, and	None

<p>the characteristics of its industry?</p> <p>(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?</p> <p>(III) Has the Company evaluated the potential risks and opportunities of climate change to the Company at present and in the future and taken countermeasures for climate-related issues?</p> <p>(IV) Has the Company made statistics on GHG emissions, water consumption, and the total weight of waste for the most recent two years and formulated policies for energy-saving and</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>meeting the requirements of laws and regulations as well as the Company's environmental policy, while pursuing continuous improvement,</p> <p>(II) the core business of environmental protection is integrated with the trust of customers, to continuously implement waste reduction work. For the general industrial waste generated by operations, in addition to strengthening promotion to employees to perform well in garbage classification and resource recycling, the external professional waste disposal companies are also requested to assist in disposal.</p> <p>(III) The Company has evaluated the potential risks and opportunities of climate change and include such in the risk management.</p> <p>(IV) The company is not in a high-polluting industry. Formulating energy-saving, carbon reduction and greenhouse gas</p>	
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<p>carbon dioxide reduction, GHG emissions reduction, water consumption reduction, or other waste management?</p>			<p>reduction strategies as follows: 1. Encourage employees to take public transportation, and take more stairs but fewer elevators. 2. Use energy-saving lamps and ask colleagues to turn off the lights.</p>	
<p>IV. Social issues</p> <p>(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p> <p>(II) Has the Company established and implemented reasonable employee welfare measures</p>	<p>✓</p> <p>✓</p>		<p>(I) The Company has established the work rules and personnel regulations in accordance with government laws and regulations. In addition to establishing the Employee Welfare Committee and implementing a pension system in accordance with laws and regulations, the Company also purchases employee group insurance. There is no illegal employment of child labor or forced labor. All employees are subject to and protected by the Labor Standards Act. Since the establishment of the Company, there have been no labor disputes, corruption, bribery or discrimination.</p> <p>(II) The Company has provided numerous welfare policies for</p>	<p>None</p>

<p>(include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?</p> <p>(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?</p>	<p>✓</p>	<p>employees. In addition to the labor insurance, national health insurance, retirement pension and parental leave stipulated by laws and regulations, the Welfare Committee handles numerous activities and other welfare measures. In addition, employee bonuses are granted to employees based on their performance appraisal to promote labor and management harmony.</p> <p>(III) Our production plant has passed ISO 22000 and HACCP certification, so we have achieved a certain level of hygiene and cleanliness in our working environment. In addition, we regularly carry out firefighting and sanitation equipment inspection and repair, and hold general labor safety and health education and training courses to provide a safe and healthy working environment for our employees. In addition to the required labor insurance and annual health checkup benefits, we also provide group accident</p>	
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<p>(IV) Has the Company established effective career development training programs for employees?</p>	<p>✓</p>		<p>insurance for our employees to enhance the protection of their personal and work safety.</p> <p>(IV) The Company provides relevant external professional education training from time to time to help employees develop their professional skills in the workplace. We also encourage employees to assess their interests, skills, values and goals and to communicate their career intentions to their managers in order to plan their future career plans.</p>	
<p>(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?</p>	<p>✓</p>		<p>(V) The Company believes in promoting preventive healthcare and improving physical health. We implement strict quality control policies for all products, set up quality control and customer complaint handling operations in our internal control system, and follow them to establish a smooth channel to receive external customer complaints and provide good service and solve problems to continuously improve and refine</p>	

<p>(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?</p>	<p>✓</p>		<p>the quality of our services in order to achieve the goal of protecting consumers' rights and interests.</p> <p>(VI) The Company collects relevant information from suppliers before dealing with them and makes a supplier evaluation report to evaluate suppliers.</p>	
<p>V. Does the Company prepare a sustainability CSR report or any report of non-financial information based on international reporting standards or guidelines? Are the abovementioned reports supported by the assurance or opinion of a third-party certifier?</p>		<p>✓</p>	<p>The Company fulfills its corporate social responsibility in accordance with the regulations of the competent authorities and relevant laws and regulations. The Company has set up a CSR section on its website and will disclose relevant information on the Company's website and the Market Observation Post System in accordance with the actual operations.</p>	<p>The Company has not yet prepared any CSR report.</p>
<p>VI. If the Company has established its own Sustainable Development Best-Practice Principles based on the "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies," please describe any differences from the Principles in the Company's operations: None</p>				
<p>VII. Other information useful to the understanding of the implementation of sustainable development: The Company has set up a CSR section on its website and will disclose relevant information on the Company's website and the Market Observation Post System in accordance with the actual operations.</p>				

Note 1: If the "Yes" box is checked for the implementation status, please specify the important policies, strategies, measures and implementation status; if the "No" box is checked for the implementation status, please explain the differences and reasons in the "Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor"

column, and explain the plans for future implementation of relevant policies, strategies and measures. However, with regard to the promotion items 1 and 2, listed companies should describe the governance and supervisory framework for sustainable development, including but not limited to the management guidelines, strategies and goal setting, and review measures. Please also describe the Company's risk management policies or strategies on environmental, social and corporate governance issues related to its operations, and the evaluation thereof.

Note 2: The materiality principle refers to environmental, social, and corporate governance issues that have material impacts on the investors and other stakeholders of the Company.

Note 3: For the disclosure methods, please refer to the best-practice samples on the website of the Corporate Governance Center, Taiwan Stock Exchange.

## Implementation of Climate-Related Information Item

Item	Execution
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>(I) In order to grasp the impact of climate change issues on the Company's sustainable development, the Company's board of directors and sustainable development team decided to introduce the disclosure framework of Task Force on Climate-related Financial Disclosures (TCFD) released by the International Financial Stability Board (FSB) in 2023, to identify and track material risks and opportunities that climate change may pose to business operations, and formulate responding and management measures accordingly, based on which to implement enterprise risk management.</p> <p>(II) Jia Jie seeks that, by gradually deepening the climate governance, to effectively strengthen the operational resilience and mitigate the various impacts brought by climate change. The climate governance framework of the Company is described as follows:</p> <p><b>Board of Directors and Sustainable Development Team</b></p> <p>The Company's highest climate governance body is the Board of Directors, which is responsible for promoting and making decisions regarding the Company's climate-related strategies. It also plays a role of supervising the promotion of the Company's overall climate actions. The Board of Directors also plays a key role in determining the Company's climate commitments and goals. It discusses the current climate risk, opportunities, and trends from time to time, and proposes the Group's overall specific strategies for key climate risks, to stably maintain the Company's sustainable operation.</p> <p>In order to strengthen the management and identification of climate-related risks and opportunities, the Company has established the sustainable development team in 2023. To reduce the effect and financial impacts from the climate change sustained by the Company, and explore the key risk and opportunity issues of the Company under the climate change, the current trends are actively responded to and grasped, to improve the Group's resilience to the climate. The sustainable</p>

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).
3. Describe the financial impact of extreme weather events and transformative actions.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.

development team has established three task forces, namely the sustainable environmental development, employee relations and social welfare, and corporate governance and ethical management. The senior management of each department serves as the leaders of the TFs. The main responsibilities of the sustainable development team are to collect the current status of climate issues in each subsidiary and plant within the Group, to help supervise the achievement of the climate response goals and actions of each company and plant within the Group, and to assist in

Aspect	Timetable of Occurrence	Potential financial impact	Responding strategies and management measures
Transition risk: rising raw material costs	Short-term (within 3 years)	Increase of operating costs	<ol style="list-style-type: none"> <li>1. Strengthen R&amp;D technology and develop diversified products to reduce dependence on a single raw material.</li> <li>2. For high-risk raw materials, long-term contracts are entered with suppliers to establish a stable supply source.</li> </ol>
Physical risk - changes in rainfall (water) patterns and extreme changes in climate patterns	Long-term (over 10 years)	Increase of operating costs	<ol style="list-style-type: none"> <li>1. Establish a backup plan of raw material for the supply chain to avoid supply chain disruptions, and gradually diversify suppliers to reduce the response cost of a single supplier under climate impact factors.</li> <li>2. The 24-hour uninterrupted power supply system (UPS) is purchased, to prevent the impact of regional temporary voltage-reduced power supply on equipment.</li> <li>3. The in-house water storage pond (expected to support seven-day operation) is built to be flexibly dispatched for reducing the possibility of</li> </ol>

	Physical risk - rising average temperature	Long-term (over 10 years)	Increase of operating costs	<p>impact from tap water supply.</p> <ol style="list-style-type: none"> <li>1. Regular maintenance, inspection and replacement of air-conditioning equipment, to improve operating efficiency and reduce the incidence of failure.</li> <li>2. Continue to implement and introduce various energy-saving management measures.</li> <li>3. The air-conditioning system is deployed and controlled. The indoor temperature is adjusted by setting up the air-conditioning temperature in office above 25 °C or opening the windows.</li> </ol>								
<p>the communication and integration of the Group's climate governance status. ESG meetings are held with bases on an ad hoc basis to assess industry peers' key climate risk and opportunity issues and trends. Based on the current status of the responses of each base to the climate risk issue, it helps to bridge the resources and provide recommendations, to help bases improve their climate resilience.</p>												
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>Not applicable.</p>											
<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<table border="1"> <thead> <tr> <th data-bbox="1093 1169 1238 1225">Aspect</th> <th data-bbox="1249 1169 1440 1225">Timetable of Occurrence</th> <th data-bbox="1451 1169 1641 1225">Potential financial impact</th> <th data-bbox="1653 1169 2020 1225">Responding strategies and management measures</th> </tr> </thead> <tbody> <tr> <td data-bbox="1093 1233 1238 1374">Opportunity - Use of more efficient production</td> <td data-bbox="1249 1233 1440 1374">Mid-term (3 - 10 years)</td> <td data-bbox="1451 1233 1641 1374">Decreased production costs</td> <td data-bbox="1653 1233 2020 1374">1. Increase the reuse rate of waste in the plants(e.g. cartons, turnover boxes, etc.), study the feasibility of circular economy and assess</td> </tr> </tbody> </table>	Aspect	Timetable of Occurrence	Potential financial impact	Responding strategies and management measures	Opportunity - Use of more efficient production	Mid-term (3 - 10 years)	Decreased production costs	1. Increase the reuse rate of waste in the plants(e.g. cartons, turnover boxes, etc.), study the feasibility of circular economy and assess			
Aspect	Timetable of Occurrence	Potential financial impact	Responding strategies and management measures									
Opportunity - Use of more efficient production	Mid-term (3 - 10 years)	Decreased production costs	1. Increase the reuse rate of waste in the plants(e.g. cartons, turnover boxes, etc.), study the feasibility of circular economy and assess									

	and distribution processes			<p>the waste recycling, to achieve low-carbon benefits and reduce production costs.</p> <ol style="list-style-type: none"> <li>2. Promote the centralized shipments, reduce logistics and transportation costs, enhance materials and warehousing turnover, and optimize the overall distribution process.</li> <li>3. Replacement of old machines with the new one; eliminate old machines and re-configure the equipment operation, to achieve optimal operating performance.</li> <li>4. Safety stocks are adopted for controlling the raw materials, to reduce the need for individual orders due to emergency needs.</li> <li>5. Continue to strengthen the ratio of local procurement and production of raw materials.</li> </ol>
	Opportunity - Adoption of low-carbon energy project	Long-term (over 10 years)	Increase in operating revenue	<ol style="list-style-type: none"> <li>1. Develop green energy and reduce the power purchased from Taipower. Assess the feasibility of solar energy installation in the plant.</li> </ol>
	Opportunity - Develop and/or increase low-carbon products and services	Mid-term (3 - 10 years)	Increase in operating revenue	<ol style="list-style-type: none"> <li>1. Gradually increase the use of environmentally friendly packaging materials, to reduce greenhouse gas emissions and reduce the environmental carbon footprint of products</li> </ol>

	<table border="1"> <tr> <td data-bbox="1088 188 1236 316"></td> <td data-bbox="1245 188 1442 316"></td> <td data-bbox="1451 188 1648 316"></td> <td data-bbox="1657 188 2020 316">2. Develop low-carbon products to meet the needs of end customers and respond to market demands.</td> </tr> </table>				2. Develop low-carbon products to meet the needs of end customers and respond to market demands.																													
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7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Under planning.																																	
<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p> <p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan</p>	<p>(1) Greenhouse Gas Inventory Information</p> <p>In 2023, Jia Jie Biomedical began to conduct independent greenhouse gas inventory of the entire plant in accordance with the Greenhouse Gas Inventory Protocol and the Greenhouse Gas Inventory Quantification Operation. The results of the inventory are as follows (not yet verified externally):</p> <p>In 2022, the total greenhouse gas emission in Meinong Plant was 218.6262 tons/CO<sub>2</sub>e. Greenhouse gas emission intensity was at 0.8664 tons/CO<sub>2</sub>e</p> <p>For 2023, the inventory is still in progress.</p> <table border="1" data-bbox="1205 874 1912 1225"> <thead> <tr> <th colspan="2">Year</th> <th>2022</th> </tr> <tr> <th>Category</th> <th>Location</th> <th>Emission</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>Meinong Plant</td> <td>20.8588</td> </tr> <tr> <td>Scope 2</td> <td>Meinong Plant</td> <td>197.7674</td> </tr> <tr> <td colspan="2">Total greenhouse gas emissions (metric tons CO<sub>2</sub>e)</td> <td>218.6262</td> </tr> <tr> <td colspan="2">Revenue (in NT\$ millions)</td> <td>252.338</td> </tr> <tr> <td colspan="2">Emission intensity (tons CO<sub>2</sub>e/NTD million)</td> <td>0.8664</td> </tr> </tbody> </table> <table border="1" data-bbox="1205 1264 1912 1386"> <thead> <tr> <th colspan="2">Year</th> <th>2023</th> </tr> <tr> <th>Category</th> <th>Location</th> <th>Emission</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>Whole plant</td> <td>35.957</td> </tr> <tr> <td>Scope 2</td> <td>Whole plant</td> <td>411.9224</td> </tr> </tbody> </table>	Year		2022	Category	Location	Emission	Scope 1	Meinong Plant	20.8588	Scope 2	Meinong Plant	197.7674	Total greenhouse gas emissions (metric tons CO <sub>2</sub> e)		218.6262	Revenue (in NT\$ millions)		252.338	Emission intensity (tons CO <sub>2</sub> e/NTD million)		0.8664	Year		2023	Category	Location	Emission	Scope 1	Whole plant	35.957	Scope 2	Whole plant	411.9224
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Total greenhouse gas emissions (metric tons CO2e)	447.8794
Revenue (in NT\$ millions)	263.489
Emission intensity (tons CO2e/NTD million)	1.6982

The relevant data and information will be disclosed in the Sustainability Report. In the future, we will further develop a feasible reduction plan based on the results of the inventory, in order to achieve the goal of low-carbon production.

In order to face the impact of climate change, Jia Jie has formulated annual plans for the scope of greenhouse gas inventory and third-party verification. It also sets corresponding goals for the extreme climate conditions faced by each operating base. The climate targets are revised on a rolling basis and reported to the board of directors on annual achievement status of each base, and the effectiveness and suitability are confirmed year by year. The following is the climate targets set by the Jia Jie and the status of achievement:

Target type	Objective description	Year of target achievement
Greenhouse gas	Voluntary inspection of the head office in Kaohsiung, six branches, and the research and training center	Completion in 2025
	Verification by a third party for the execution of GHG emission inventory assurance	Completion in 2026
Responding to the climate change	No shipment suspension due to supply chain disruption resulted from extreme weather during the year	Achieved in 2023
	No production shutdown due to power rationing resulted from high temperature during the year	Achieved in 2023
	All products use environmentally friendly packaging materials (PVC material free, the mixing rate of	Completion in 2034

		recycled paper for paper packaging is over 90%, and plastic packaging shall be made from recycled materials with a mix of up to 25%).	
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(VI) Implementation of ethical corporate management and differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Assess criteria	Implementation status (Note)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
<p>I. Establishment of integrity policies and solutions</p> <p>(I) Does the Company have an ethical corporate management policy approved by its Board, and rules and publicly available documents addressing its policy and measures of ethical corporate management, and commitment regarding active implementation of such policy from the Board and the senior management?</p> <p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis the business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in paragraph 2, Article 7 of the “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies”?</p> <p>(III) Has the Company clearly specified operating procedures, guidelines for conduct, and a violation punishment and complaint system in the unethical conduct prevention plan and duly implemented</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company has established “Operating Procedures for Ethical Management and Guidelines for Conduct” to provide a basis for the code of conduct for directors and management, and to monitor the implementation of the guidelines and internal controls in accordance with the guidelines.</p> <p>(II) In accordance with the Company’s “Operating Procedures for Ethical Management and Guidelines for Conduct” and through regular monitoring by internal audit system, the Company actively prevents the occurrence of unethical conduct.</p> <p>(III) The Company has established “Operating Procedures for Ethical Management and Guidelines for Conduct” to provide a basis for the code of conduct for directors, management</p>	None.

Assess criteria	Implementation status (Note)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
them? Does the Company regularly review and revise said plan?			and employees with clear guidelines in the event of non-compliance, and to monitor the implementation of the guidelines and internal controls in accordance with the guidelines.	
<p>II. Enforcement of business integrity</p> <p>(I) Does the Company assess the ethics records of whom it has business relationships and include business conduct and ethics-related clauses in the business contracts?</p> <p>(II) Has the Company set up a dedicated department that is subordinated to the Board to promote ethical corporate management, and does it regularly (at least once a year) report to the Board on its ethical corporate management policy and unethical conduct prevention program and monitor their implementation?</p> <p>(III) Has the Company established policies to prevent conflict of interests, provide appropriate communication and complaint channels, and implement such policies properly?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) If the Company discovers any unethical conduct in business dealings or cooperation with customers or suppliers, the Company shall immediately cease business dealings with them and list them as rejected business partners in order to implement the Company's ethical corporate management beliefs.</p> <p>(II) The Company's "Operating Procedures for Ethical Management and Guidelines for Conduct" designates the General Management Division as the dedicated unit and intends to report to the Board of Directors on a regular basis to further implement the ethical corporate management policy.</p> <p>(III) The Company establishes a conflict of interest prevention policy and provides appropriate representations on the operation of the pipeline. Employees may report violations and grievances to the personnel unit or directly to the Board of Directors' audit unit.</p>	None.

Assess criteria	Implementation status (Note)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(IV) Has the Company established effective accounting and internal control systems in place for the implementation of ethical corporate management? Has the internal audit department formulated relevant audit plans based on the assessment results of unethical conduct risk to perform audits on compliance with the unethical conduct prevention program or engage CPAs to perform such audits?	✓		(IV) In order to ensure the implementation of ethical corporate management, the Company has established an effective accounting system and internal control system. Internal auditors regularly check the compliance of the former system in accordance with the audit plan and prepare audit reports to the Board of Directors.	
(V) Does the Company provide internal and external ethical corporate management training programs on a regular basis?	✓		(V) The Company will hold promotional meetings from time to time so that employees can clearly understand ethical corporate management concepts and regulations. We will promote ethical corporate management to our vendors before signing any contract.	
III. Whistleblowing system				None.
(I) Has the Company established specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	✓		(I) Relevant provisions are included in the Company's "Operating Procedures for Ethical Management and Guidelines for Conduct."	
(II) Has the Company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such	✓		(II) Relevant provisions are included in the Company's "Operating Procedures for Ethical Management and Guidelines for Conduct."	

Assess criteria	Implementation status (Note)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(III) Has the Company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	✓		(III) Relevant provisions are included in the Company's "Operating Procedures for Ethical Management and Guidelines for Conduct."	
IV. Enhanced information disclosure Has the Company disclosed its Corporate Management Best-Practice Principles and the results of their implementation on its website and the MOPS?	✓		The Company has disclosed its corporate governance rules and regulations on its website in order to make corporate governance information transparent, and regularly enhances the dissemination of information and keeps the reporting channels open.	None.
V. If the Company has adopted its own Ethical Corporate Management Best-Practice Principles based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies," please describe any differences from the principles in the Company's operations: The Company has formulated the Corporate Governance Best-Practice Principles, which are included in the internal control system and various management practices in accordance with the spirit of corporate governance, and has been implemented in practice with sound control functions				
VI. Other important information to facilitate a better understanding of the Company's implementation of ethical corporate management (i.e. the examination and modification to the Ethical Corporate Management Best-Practice Principles established by the Company): 1. The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the regulations related to TPEX listing and other laws and regulations related to business practices as a fundamental part of the implementation of ethical corporate management. 2. The Company has established the "Procedures for Handling Material Inside Information," which stipulates that directors, managerial officers and employees shall not disclose material inside information known to them to others and shall not inquire or collect unpublished material inside information of the Company that is not related to their personal duties, and shall not disclose unpublished material inside information of the Company to others that is available to them other than in the performance of their businesses.				

Note: Regardless of whether "Yes" or "No" is chosen for the implementation status, please provide a description in the description column.

(VII) If the Company has formulated corporate governance principles and related articles, it shall disclose the way of inquiry:

1. Corporate governance-related rules and regulations and background introduction

(1) The Company is committed to the implementation of corporate governance operations and has established the corporate governance best-practice principles and related regulations.

(2) In accordance with the Company's Articles of Incorporation and the Regulations Governing the Election of Directors, the Company adopts the registered cumulative voting system.

2. The full text of these regulations is available on the "Market Observation Post System" (<http://newmops.twse.com.tw/>) or the Company's website (<http://www.jiajiebio.com/>).

(VIII). Other important information to facilitate a better understanding of the Company's implementation of corporate governance:

1. Training for directors

Title	Name	Organizer	Name of the course	Training hours
Director	Chen, He-Shun	Taiwan Stock Exchange	Sustainable Development Action Plan Promotion Conference for TWSE/TPEX-listed Companies	3.0
Director	Chen, He-Shun	Taipei Exchange	Briefing for Insiders on Stock Ownership of TPEX or Emerging Board Listed Companies (Kaohsiung)	3.0
Director	Hsieh, Wen-Fang	Taiwan Stock Exchange	Sustainable Development Action Plan Promotion Conference for TWSE/TPEX-listed Companies	3.0
Director	Hsieh, Wen-Fang	Taiwan Stock Exchange	Sustainable Development Action Plan Promotion Conference for TWSE/TPEX-listed Companies	3.0
Director	Hsieh, Chin-Kun	Taiwan Corporate Governance Association	Net Zero Emissions, Carbon Neutrality, and Corporate Compliance	3.0
Director	Chang, Po-Sheng	Taiwan Corporate Governance Association	Net Zero Emissions, Carbon Neutrality, and Corporate Compliance	3.0
Director	Chang, Po-Sheng	Securities and Futures Institute	Seminar for TWSE/TPEX Listed Companies - Gaining Insight into Derivative Market and Moving towards Sustainability	3.0
Director	Huang, Chun-I	Taiwan Corporate Governance Association	Net Zero Emissions, Carbon Neutrality, and Corporate Compliance	3.0
Director	Huang, Chun-I	The Greater Chinese Financial Development Association	Corporate Low-carbon Transformation Strategies	3.0
Director	Hsieh, I-Ching	Accounting Research and Development Foundation	Professional Development Course on Updates of International Standards for Sustainable Disclosure	3.0
Director	Hsieh, I-Ching	Taiwan Corporate Governance Association	Net Zero Emissions, Carbon Neutrality, and Corporate Compliance	3.0
Director	Hsieh,	Accounting Research	Legal Responsibilities and	3.0

	I-Ching	and Development Foundation	Case Studies in the Contention for Management Right	
Director	Hsieh, I-Ching	Accounting Research and Development Foundation	Action Plan for the Sustainable Development of TWSE Listed and TPEX Listed Companies	3.0
Independent Director	Tsai Hui-Ming	Accounting Research and Development Foundation	Action Plan for the Sustainable Development of TWSE Listed and TPEX Listed Companies	3.0
Independent Director	Tsai Hui-Ming	Accounting Research and Development Foundation	Legal Responsibilities and Case Studies in the Contention for Management Right	3.0
Independent Director	Tsai Hui-Ming	Taiwan Corporate Governance Association	Net Zero Emissions, Carbon Neutrality, and Corporate Compliance	3.0
Independent Director	Tsai Hui-Ming	Accounting Research and Development Foundation	Professional Development Course on Updates of International Standards for Sustainable Disclosure	3.0
Independent Director	Hsu, Yin-Chu	Taiwan Investor Relations Institute	2023 KPMG Taiwan Leadership Academy Forum - Business Opportunities and Challenges under the Net Zero Upsurge	3.0
Independent Director	Hsu, Yin-Chu	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
Independent Director	Hsu, Yin-Chu	Taiwan Stock Exchange	2023 Cathay Pacific Sustainable Banking and Climate Change Summit	3.0
Independent Director	Kao Chia-Liang	Accounting Research and Development Foundation	Corporate Legal Responsibilities and Case Studies in the Contention for Management Right	3.0

2. Discussion of Corporate Governance: In order to make the Company's information transparent, the Company is committed to improving the content of disclosure, pursuing true and complete presentation, and reducing the occurrence of information asymmetry.
3. Acquisition of related licenses by the Company's finance, accounting or audit related personnel: two employees from the Finance Department obtained stock affairs related licenses.

## (IX) Implementation of the internal control system:

### 1. Statement of Internal Control

Jia Jie Biomedical Co., Ltd.

Statement of Internal Control System

Date: March 12, 2024

- I. Based on the results of a self-assessment, the Company states the following with regard to its internal control system during the year 2023:
- II. The Company acknowledges and understands that establishing, operating and maintaining an internal control system are the responsibilities of its Board of Directors and management, and such a system has been established. Internal control is a process designed to provide reasonable assurance that the following objectives are achieved: The effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets); reliability, timeliness, transparency, and regulatory compliance of reporting; and compliance with applicable laws, regulations, and by-laws.
- III. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes in the environment or circumstances. However, the internal control system of the Company features a self-monitoring mechanism that enables immediate rectification of deficiencies upon discovery.
- IV. The Company assesses the design and operating effectiveness of its internal control system based on the criteria set forth in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The criteria adopted by the Regulations identify five key components of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each element further encompasses several sub-elements. Please refer to "The Governing Principles" for details.
- V. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- VI. Based on the results of the assessment, the Company believes that, as of December 31, 2023, its internal control system (including the supervision and management of its subsidiaries) was effective to provide reasonable assurance that the control objectives were achieved, including the effectiveness and efficiency of operations; reliability, timeliness, transparency, and regulatory compliance of reporting; and compliance with applicable laws, regulations, and by-laws.
- VII. This Statement is an integral part of the annual report and prospectus of the Company and will be released to the public. Any illegal misrepresentation or omission in the public statement above is subject to the legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VIII. The Company's Board of Directors authorized this Statement on March 12, 2024. The content of this statement was unanimously approved by the nine directors who were present, with no objections raised.

Jia Jie Biomedical Co., Ltd.

Chairman: Chen, He-Shun

President: Tseng, Ming-Chuan

2. For those who appointed CPAs to review the internal control system, the CPAs' review report shall be disclosed: None.

(X) Legal penalty imposed against the Company or its internal personnel, or any disciplinary penalty imposed by the Company against its internal personnel for violation of the requirements under its internal control system, and the results of such punishments may have a material effect on shareholder equity or securities price, during the most recent year and up to the publication date of the annual report, specify the penalty, the main shortcomings, and condition of improvement: None.

(XI) Material resolutions of shareholders' meetings, interim meetings or Board meetings during the most recent year and up to the publication date of the annual report:

(1). Important resolutions of shareholders' meetings

Date	Important resolution
2023.6.13 Shareholders' Meeting	1. Recognition of the Company's 2022 financial statements. 2. Recognition of the Company's proposal for loss appropriation in 2022. 3. Proposal of election of all directors (including independent directors) of the Company. 4. Approval of the proposal for removal of non-compete restriction on new directors.

(2) Important resolutions of the extraordinary shareholders' meeting

Date	Important resolution
2023.11.29 Extraordinary Shareholders' Meeting	1. By-election of the Company's independent directors. 2. Proposal for the Company's intention to issue new shares for cash capital increase through private placement.

(3) Important resolutions of the board of directors

Date	Important resolution
2023.03.21 10th term 18th meeting	1) The Company's 2022 final accounts. 2) The proposal for making up deficits of the Company in 2022. 3) The Company's internal control system statement for 2022. 4) Full re-election of directors. 5) Proposal for removal of non-compete restriction on new directors. 6) Removal of non-compete restriction on the Company's managerial officers. 7) Establishment of the Company's "Sustainable Development Best-Practice Principles." 8) Proposal to amend some provisions of the Company's "Corporate Governance Best-Practice Principles". 9) Submission of the Company's "Greenhouse Gas Inventory and Verification Timeline." 10) The Company's plan to increase capital of and investment in subsidiaries. 11) Approval of the matters related to the Company 2023 regular shareholders' meeting. 12) Acceptance of list of nominations of candidates for directors and independent directors from shareholders.
2023.04.18	1) Review the nomination of candidates for directors and independent

Date	Important resolution
10th term 19th meeting	directors.
2023.05.09 10th term 20th meeting	1) The Company's Board of Directors approved the establishment of a corporate governance officer.
June 13, 2023 11th term 1st meeting	1) Election of the Chairman of the Board of Directors of the Company.
2023.08.08 11th term 2nd meeting	1) Approved the proposal to appoint the Company's Remuneration Committee members. 2) Approved the motion of the Company's short-term investment. 3) Approved the submission of the Company's Greenhouse Gas Inventory and Verification Timeline. 4) Approved the proposal to amend the internal control system of the Company 5) Approved the appointment of the Company's information security officer.
2023.09.28 11th term 3rd meeting	1) Approved the by-election of the Company's independent directors. 2) Approved the lifting of non-competition restriction on the newly elected independent directors. 3) Approved the discussion announcement to specify the nomination of 1% shareholders. 4) Approved the Company's proposal to issue new shares for cash capital increase through private placement. 5) Approved the convening of the 2023 Extraordinary Shareholders' Meeting, the venue and the reasons for the convening. 6) Approved the motion for the Company to apply to the bank for an increase in the limit of loans secured by real estate.
2023.11.02 11th term 4th meeting	1) Approved the review of the nomination of independent director candidates.
2023.11.07 11th term 5th meeting	1) Approved the formulation of the Company's business plan for 2024. 2) Approval for the Company's 2024 audit plan. 3) Approved the submission of the "Greenhouse Gas Inventory and Verification Schedule" of the Company. 4) Approved the revision of the motion for the Company to apply for an increase in the limit of loans secured by real estate from banks. 5) Approved the Company's indirect investment in subsidiaries through 100% reinvestment. 6) Approved the proposal made by the Remuneration Committee of the Company.
2023.11.29 11th term 6th meeting	1) Approved the qualification review for specific parties, insiders or related parties in the Company's private placement projects. 2) Approved the proposal for the pricing and pricing of the Company's private placement of common shares in 2023. 3) Approved the motion for the Company to acquire common shares through private placement.

Date	Important resolution
2024.03.12 11th term 7th meeting	1) Approval of the 2023 financial statements of the Company 2) Approval of the Company's profit-sharing remuneration for employees and profit-sharing remuneration for directors for 2023. 3) Approval of the Company's 2023 earning distribution proposal. 4) Approval of the 2023 internal control statement of the Company. 5) Approved the proposal for removal of non-compete restriction on directors. 6) Approval of the proposal for removal of non-compete restriction on the Company's managerial officers. 7) Approved the submission of the Company's Greenhouse Gas Inventory and Verification Timeline. 8) Approval of the proposal for the intended amendments to certain provisions of the "Articles of Incorporation" of the Company. 9) Approved the matters related to the convening of the 2024 general shareholders' meeting (physical meeting).

(XII) Review of the implementation status of resolutions of regular shareholders' meetings:

Resolutions of regular shareholders' meetings June 13, 2023	Resolution results				Execution
Recognition of the Company's 2022 financial statements.	The voting results of this proposal: 56,362,464 votes in favor, accounting for 90.32% of the total voting rights, 5,103,195 votes against, 0 invalid votes, 934,608 abstentions/failure to vote, and the proposal was adopted as submitted.				Implemented in accordance with the results of the resolution.
Recognition of the Company's 2022 loss appropriation	The voting results of this proposal: 56,362,295 votes in favor, accounting for 90.32% of the total voting rights, 5,105,366 votes against, 0 invalid votes, 932,606 abstentions/failure to vote, and the proposal was adopted as submitted.				Implemented in accordance with the results of the resolution.
Election of the Company's Directors (including Independent Directors), proposed for election.	Capacity	Account No. or ID No.	Account Name	Number of voting rights	Executed according to the election result.
	Director	63366	Representative, Taiwan Health and Fitness Investment: Chen, He-Shun	116,405,035	
	Director	52193	Representative of Green Summit Co., Ltd.: Huang Chun-Yi	56,530,955	
	Director	52016	Hsieh, Chin-Kun	56,530,955	
	Director	63366	Representative, Taiwan Health and Fitness Investment: Hsieh,	56,226,011	

Resolutions of regular shareholders' meetings June 13, 2023	Resolution results				Execution
			Wen-Fang		
Director	57729	Bei Jia Yuan Investment Co., Ltd.:	Hsieh, I-Ching	56,194,832	
Director	63366	Representative, Taiwan Health and Fitness Investment:	Chang, Po-Sheng	56,161,682	
Independent Director	E2228*****	Hsu, Yin-Chu		36,644,414	
Independent Director	A1224*****	Tsai Hui-Ming		36,206,371	
Independent Director	D1209*****	Hung Jen-Chieh		36,160,097	
Approved the lifting of the non-competition restriction on the newly elected directors.	The voting results of this proposal: 56,331,699 votes in favor, accounting for 90.27% of the total voting rights, 5,132,617 votes against, 0 invalid votes, 935,951 abstentions/failure to vote, and the proposal was adopted as submitted.				Implemented in accordance with the results of the resolution.

(XIII) Review of the status of implementation of resolutions of extraordinary shareholders' meetings:

Resolutions of Extraordinary Shareholders' Meeting November 29, 2023	Resolution results				Execution
By-election of the Company's independent directors.	Capacity	Account No. or ID No.	Account Name	Number of voting rights	Executed according to the election result.
	Independent Director	D1205*****	Kao Chia-Liang	53,218,003	
Approved the Company's proposal to issue new shares for cash capital increase through private placement.	The voting results of this proposal: 54,658,426 votes in favor, accounting for 97.07% of the total voting rights, 1,457,107 votes against, 0 invalid votes, 191,513 abstentions/failure to vote, and the proposal was adopted as submitted.				Implemented in accordance with the results of the resolution.
Approved the lifting of non-competition restriction on the newly elected independent directors.	The voting results of this proposal: 54,660,721 votes in favor, accounting for 97.07% of the total voting rights, 714,304 votes against, 0 invalid votes, 932,021 abstentions/failure to vote, and the proposal was adopted as submitted.				Implemented in accordance with the results of the resolution.

(XIV) During the most recent year and up to the publication date of the annual report, where a Director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board, and the said dissenting opinion with records or written statements, disclose the principal content thereof: None.

(XV) A summary of resignations and dismissals of the Company's Chairman, President, chief accountant, chief of financial, chief internal auditor, chief of corporate governance, and chief of research and development during the most recent year and up to the publication date of the annual report: None.

#### IV. Information on the professional fees of the attesting CPAs

Name of accounting firm	Name of CPA		Audit period	Remark
PwC Taiwan	Liao A-Shen	Wang Guo-Hua	2023/1/1-12/31	

#### Range of CPA professional fees

Unit: Thousand NTD

Amount range		Fee item	Audit fees	Non-audit fees	Total
1	Less than \$2,000 thousand			V	
2	\$2,000 thousand (inclusive) – \$4,000 thousand		V		V
3	\$4,000 thousand (inclusive) – \$6,000 thousand				
4	\$6,000 thousand (inclusive) – \$8,000 thousand				
5	\$8,000 thousand (inclusive) – \$10,000 thousand				
6	More than \$10,000 thousand (inclusive)				

#### Information on CPA professional fees

Unit: Thousand NTD

Name of accounting firm	Name of CPA	CPA audit period	Audit fees	Non-audit fees (Note)	Total	Remarks
PwC Taiwan	Liao A-Shen Wang Guo-Hua	2023/1/1-12/31	3,370	320	3,690	

Note: Tax return audit and printing fees

- (I) If the non-audit fees paid to the attesting CPA, the CPA firm and its affiliates account for at least one-fourth of the audit fees: None
- (II) If the Company changes its CPA's firm and the audit fees paid for the year in

which such change took place are lower than those for the preceding year:  
None.

(III) When the audit fees paid for the current year are lower than those for the preceding year by 10% or more, the reduction in the amount of audit fees, reduction percentage, and reasons shall be disclosed: None.

#### V. Information on replacement of CPAs

##### (I) About the predecessor CPAs

Date of replacement	N/A		
Reason for the replacement and description	In accordance with the internal rotation mechanism of the firm of the attesting CPAs, the Company changed its attesting CPAs from Wu, Chien-Chih and Liao, A-Shen from PwC Taiwan to Liao, A-Shen and Wang, Kuo-Hua with effect from the first quarter of 2021.		
The description is about whether the appointer or the accountant terminates or rejects the appointment.	Parties involved	Auditor	Appointer
	Circumstance		
	Proposed the termination of the appointment	N/A	N/A
	Refuse to accept (continue) the appointment	N/A	N/A
Opinions for audit reports other than unqualified opinions in the most recent two years and the reason	N/A		
Whether there is any different opinion from the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or steps
			Others
	None		
Description	N/A		
Other disclosures (those to be disclosed under item 1-4 to item 1-7, subparagraph 6, Article 10 of the Regulations)	None		

##### (II) About the successor CPAs

CPA's firm	PwC Taiwan
Name of CPA	CPAs Liao, A-Shen and Wang,
Date of appointment	N/A

Opinions that may be issued, consultation matters, and results for the particular accounting methods or accounting principles, and financial statements before the appointment	N/A
Written opinion of the succession CPAs on matters different from the former CPAs	N/A

(III) Response letter of the former CPAs regarding matters stated in item 1 and item 2-3, subparagraph 6, Article 10 of the Regulations: None.

VI. Where the Company's Chairman, President, or any manager in charge of finance or accounting matters has held a position at the CPA's firm of its CPAs or at an affiliate of the CPA's firm in the most recent year, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

VII. Changes in shareholding of directors, managers, and major shareholders

1. Changes in shareholdings of directors, managers and major shareholders

Unit: shares

Title	Name	2023		As of April 21, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Director	Taiwan Health and Fitness Investment (Note 1)	-	-	-	-
Corporate representative of director, Chairman	Chen, He-Shun (Note 1)	-	-	-	-
Director	Hsieh, Chin-Kun (Note 2)	-	-	-	-
Director	Taiwan Health and Fitness Investment (Note 2)	-	-	-	-
Corporate representative of director, and CEO of the Company	Hsieh, Wen-Fang (Note 2)	-	-	-	-
Director	Taiwan Health and Fitness Investment (Note 2)	-	-	-	-
Corporate	Chang, Po-Sheng				

Title	Name	2023		As of April 21, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
representative of director	(Note 2)				
Director	Green Summit Co., Ltd. (Note 2)	-	-	-	-
Corporate representative of director	Huang, Chun-I (Note 2)	-	-	-	-
Director	Bei Jia Yuan Investment Co., Ltd. (Note 2)	1,819,000	-	-	-
Corporate representative of director	Hsieh, I-Ching (Note 2)	-	-	-	-
Independent Director	Hsu, Yin-Chu (Note 3)	-	-	-	-
Independent Director	Tsai, Hui-Ming (Note 3)	-	-	-	-
Independent Director	Kao, Chia-Liang (Note 3)	-	-	-	-
President	Tseng, Ming-Chuan	-	-	-	-
Deputy General Manager	Chung, I-Chien	-	-	-	-
Deputy General Manager	Hsieh, Hsiu-Ping	-	-	-	-
Deputy General Manager	Chiang, chen-i (Note 4)	-	-	-	-
Deputy General Manager	Wu, Ming-Chieh (Note 5)	-	-	-	-
Associate Vice President	Wu, Bao-Tai	-	-	-	-
Associate Vice President	Li, Yuan-Hui (Note 6)	-	-	-	-
Associate Vice President	Chang Min-Wen (Note 7)	-	-	-	-

- Note: 1. The board of directors elected the chairman of the board of directors on June 13, 2023 for all directors elected.
2. Elected as director in the full re-election on June 13, 2023.
3. Elected as independent director in the full re-election on June 13, 2023.
4. Resigned on April 30, 2023
5. Resigned on April 30, 2023
6. Took office on January 7, 2023.
7. Took office on November 7, 2023.

2. Transfers of shareholding by directors, managerial officers, and major shareholders: None.
3. Changes in pledge of shares: None

VIII. Information on top ten shareholdings who are related parties to one another

April 21, 2024  
Unit: shares; %

Name	Shares held in own name		Shareholding of spouse and underage children		Shareholding under the title of a third party		Name and relationship of the top ten shareholders who are related parties, spouses, or relatives within the second degree of kinship.		Remarks
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Name	Relationship	
Bai-Jia-Yuan Investment Co., Ltd.:	21,819,000	22.10	-	-	-	-	None	None	-
Bai-Jia-Yuan Investment Co., Ltd.: Chi-Tai Chen	-	-	-	-	-	-	Bai-Jia-Yuan Investment Co., Ltd.:	Chairman	-
Jinzhifu Asset Management Co., Ltd.	9,800,000	9.93	-	-	-	-	None	None	-
Jinzhifu Asset Management Co., Ltd.: Wang, Chiung-Fen							Jinzhifu Asset Management Co., Ltd.	Chairman	
E-Top Metal Co., Ltd.	2,109,000	2.14	-	-	-	-	None	None	-
E-Top Metal Co., Ltd.: Yan, Ching-Li							E-Top Metal Co., Ltd.	Chairman	
Fuan De Bao Investment Co., Ltd.	1,986,000	2.01	-	-	-	-	None	None	-
Fuan De Bao Investment Co., Ltd. Representative: Lin, Chun-Chang	-	-	-	-	-	-	Fuan De Bao Investment Co., Ltd.	Chairman	-
Hsieh, Chin-Kun	1,437,000	1.46	-	-	-	-	None	None	-
Wei, Yung-Kuang	1,100,000	1.11	-	-	-	-	None	None	-
Hua, Lei-Che	1,100,000	1.11	-	-	-	-	None	None	-
Tsai, Chin-Hsing	1,097,000	1.11	-	-	-	-	None	None	-
Lu, Chin-Fa	1,010,000	1.02	-	-	-	-	None	None	-
Shi You Investment Co., Ltd.	901,220	0.91	-	-	-	-	None	None	-
Shi You Investment Co., Ltd.: Huang, Wei-Hsiang	-	-	-	-	-	-	Shi You Investment Co., Ltd.	Chairman	

IX. The total number of shares and the consolidated shareholding held in any single investee by the Company, its Directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company

December 31, 2023  
Unit: Thousand shares; %

Investee (Note)	Held by the Company		Investment of Directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company		Aggregate ownership	
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage
Wisetech Corporation	11,890	100	-	-	11,890	100
Jia Jie Investment Co., Ltd.	15,463	100	-	-	15,463	100
Shi Zhang Bio-Technology Co., Ltd.	2,000	100	-	-	2,000	100
Jia Jie Biotechnology co., Ltd.	10,000	100	-	-	10,000	100
Heilongjiang Shen Shou Pharmaceutical Co., Ltd.	-	41	-	-	-	41

Four. Capital Raising

I. Capital and shares

(I) Sources of share capital

1. Sources of share capital

Unit: Thousand NTD; Thousand Shares

Year/Month	Issue price (NTD)	Authorized capital		Paid-up capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of share capital	Paid in properties other than cash	Others
1995.05	1,000	16	16,000	16	16,000	Cash	None	Gao-Shi-Jian-II-Zi No. 89415241
1998.11	10	7,600	76,000	7,600	76,000	Capital increase by cash 60,000	None	Gao-Shi-Jian-II-Zi No. 08711512001
1999.12	10	5,776	57,760	5,776	57,760	Capital reduction 18,240	None	Jing-(1999)-Shang-Zi No. 088144613
1999.12	10	13,038	130,380	13,038	130,380	Capital increase in cash 72,620	None	Jing-(1999)-Shang-Zi No. 088144613
2000.07	10	17,250	172,500	14,092	140,919	Capitalization of earnings 10,539	None	(2000)-Tai-Cai-Zheng-I-Zi No. 45658 Jing-(2000)-Shang-Zi No. 089123997
2001.07	10	17,250	172,500	14,867	148,670	Capitalization of earnings 7,751	None	(2001)-Tai-Cai-Zheng-I-Zi No. 133925 Jing-(2001)-Shang-Zi No. 09001277530
2002.01	10	25,000	250,000	19,240	192,395	Capital increase in cash 43,725	None	(2001)-Tai-Cai-Zheng-I-Zi No. 170559 Jing-Shou-Shang-Zi No. 09101057440
2002.07	10	28,000	280,000	21,126	211,256	Capitalization of earnings 18,861	None	(2002)-Tai-Cai-Zheng-I-Zi No. 134315 Jing-Shou-Shang-Zi No. 09101294790
2002.11	10	24,126	241,256	21,126	211,256	Reduction of authorized capital.	None	Jing-Shou-Shang-Zi No. 09101478120
2003.09	10	44,120	441,200	26,031	260,305	Capitalization of earnings 49,050	None	(2003) Tai-Cai-Zheng-I-Zi No. 0920130066 Gao-Shi-Fu-Jian-II-Gong-Zi No. 09205885330
2004.01	10	44,120	441,200	29,483	294,827	Conversion of corporate bonds to new shares 34,521	None	Gao-Shi-Fu-Jian-II-Gong-Zi No. 09300713730
2004.04	10	44,120	441,200	31,865	318,653	Conversion of corporate bonds to new shares 23,826	None	Gao-Shi-Fu-Jian-II-Gong-Zi No. 09300801220
2004.08	10	44,120	441,200	32,317	323,166	Conversion of corporate bonds to new shares 4,513	None	Gao-Shi-Fu-Jian-II-Gong-Zi No. 09300916230

Year/Month	Issue price (NTD)	Authorized capital		Paid-up capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of share capital	Paid in properties other than cash	Others
2004.08	10	69,500	695,000	38,849	388,486	Capital increase from earnings 64,418 Conversion of corporate bonds to new shares 902	None	Tai-Cai-Zheng-I-Zi No. 0930127169 Gao-Shi-Fu-Jian-II-Go ng-Zi No. 09300929200
2004.10	10	69,500	695,000	38,989	389,892	Conversion of corporate bonds to new shares 1,406	None	Gao-Shi-Fu-Jian-II-Go ng-Zi No. 09300980750
2005.02	10	69,500	695,000	38,995	389,946	Conversion of corporate bonds to new shares 54	None	Gao-Shi-Fu-Jian-II-Go ng-Zi No. 09400358740
2005.03	10	69,500	695,000	38,515	385,146	Retirement of treasury shares 4,800	None	Jin-Guan-Zheng-III-Zi No. 0930156354 Gao-Shi-Fu-Jian-II-Go ng-Zi No. 09400371250
2005.05	10	69,500	695,000	38,893	388,932	Conversion of corporate bonds to new shares 3,786	None	Gao-Shi-Fu-Jian-II-Go ng-Zi No. 09400439340
2005.07	10	69,500	695,000	38,936	389,365	Conversion of corporate bonds to new shares 433	None	Gao-Shi-Jian-II-Zi No. 09400529240
2005.09	10	69,500	695,000	41,067	410,673	Capitalization of earnings 21,308	None	Jin-Guan-Zheng-I-Zi No. 0940128056 Gao-Shi-Fu-Jian-II-Go ng-Zi No. 09400584760
2005.10	10	69,500	695,000	39,583	395,826	Retirement of treasury shares 16,740 Conversion of corporate bonds to new shares 1,893	None	Jin-Guan-Zheng-III-Zi No. 0940128280 Jin-Guan-Zheng-III-Zi No. 0940140515 Gao-Shi-Fu-Jian-II-Go ng-Zi No. 09400629330
2006.10	10	69,500	695,000	40,196	401,962	Retirement of treasury shares 8,440 Conversion of corporate bonds to new shares 14,576	None	Jin-Guan-Zheng-III-Zi No. 0950139493 Gao-Shi-Fu-Jian-II-Go ng-Zi No. 09500709540
2007.05	10	69,500	695,000	40,932	409,319	Conversion of corporate bonds to new shares 7,357	None	Gao-Shi-Fu-Jian-II-Go ng-Zi No. 09600510520
2007.07	10	69,500	695,000	42,189	421,890	Conversion of corporate bonds to new shares 12,571	None	Gao-Shi-Fu-Jian-II-Go ng-Zi No. 09600609690
2007.10	10	69,500	695,000	43,690	436,901	Capital increase from capital reserve 15,011	None	Jin-Guan-Zheng-I-Zi No. 0960044428 Gao-Shi-Fu-Jian-II-Go ng-Zi No. 09600693250

Year/Month	Issue price (NTD)	Authorized capital		Paid-up capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of share capital	Paid in properties other than cash	Others
2008.09	10	69,500	695,000	45,001	450,008	Capital increase from capital reserve 13,107	None	Jin-Guan-Zheng-I-Zi No. 0970038794 Gao-Shi-Fu-Jian-II-Go ng-Zi No. 09700685310
2009.02	10	69,500	695,000	44,342	443,418	Retirement of treasury shares 6,590	None	Jin-Guan-Zheng-III-Zi No. 0970063032 Gao-Shi-Fu-Jing-II-Go ng-Zi No. 09800432950
2009.04	10	69,500	695,000	43,941	439,408	Retirement of treasury shares 4,010	None	Jin-Guan-Zheng-III-Zi No. 0980002163 Jin-Guan-Zheng-III-Zi No. 0980011763 Gao-Shi-Fu-Jing-II-Go ng-Zi No. 09800499810
2009.10	10	69,500	695,000	44,820	448,196	Capital increase from capital reserve 8,788	None	Jin-Guan-Zheng-Fa-Zi No. 0980037976 Gao-Shi-Fu-Jing-II-Go ng-Zi No. 09800682490
2010.10	10	69,500	695,000	46,164	461,642	Capital increase from capital reserve 13,446	None	Jin-Guan-Zheng-Fa-Zi No. 0990041945 Gao-Shi-Fu-Jing-II-Go ng-Zi No. 09900673200
2011.04	10	69,500	695,000	49,214	492,142	Conversion of corporate bonds to new shares 30,500	None	Jin-Guan-Zheng-Fa-Zi No. 0990057157 Gao-Shi-Fu-Si-Wei-Jin g-Shang-Gong-Zi No. 10001146590
2011.07	10	69,500	695,000	50,274	502,738	Conversion of corporate bonds to new shares 10,596	None	Jin-Guan-Zheng-Fa-Zi No. 0990057157 Jing-Shou-Shang-Zi No. 10001170200
2011.10	10	100,000	1,000,000	53,239	532,390	Capital increase from capital reserve 29,652	None	Jin-Guan-Zheng-Fa-Zi No. 1000037190 Jing-Shou-Shang-Zi No. 10001246050
2012.01	10	100,000	1,000,000	50,779	507,790	Retirement of treasury shares 24,600	None	Jin-Guan-Zheng-Jiao-Z i No. 1000049575 Jin-Guan-Zheng-Jiao-Z i No. 1000062340 Jing-Shou-Shang-Zi No. 10101009950
2012.10	10	100,000	1,000,000	54,841	548,413	Capital increase from capital reserve 40,623	None	Jin-Guan-Zheng-Fa-Zi No. 1010035057 Jing-Shou-Shang-Zi No. 10101214730
2013.09	10	100,000	1,000,000	55,178	551,778	Conversion of corporate bonds to new shares 3,365	None	Jing-Shou-Shang-Zi No. 10201183310

Year/Month	Issue price (NTD)	Authorized capital		Paid-up capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of share capital	Paid in properties other than cash	Others
2013.10	10	100,000	1,000,000	62,371	623,715	Capital increase from capital reserve 21,937 Capital increase by private placement 50,000	None	Jin-Guan-Zheng-Fa-Zi No. 1020029792 Jing-Shou-Shang-Zi No. 10201215390
2013.11	10	100,000	1,000,000	65,173	651,734	Conversion of corporate bonds to new shares 28,019	None	Jing-Shou-Shang-Zi No. 10201244570
2014.04	10	100,000	1,000,000	66,198	661,980	Conversion of corporate bonds to new shares 10,246	None	Jing-Shou-Shang-Zi No. 10301069330
2014.05	10	100,000	1,000,000	67,998	679,980	Capital increase by private placement 18,000	None	Jing-Shou-Shang-Zi No. 10301087080
2014.10	10	100,000	1,000,000	71,370	713,700	Capital increase from capital reserve 26,479 Conversion of corporate bonds to new shares 7,241	None	Jin-Guan-Zheng-Fa-Zi No. 1030029139 Jing-Shou-Shang-Zi No. 10301217360
2014.12	10	100,000	1,000,000	71,657	716,572	Conversion of corporate bonds to new shares 2,872	None	Jing-Shou-Shang-Zi No. 10301246460
2015.10	10	100,000	1,000,000	74,523	745,235	Capital increase from capital reserve 2,866	None	Jin-Guan-Zheng-Fa-Zi No. 1040028766 Jing-Shou-Shang-Zi No. 10401210060
2016.01	10	100,000	1,000,000	75,035	750,347	Conversion of corporate bonds to new shares 511	None	Jing-Shou-Shang-Zi No. 10401280630
2016.10	10	100,000	1,000,000	78,753	787,535	Capital increase from capital reserve and earnings 3,718	None	Jing-Shou-Shang-Zi No. 10501238860
2017.09	10	100,000	1,000,000	81,877	818,773	Capital increase from capital reserve and earnings 3,124	None	Jing-Shou-Shang-Zi No. 10601133660
2018.08	10	100,000	1,000,000	81,377	813,773	Retirement of treasury shares 500	None	Jing-Shou-Shang-Zi No. 10701093340
2018.11	10	100,000	1,000,000	81,218	812,183	Retirement of treasury shares 159	None	Jing-Shou-Shang-Zi No. 10701151200
2019.02	10	100,000	1,000,000	68,937	689,367	Capital reduction 12,282	None	Jing-Shou-Shang-Zi No. 10801019610

Year/Month	Issue price (NTD)	Authorized capital		Paid-up capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of share capital	Paid in properties other than cash	Others
2021.01	10	160,000	1,600,000	88,937	889,367	Capital increase by private placement 20,000	None	Jing-Shou-Shang-Zi No. 11001000870
2024.03	10	160,000	1,600,000	98,736	987,366	Capital increase by private placement 9,800	None	Jing-Shou-Shang-Zi No. 11330022740

April 21, 2024  
Unit: shares

Share category	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common stocks	98,736,681	71,063,319	169,800,000	TPEX listed stocks: 67,134,240 shares Privately placed stocks: 31,602,441 shares

2. Information relating to the shelf registration system: None.

(II) Shareholder structure:

April 21, 2024

Unit: number of shareholders; shares; %

Shareholder structure Quantity	Government agency	Financial institution	Corporation	Individual	Foreign institution and foreigner	Total
Number	-	-	191	30,857	30	31,078
Shareholding	-	-	38,306,926	58,431,316	1,998,439	98,736,681
Shareholding percentage	-	-	38.79	59.18	2.03	100.00

(III) Equity dispersion:

1. Equity dispersion

April 21, 2024

unit: people; shares: %

Shareholding range	Shareholder count	Shareholding	Shareholding
1 to 999	25,814	967,311	0.98
1,000 to 5,000	3,661	7,907,358	8.01
5,001 to 10,000	739	5,759,306	5.83
10,001 to 15,000	230	2,847,279	2.88
15,001 to 20,000	174	3,244,856	3.29
20,001 to 30,000	140	3,591,122	3.64
30,001 to 40,000	75	2,662,465	2.70
40,001 to 50,000	62	2,888,456	2.93
50,001 to 100,000	90	6,356,978	6.44
100,001 to 200,000	48	6,573,154	6.66
200,001 to 400,000	24	7,049,162	7.14
400,001 to 600,000	5	2,290,221	2.32
600,001 to 800,000	5	3,415,158	3.46
800,001 to 1,000,000	2	1,725,855	1.75
More than 1,000,001	9	41,458,000	41.97
Total	31,078	98,736,681	100.00

2. Preferred stocks: None

## (IV) List of major shareholders:

April 21, 2024

Unit: shares; %

Name of major shareholder	Shares	Shareholding	Shareholding percentage
Bai-Jia-Yuan Investment Co., Ltd.:		21,819,000	22.10%
Tai-Ben Investment		9,800,000	9.93%
E-Top Metal Co., Ltd.		2,109,000	2.14%
Fuan De Bao Investment Co., Ltd.		1,986,000	2.01%
Hsieh, Chin-Kun		1,437,000	1.46%
Wei, Yung-Kuang		1,100,000	1.11%
Hua, Lei-Che		1,100,000	1.11%
Tsai, Chin-Hsing		1,097,000	1.11%
Lu, Chin-Fa		1,010,000	1.02%
Shi You Investment Co., Ltd.		901,220	0.91%

## (V) Market price, net value, earnings, and dividends per share and the relevant information for the most recent two years

Unit: Thousand NTD; Thousand shares; %

Item		Year	2023	2022
Market price per share	High		17.80	16.00
	Low		13.00	12.35
	Average		14.49	14.22
Net worth per share	Before dividend		11.77	10.10
	After dividend		11.22	10.10
Earnings per share	Weighted average number of shares		88,936	88,936
	Earnings per share	Before adjustments	1.62	(0.06)
		After adjustments	1.62	(0.06)
Dividends per share	Cash dividends		-	-
	Stock grants	Share dividends from earnings	-	-
		Capital surplus grants	-	-
	Cumulative undistributed dividends		-	-
Analysis of investment returns	Price to earnings ratio		15.69	-
	Price to dividends ratio		28.98	-
	Cash dividend yield		1.97	-

(VI) The Company's dividend policy and implementation:

1. Dividend policy

In accordance with the Company Act amended on May 20, 2015, and Article 21-1 of the amended Articles of Incorporation of the Company, the industry environment of the Company is changeable, and the enterprise life cycle is entering the stable growth stage. Considering the Company's future capital demand, long-term financial planning, and satisfaction of shareholders' needs for cash inflow, the Company's dividend policy is to adopt a residual dividend policy. If there is earnings after finalizing accounts each year, after paying the income tax for profit-seeking enterprises and making up losses from previous years, an amount of 10% of the legal reserve shall be set aside first, except when the legal reserve has reached the total capital. In addition, after the special reserve is set aside or reversed as required by law, the undistributed earnings at the beginning of the period shall be combined into the shareholders' accumulated distributable earnings, and the Board of Directors shall propose a motion for the distribution thereof and submit to the shareholders' meeting for resolution and distribution. Each year, no more than 90% of the distributable earnings may be provided for dividends to shareholders. The dividends and bonuses may be distributed in cash or share dividends. The cash dividends shall not be less than 10% of the total dividends. If the dividends paid for the year are less than NT\$ 1, such dividends may be all paid in share dividends .

The above amendments to the Articles of Incorporation were approved by the Board of Directors on March 12, 2024 and to be approved at the regular shareholders' meeting on June 19, 2024.

2. Dividend distribution proposed at the shareholders' meeting: On March 12, 2024, by a special resolution of the Board of Directors, a cash dividend of NT\$0.5 per share, totaling NT\$49,368,341, was proposed to be submitted for report in the 2024 general shareholders' meeting.

(VII) Effects of the intended stock grants proposed at the shareholders' meeting on the operating performance and earnings per share of the Company for the year: Not applicable.

(VIII) Remuneration of employees, Directors, and supervisors:

1. Percentage or range of remuneration of employees, Directors, and supervisors stated in the Articles of Incorporation:

In accordance with the Company Act amended on May 20, 2015, and Article 21-1 of the amended Articles of Incorporation of the Company, The Company shall distribute 1%–10% of the remuneration to employees and no more than 5% of the remuneration to directors/supervisors depending on the current year's profit. However, if there are any accumulated losses, the amount to compensate shall be set aside first; the employees entitled to the remunerations may include the employees of subordinate companies meeting certain criteria. The aforesaid "current year's profit" refers to the profit before deducting the distribution of the remunerations to employees, directors, and supervisors from the profit before tax of the same year. The allocation of remuneration to employees and directors/supervisors shall be resolved

and approved by a majority of the directors present at a directors' meeting attended by more than two-thirds of the whole directors, and reported to a shareholders' meeting.

The above amendments to the Articles of Incorporation were approved by the Board of Directors on March 25, 2016 and approved at the regular shareholders' meeting on June 24, 2016.

2. Basis for estimation of the employee bonuses and profit-sharing remuneration for directors, and supervisors during the period, the basis for the calculation basis of the number of shares for bonuses distributed in shares, and the accounting treatment if the distribution amount is different from the estimated amount:

Proposed cash bonuses for employees (profit-sharing remuneration) for 2023 (to be distributed in 2024): NT\$4,434,953; profit-sharing stock remuneration for employees: NT\$0; profit-sharing remuneration for directors and supervisors: NT\$2,217,477.

- (1) The proposed distribution of employee bonus is NT\$4,434,953, which differs by NT\$10,137 from the estimated amount of NT\$4,445,090 for 2023.
  - (2) The proposed remuneration to directors and supervisors is NT\$2,217,477, which differs by NT\$5,067 from the estimated remuneration of NT\$2,222,544 for 2023.
3. The difference in the estimate of the remuneration to employees, directors and supervisors: It is treated as the change of accounting estimate and will be adjusted and accounted for in the next year.

- (1) The basis for the calculation of the number of shares for employee remuneration distributed in shares: The 2023 employee remuneration was all estimated in cash, so this item does not apply.

- (2) Earnings per share based on the proposed distribution of remuneration to employees and directors/supervisors:

4. Distribution of remuneration of employees, Directors and supervisors in the preceding year (including the number of shares, amount, and stock price of the distribution); if there is any difference with the remuneration of employees, Directors and supervisors recognized, the difference, reason, and measures adopted shall be described:

- (1) Proposed cash bonuses for employees (profit-sharing remuneration) for 2022 (to be distributed in 2023): NT\$0; profit-sharing remuneration for employees: NT\$0; profit-sharing remuneration for directors and supervisors: NT\$0.

- A. Proposed employee bonuses (profit-sharing remuneration )NT\$0 and estimated amount NT\$0 for 2022, difference NT\$0.

- B. The difference between the proposed distribution of profit-sharing remuneration for directors of NT\$0 and the estimated amount of NT\$0 for 2022 is NT\$0.

- C. The reason for the difference between the estimated amount of employee bonuses (profit-sharing remuneration) and profit-sharing remuneration for directors and supervisors: None.

- D. The treatment for the difference between the estimated amount of employee bonuses (profit-sharing remuneration) and profit-sharing remuneration for directors and supervisors: None.
- (2) Amount of proposed stock bonus (profit-sharing remuneration) and its proportion to the total net profit after tax and total employee bonus on the parent company only financial statements for the period:  
0
- (3) Pro forma earnings per share after considering the proposed profit-sharing remuneration and profit-sharing remuneration for directors: (\$1.62)

(IX) Share repurchases by the Company: None

II. Corporate bonds: None.

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Employee stock options:

1. Employee stock options that have not yet expired: Not applicable.
2. Names of managerial officers who have obtained employee stock options and the top ten employees with the most employee stock options for more than NT\$30 million as of the publication date of the annual report as well as their acquisition and subscription: Not applicable.

VI. Restricted stock awards:

1. Effects of restricted stock awards not fully vested up to the publication date of the annual report on shareholders' interest: Not applicable
2. Names of managers who have obtained restricted stock awards and the top ten employees with the most employee stock options up to the publication date of the annual report as well as their acquisition and subscription: Not applicable

VII. Issuance of new shares in connection with mergers or acquisitions of shares of other companies: None.

VIII. The implementation status of the capital utilization plan, including the content and implementation status of the plan: None:

As of the publication date of the annual report, the Company did not have any prior issuance or private offering that had not been completed or has been completed but the effects of the plan are not fully exerted:

## Five. Operational Highlights

### I. Business activities

#### (I) Scope of business

##### 1. Major scope of business

- (1). C102010 Manufacture of Dairy Products.
- (2). C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food.
- (3). C104010 Manufacturing of Sugar Confectionery.
- (4). C104020 Manufacture of Bakery and Steam Products.
- (5). C105010 Edible Oil and Fat Manufacturing.
- (6). C110010 Beverage Manufacturing.
- (7). C199030 Instant Meal Box Food Manufacturing.
- (8). C199990 Manufacture of Other Food Products Not Elsewhere Classified
- (9). C801990 Other Chemical Materials Manufacturing.
- (10). CE01010 General Instrument Manufacturing.
- (11). CE01030 Optical Instruments Manufacturing.
- (12). CE01990 Other Optics and Precision Instrument Manufacturing.
- (13). F101990 Wholesale of Other Agricultural, Livestock and Aquatic Products.
- (14). F102020 Wholesale of Edible Fat and Oil.
- (15). F102030 Wholesale of Tobacco and Alcohol.
- (16). F102040 Wholesale of Nonalcoholic Beverages.
- (17). F102170 Wholesale of Foods and Groceries.
- (18). instead F107030 Wholesale of Cleaning Supplies.
- (19). F107990 Wholesale of Other Chemical Products.
- (20). F108031 Wholesale of Medical Devices.
- (21). F108040 Wholesale of Cosmetics.
- (22). F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies.
- (23). F113030 Wholesale of Precision Instruments
- (24). F113060 Wholesale of Measuring Instruments
- (25). J303010 Magazine (Periodical) Publishing.
- (26). F401010 International Trade
- (27). F113020 Wholesale of Electrical Appliances.
- (28). F113990 Wholesale of Other Machinery and Tools. .
- (29). F213010 Retail Sale of Electrical Appliances.
- (30). F213990 Retail Sale of Other Machinery and Tools.
- (31). JE01010 Rental and Leasing.
- (32). ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Sales percentage of main products for 2023

Unit: NT\$ Thousand; %

Business item	Year	2023	
		Operating revenue	Sales percentage
Nutrition and health care		259,901	78
Insurance brokerage		62,875	19
Others		9,982	3
Total		332,758	100

3. Main products (services) of the Company at present

- (1) JustBest Series (Softshell Turtle Essence-P, Remain Young Capsules, Softshell Turtle Koo Elite Bright Capsules, Kamimori High Calcium Capsules, Sesame Spike EX Capsules, Jia Yong Yong Caplets, Yuet You Powerful Plus Capsules, Yuanyi Yue Kang Caplets and other products.
- (2) JustSlim series (Just Fibre Lactobacillus with Endospore Enzyme, SlimStable Momordica charantia Peptide Compound Tablets, and SlimEmpty Enzymatic Jelly)
- (3) JustGood Series (Small Molecule  $\pi$  Flowing Water Machine, Hawaiian Deep Ocean Water, and Songsense) and other products.
- (4) Antrodia cinnamomea series (Antromax antrodia cinnamomea mycelium capsule, Ben antrodia cinnamomea mycelium essence) and other products
- (5) SOSO series (367 Speedy Slender Jelly, 088 Pink Latte Brewed Beverage)
- (6) Softshell Turtle Chuan Pei Series (Softshell Turtle Chuan Pei All Round Vitamins Capsule Food)
- (7) Always Healthy Probiotics

4. New products to be developed

- (1) Develop products with different life cycles for different marketing platforms and targets.
- (2) For marketing, efficiently develop preventive health products in three major directions to promote human health by improving nutrition, gastrointestinal, moisture, temperature and environment:
  - A. Nutrition (JustBest series): With Softshell Turtle nutrition as the core ingredient, we develop “target” healthcare products for different age groups, focusing on all-round healthcare priorities for each life cycle, such as the five age groups of children before 12 years old, adolescents between 12 and 20 years old, youths between 20 and 65, and the elderly over 65 years old.
  - B. Gastrointestinal (JustSlim Series): Gastrointestinal health is the source of health, through the promotion of intestinal health to

improve digestive function, promote metabolism (including weight control), regulation of immunity and other three basic healthcare priorities. JustSlim series will use plant-derived functional ingredients and probiotics to build a series for vegetarians to expand the healthcare market, and can also be used in conjunction with JustBest series for more complementary effects.

C. Moisture, Temperature and Environment (JustGood series): Jia Jie Biomedical provides small molecule structured water machines and “Deep Ocean Water,” which can form a good medium for carrying nutrients and oxygen in the body; the “Songsense” products imported from Japan can be used for bathing and foot bathing to improve the unhealthy low-temperature condition of the body and promote metabolism, and will continue to develop a series of products for the home environment to take care of overall health.

- (3) For the e-commerce platform, considering the needs of middle-aged and older adults, the company is planning to develop health supplements related to eye health, joints, and cardiovascular health. The goal is to align the products with the brand's spirit of natural and local origins, ensuring the development of safe and effective nutritional supplements.

## (II) Industry overview

### 1. Current status and development of the industry

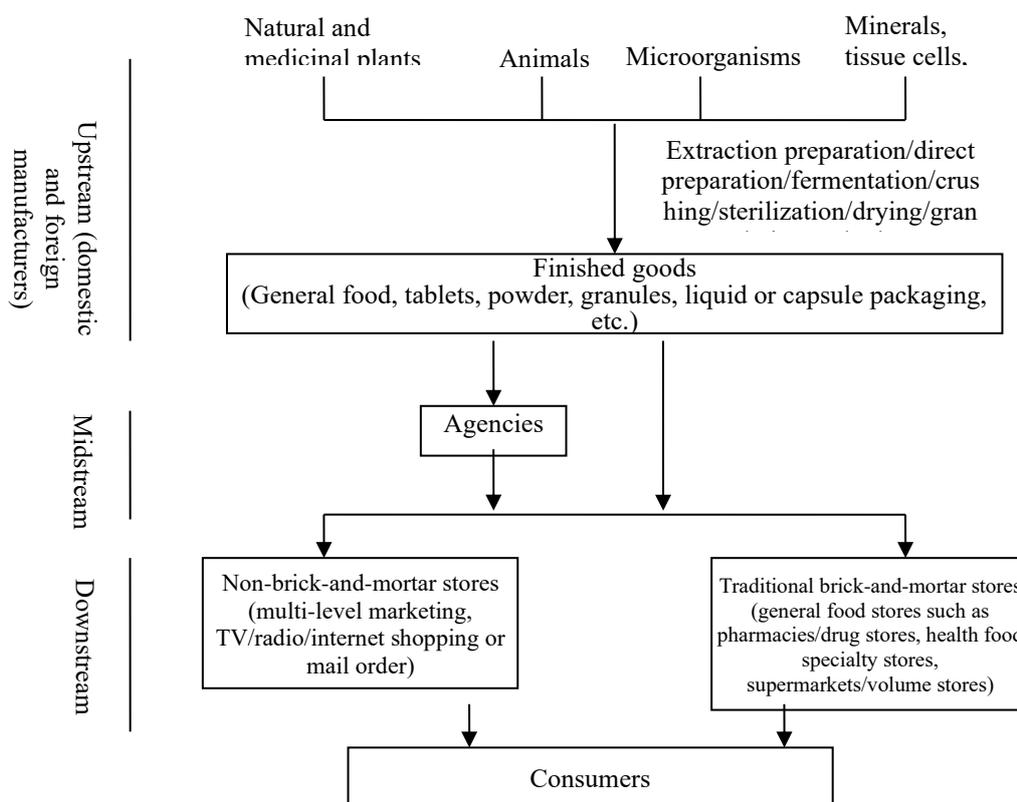
The biotechnology industry started in the U.S. in the 1970s and has flourished in recent years to become a highly anticipated star industry. Taiwanese government has attached great importance to biotechnology as far back as the 1980s. In 1982, biotechnology was listed as one of the eight key technologies, and in 2000, it was also listed as one of the ten emerging industries. In 1995, the Executive Yuan passed the “Asia-Pacific Manufacturing Center Project” and the “Biotechnology Industry Promotion Program” to promote the establishment of a sound regulatory system for biotechnology and pharmaceuticals, strengthen research and development, and facilitate major investment projects. In 2016, the “Taiwan Bioeconomy Industry Development Plan” was approved to focus on the development of five major areas: pharmaceuticals, medical devices, healthcare, food and agriculture, as an important policy direction for the development of the bioeconomy industry, hoping to develop Taiwan into a research and development and manufacturing center for biotechnology and pharmaceutical industries in the Asia-Pacific region.

The Ministry of Economic Affairs (MOEA) has announced to amend the “Act for the Development of Biotech and New Pharmaceutical Industry,” and the draft article will be amended to “Act for the Development of Biotech and Pharmaceutical Industry,” which is expected to be sent to the Legislative Yuan for the third reading in the second half of 2021. The “Act for the Development of Biotech and Pharmaceutical Industry” will be seamlessly applied in

2022 and is expected to be implemented until the end of 2031. In addition to increasing the number of applicable items in response to the international trend of advanced development of biotechnology industry, and attracting capital investment and retaining outstanding talents through tax incentives, the overall international competitiveness of the industry is expected to be enhanced

2. Correlation between the upstream, midstream, and downstream of the industry

The Company is a manufacturer and distributor of health food products in the biotechnology industry, and its upstream, midstream and downstream correlations are listed as follows:



3. Development trends of products

The 21st century is a harbinger of a new era for the health food industry. While the upstream international perception of functional ingredients and health food materials is rising and international demand is high, the downstream health food and organic food are emerging. According to the report of the Biotechnology Industry Development Strategy and Measures for Manufacturing Industry, the priority areas for the future development of biotechnology industry in Taiwan include the fermentation industry, health food industry, agricultural biotechnology and environmental protection biotechnology. In addition, the Executive Yuan also announced during the biotechnology strategy meeting that Taiwan will do its best to promote the development of the biotechnology industry, indicating that the continuous growth of the health food market should be expected in the future. With the improvement of the Flowing Water

standard of the people's livelihood, the food supply is safe and the nutrition intake is easy. However, changes in work style and eating habits have led to excessive or unbalanced nutritional intake and the risk of high blood pressure, high blood fat and high blood sugar. People need to rely on health food to supplement their nutritional requirements or to keep their high blood pressure, high blood fat and high blood sugar within the standard values. In addition, the traditional custom of taking food to build up the body has led to the rapid development of the domestic health food market as people purchase health food products in liquid or granular form, which were originally boiled and produced in a standardized manner, and consider them to have the same effect. In addition, as the social problems of aging and fewer children continue to occur, a healthy body will become a common target for future citizens to avoid becoming a burden. We will continue our efforts in healthcare products to develop products that meet the needs of all age groups and ethnic groups, and to create more employment opportunities through direct selling and e-commerce, whether part-time or full-time, so that businessmen can use their strengths to serve society and reduce the burden on society.

#### 4. Market competition:

Softshell Turtle has a long history of consumption in China and is regarded as a nutrition supplement. The Chinese turtle contains special enzymes and hormones, and with the complete fish nutrients in its body, it has the uniqueness of a dietary supplement and therapeutic effect. Softshell Turtle is unique and irreplaceable in the market, and our business partners are loyal consumers so its related products contribute to the stability and development of the Company.

The government has been promoting the development of biotechnology industry, which has led to the booming of the biotechnology industry in Taiwan, and it is only natural that there are many competitors. On the one hand, the Company is strengthening its internal operation and linkage to enhance its operational strength, and on the other hand, it is strengthening its R&D and quality control to build up a barrier of products and services to keep its competitors at bay, which is believed to limit the impact to a minimum.

In addition, we are actively building up our internal administration team with the goal of global presence.

### (III) Technology and R&D overview

#### 1. Technology Level

On top of the consideration for stable quality, we produce Softshell Turtle Essence-P by our own heat concentration process imported from MIYAKU, Japan, and conduct Softshell Turtle Essence-P stability test, which has a higher level of technology compared to other domestic multi-level marketing companies that are mostly agents of foreign products.

Recently, we have been actively cooperating with various sectors to research and develop better products with academics and experts, and at the same time, we are participating in the certification of domestic and international quality marks to enhance our

competitiveness and strengthen our marketing and operation, hoping to gradually emerge in the competitive market.

## 2. R&D

The Company was established in May 1995. Initially we were mainly engaged in the professional marketing service of Softshell Turtle Essence-P products, and did not have an R&D department. Subsequently, in order to strengthen our R&D capability, we set up a research and development department in 2000, which is responsible for new product development, research and improvement of product production technology, and product application research. We have commissioned several domestic universities to conduct research on the immune function of Softshell Turtle related products over the years. In 2020, Taiwan Steel Group injected new energy into Jia Jie's product development by combining health and exercise elements with natural health ingredients from Taiwan, making Jia Jie the first choice of health food brand in Taiwan!

Over the years, we have conducted the following research:

- (1) Conducted research on immune function, hypolipidemic function and product stability of Softshell Turtle Essence-P in collaboration with the Biotechnology Section of the Incubation Center of National Taiwan Ocean University and the Department of Nutritional Foods of Fu Jen Catholic University.
- (2) Cooperated with the Department of Biotechnology, National Chiao Tung University to conduct further research on the health functions of round fish liver powder products.
- (3) Cooperated with National Pingtung University of Science and Technology to conduct further research on the effectiveness of Softshell Turtle Essence in inhibiting atherosclerosis.
- (4) With the development of Softshell Turtle intestine and Softshell Turtle liver powder, based on the study of the liver health function of Softshell Turtle liver powder, we learned that Softshell Turtle liver powder products have a significant health function of reducing chemically induced liver damage, and its processing method can be used as a basis for the manufacture of Softshell Turtle liver health products.
- (5) Developed enzyme products, which are substances found in all animals and plants and are necessary for maintaining normal body functions, digesting food, and repairing tissues, etc., and which are made of protein and participate in almost all bodily activities. Therefore, when the enzymes required for normal metabolism are insufficient, they need to be supplemented externally.
- (6) To avoid the problem of adulteration of softshell turtle ingredients, which occurred for many products in the society, which affects the quality of products and damages the rights of consumers, we provided a method to identify the adulteration of Softshell Turtle oil and powder. Therefore, we cooperated with National Pingtung University of Science and Technology to detect Softshell Turtle in food products by using the chain reaction method of polymeric enzymes.
- (7) Developed the Zhaolong health herbal turpentine powder product,

made of turpentine powder, Cordyceps sinensis mycelium powder, Poria cocos, honeysuckle, dandelion, ginseng, buckwheat, red date, bitter melon extract, onion extract, pumpkin seed extract, safflower, soybean fiber, wolfberry, ganoderma lucidum seeds, grape seeds, and cactus gum powder, refined by biotechnology, with cooling, thirst quenching, lowering inner fever, nourishing beauty, promoting appetite, promoting metabolism and other benefits, which is a modern healthcare product, good for both self-use and as gifts for others.

- (8) Develop Kamimori high-calcium capsule product, using turban nail powder as the main ingredient. As we age, bone mass decreases and generally speaking, the fastest bone loss in women occurs after menopause, so we need to pay special attention to bone maintenance to prevent bone loss.
  - (9) The development of turtle-deer Kamimori, with turtle nail and antler, combined with Softshell Turtle powder to produce a unique series of inspirational products, has been quite well received in the market, sales are gradually rising – quite a rising star.
  - (10) Developed Sesame Spike EX. As sleep disorder has become the world’s civilization disease, and many people have trouble with sleep disorder, this new product was therefore quite well received during the development and testing period.
  - (11) Developed the JustSlim series to actively expand the market of weight control in order to expand the young group and increase revenue. Currently, we have launched three flavors of nutritional beverages – Original, Tropical Fruit, and Matcha Cocoa, and three types of products, including probiotics and Shiso Oil capsules, with excellent weight control results.
  - (12) Collaborated with YUANPEI UNIVERSITY OF MEDICAL TECHNOLOGY to study the difference in nutritional composition of Softshell Turtle powder obtained by different processing methods.
  - (13) Conducted joint research and development with Chi Mei Medical Center and National Chiayi University on probiotic series products, hoping to create another marketing channel with highly effective probiotic products.
3. Research and development expenses and as a percentage of operating revenues for the most recent two years and the current year up to the date of publication of the Annual Report:

Unit: NT\$ Thousand; %

Item	Year	2023	2022
R&D expenses		9,324	8,935
Net operating income		332,758	317,716
Proportion		2.80	2.81

4. Future R&D plan and R&D expenses expected to be invested:

- (1) Continue to develop research and development on the combination of raw materials from various parts of Softshell

- Turtle with various food products, and upgrade them with the latest biotechnology processes to improve the nutritional value and help the cells in the body to function properly faster.
- (2) Develop local ingredients local ingredients in Taiwan to become a new material for innovative healthcare. The advantageous probiotics selected from the fermentation broth of local fruits in Taiwan have been evaluated for related application and commercial diversification.
  - (3) Proactively cooperate with various sectors and conduct collaborative research projects with academia in order to develop better products and obtain technical support.
  - (4) Estimated R&D expenses in 2024: Including the salaries of R&D personnel, R&D materials, and outsourced research, the estimated R&D expenses are approximately NT\$12,000 thousand.
5. Technologies or products successfully developed
- (1) Developed turtle-deer Kamimori capsule food, containing the Chinese recipe of turtle shell, turtle-deer nourishing essence, plus glucosamine, catechins, chondroitin and B-complex nutrients, which is the key to nourishing and diverse supplementation, promote metabolism and provide vitality, and is a healthy product for modern people.
  - (2) Developed Softshell Turtle Koo Elite Bright capsule, containing Softshell Turtle powder, fish oil, Chinese wolfberry, cassia seeds, vitamins A and E and fruits and vegetables, marigold, red algae extract and other ingredients, as well as polyunsaturated fatty acids DHA and EPA and astaxanthin, lutein, etc., with antioxidant effects. The product helps maintain the integrity of cell membranes and is a daily supplement of nutrients and health care for video gamers, students, office workers, silver-haired people and phubbers.
  - (3) Developed blueberry enzyme tablet food, containing 70-in-one comprehensive fruit enzymes, starch, lipolytic enzymes, water sugars and other ingredients to help improve the digestive function of the gastrointestinal tract, as well as blueberry extract, West Indian cherries. The product is rich in vitamin C, which is to complement the nutrient deficiency of Softshell Turtle Essence, and also has an antioxidant effect to help maintain the healthy gastrointestinal tract function.
  - (4) Developed the sesame Spike EX capsule food, containing supercritical carbon dioxide extraction of sesame. The product's small molecules are easy to be absorbed and has a strong antioxidant effect, so it is wildly applied in Japan to facilitate sleep. The product also is combined with other scientific compound GABA, sour date extract relaxation lyrical pressure, PS to enhance brain response, while sesame extract compound can facilitate sleep, which is another good choice for people with modern sleep disorders.
  - (5) Using 13–16 taels of Chinese turkey, slow-boiled into the essence of round fish, suitable for the whole family, late night overtime

workers, growing teenagers, silver-haired people, mothers-to-be, anyone who needs nourishment after surgery. It is a nutritional health drink that can be consumed by all the above groups to replenish the energy each day, nourish and strengthen the body, beautify the face, and energize the spirit.

- (6) JustSlim series (nutritional drinks – original, tropical fruit and matcha cocoa flavors, probiotics and Shiso Oil capsules) are three types of products that help control calories with low-calorie, high-fiber and high nutrition, and bring away bad bacteria from the intestines with patented good bacteria to help smooth bowel movements, while Shiso Oil, rich in omega-3 fatty acids, promotes the body's oil metabolism. The three types of products complement each other to achieve the goal of weight control in a healthy way. Slender Stability Bitter Melon Peptide Compound Tablet and Slender Evacuation Enzyme Jelly will be developed later to make the series complete. Slender Stability Bitter Melon Peptide Compound Tablet uses patented bitter melon peptide with chromium to stabilize carbohydrates, while Slender Evacuation Enzyme Jelly uses postbiotics to build a healthy digestive tract with laxative ingredients of Chinese recipe, both of which have received extremely positive feedback from the channels.
- (7) Antrodia cinnamomea series: We developed antrodia cinnamomea mycelium capsule and Ben antrodia cinnamomea mycelium compound drink with a similarly powerful industry leader, GREENYN BIOTECHNOLOGY CO., LTD. Antrodia cinnamomea is a unique fungus in Taiwan. It is not easy to obtain wild antrodia cinnamomea, and it is relatively economical and safe to produce triterpenoid-rich antrodia cinnamomea in solid state culture. Our antrodia cinnamomea mycelium capsule obtained the health food liver protection certification, and the Ben antrodia cinnamomea drink is loved by the public, which helps people to cope well with social affairs, to stay up late and work overtime without losing energy.
- (8) Jia Yong Yong Caplets: An upgraded product of turtle-deer Kamimori capsules, containing turtle-deer essence of Chinese recipe, turtle-deer and ostrich, plus western technology of type II collagen, polysaccharide and hyaluronic acid, it is a holy product for nourishing and flexible mobility.
- (9) Jia Water Fair Skin Tablets: Combine Softshell Turtle with collagen and multinational beauty materials, such as French melon extract rich in SOD nutrients, Italian blood orange extract, Japanese rose flower office, etc., to help stay youthful and fair-skinned with vitality and radiance.
- (10) SOSO series: 367Speedy Slender Jelly is designed as a packet of jelly to help smooth bowel movements, with light calories and full pink latte Brewed Beverage, to get rid of the impression that health food is mostly capsules and tablets, and can better meet the needs of the young generation for a slender metabolism.

#### (IV) Long-term and short-term business development plan

## 1. Short-term plan

### (1) Marketing strategy

- A. Focus on the core business, focus on marketing the main products, and set up distributors' friendship centers and family gathering centers throughout the province to enhance distributors' professional ability and loyalty to the Company and provide services to a wider range of product lovers and new members.
- B. Revitalize the sales venues and strengthen the marketing: with the basic core of humanity of the Company's operations, the improvement of the operations efficiency of the sales venues will help the sales of various products and businesses, and we will continue to strengthen the marketing and activities in the short term to enhance the operation efficiency and confidence.
- C. Enhance the professional ability of our business partners: We organize various training activities to continuously strengthen the business strength of our business partners and provide better services.

### (2) Production policy

- A. Continuously implement international standards such as ISO 9001, ISO 22000, and HACCP to ensure the implementation of hygiene and quality control requirements and pursue the goal of zero defects in product quality.
- B. Implement employee education and training courses to establish a perfect process management and production process operation concept to ensure the yield and safety of the production process.
- C. Set up a unified shipping center, introduce a more efficient management system ERP, and distribute products directly to distributor members' premises, and analyze various data to effectively control product production efficiency and reduce inventory goals.

### (3) R&D and product development direction

- A. Recruit R&D professionals and strengthen training. In addition to actively participating in lectures and training activities at various professional academic institutions, we are working together to develop new products through close contact with professors at universities and colleges.
- B. Actively apply for Softshell Turtle Essence-P to obtain health food certification to increase public recognition of the Company's healthcare products.
- C. Develop new products through strategic alliances with industry peers and other industries, such as Softshell Turtle Essence, probiotic enzymes, lutein, sesquiterpenes, nutritional drinks, and maintenance products, to provide consumers with more diverse product choices.

### (4) Operational scale and financial support

- A. Restructure Taiwan and China investees:  
The Company will review the Taiwan and China investees one by one and strictly control the use of funds by the investees to

avoid affecting the parent company and causing losses. The Company plans to gradually merge the investees into the parent company, dispose of the shares to recover the capital, reduce the scale, or gradually close down the business.

- B. Develop budgets and review them regularly to reduce fixed expenses and expenditures:

We plan to adjust the manpower and organizational structure and appropriately reduce the impact on the services provided by the Company. We should review the expenses and expenditures of internal staff, including the annual education and training expenses and course arrangements. In addition, we should regularly prepare and strictly execute budgets, review and reduce all expenses, and spend the money in a cost-effective manner to enhance operational efficiency.

## 2. Long-term plan

### (1) Marketing strategy

- A. Establish a dedicated business development department:

The Business Development Department consists of the Marketing and Sales Division, the Multimedia Division, and the Event Planning Division, together with the Product Development Division, which is staffed by nutritionists and food technicians. Each division works in tandem with the other, using professional and marketing tools to assist business owners in sales and promotion. The Marketing and Sales Division provides business owners with the best service and event execution at each branch. The Business Development Division will be the strong backbone for all distributors in frontline marketing.

The Business Development Department will work with the direct selling organization to achieve operational goals, maintain the best connection to the marketplace, respond to changes, and move accurately toward goals.

- B. Build the brand and marketing to make Jia Jie Biomedical visible to the world:

We have re-established Line, internet and various media marketing models, using various media and platforms to expand marketing and make Jia Jie visible to the world.

- C. Upgrade the level of our products:

Centering around Softshell Turtle nutrition, we will focus on the seven key points of healthcare – brain power, eye power, agility, beauty, aphrodisiac, anti-height, and cancer prevention, etc. We hope to become the representative company in Taiwan for Softshell Turtle-related functional products.

### (2) Production strategy

Product packaging operations will be improved towards fully automated processes. In the future, automated packaging equipment will be purchased to achieve the goal of effectively controlling product quality and improving production efficiency.

In line with the marketing planning, we regularly review sales and manufacturing and supply to reduce inventory, minimize losses, and provide the best product quality.

(3) R&D and product development strategy

We will cooperate with relevant academic research institutions to develop special series of nutritional supplements and topical maintenance devices for chronic civilization diseases, so as to help patients with chronic civilization diseases to use them for a long time, and to adjust their physique and enhance their immunity. And develop preventive health products efficiently in three series of directions, including nutrition, gastrointestinal, moisture, and temperature and environment, to promote human health. In addition, in line with the business strategy to introduce young people, we will also develop a series of products for young people with sense, such as probiotics, collagen, weight control series, and maintenance series. Expand the group and multiply the revenue.

(4) Operational scale and financial planning

In order to consider the future long-term capital operation of the Company, we will plan to introduce strategic alliance partners. Currently, our revenue only comes from the direct selling industry, and we plan to introduce strategic alliance partners in the future. Through cross-industry cooperation, we can maintain the Company's sustainable and stable operations and provide better protection for employees in the long run.

A. Effective in increasing overall revenue

In view of the Company's performance and long-term capital operation efficiency, we will plan to introduce a strategic alliance partner. In the future, we plan to expand the Company's business base through the entry of strategic partners and the introduction of cross-industry cooperation, or to operate in a similar manner as a holding company or direct selling subsidiary in the same industry, which is more capable of maintaining the Company's long-term sustainable and stable operation, protecting the welfare of the Company's employees, and ensuring the shareholders' rights and interests.

B. Long-term capital for sustainable operations

We plan to introduce long-term strategic corporate shareholders to provide sufficient capital to assist the Company's sustainable development, and gradually build a system of professional managerial officers, recruit professionals who have a reputation for practical operation of direct selling organizations, and plan direct selling market business plans as well as the upgrading of internal systems and talents in order to continue to expand our direct selling market share.

C. Increase the ownership of managing shareholders

The introduction of long-term strategic shareholders in the future will enhance the core shareholdings of the management team and distributors, consolidate the Company's management rights and centralize core shareholdings, which will have

obvious benefits to the Company’s sustainable operation and maintain the distributors’ centripetal force, and the increased shareholdings of the operators can protect the management rights and a relatively stable shareholding structure can also effectively protect the rights of employees and attract outstanding talents to join the Company.

D. Establish a tourist factory

In order to revitalize the assets of the training center, reduce expenses, and increase non-industrial revenue, we intend to combine the local culture of Mino, the historical background of Jia Jie Biomedical, and the R&D and manufacturing capabilities of the biotechnology factory to build a tourist factory, establish the Company’s brand image, provide special products, and significantly increase non-operating income.

II. Overview of market, production and sales

(I) Market analysis

1. Sales region of major products

Unit: NT\$ Thousand; %

Item \ Year		2023		2022	
		Amount	As a percentage of total sales for the year	Amount	As a percentage of total sales for the year
Taiwan	Northern region	76,839	23	71,979	23
	Central region	49,768	15	48,365	15
	Southern region	196,749	59	188,409	59
	Eastern region	9,402	3	8,962	3
	Subtotal	332,758	100	317,715	100
China	China	0	0	1	0
	Subtotal	0	0	1	0
Total		332,758	100	317,716	100

2. Major competitors

According to the Fair Trade Commission’s Multi-level marketing business declaration statistics, 391 multi-level marketing businesses were filed at the beginning of 2023, 74 new businesses were filed in 2023, and 93 were withdrawn, resulting in a total of 372 multi-level marketing businesses at the end of 2023.

3. Market share

According to the Fair Trade Commission’s “Report on the Results of the Survey on the Business Development of Multi-level Marketing Businesses in the Republic of China in 2022,” the total turnover of multi-level marketing business of nutritional food in 2022 is \$70.130 billion. The Company’s revenue in 2023 had a moderate growth compared to 2022. The Company will continuously focus on business growth in 2024 in order to achieve a larger market share.

#### 4. Future market demand and supply and growth potential

As the economy develops, personal income increases and health issues become more important, our products are able to meet the market trends and our distributors are able to do their best, so the market demand should grow steadily in the future. Since the Company is the only domestic vendor that can master the source of Softshell Turtle and its production technology, the supply situation can be adjusted according to the market demand and there will not be any imbalance yet.

With the advent of the aging society, the demand for healthcare products is doubling, and we are now focusing on strengthening product research and development and cross-industry alliances to provide more quality products and multiply our revenue by cutting through various needs.

#### 5. Competitive advantage

##### ①Product uniqueness

The raw material used by the Company is the hibernating and cold-blooded Chinese turtle, which is a traditional food in the East but not in the West. This unique feature also allows our main Softshell Turtle products to have market segmentation and therefore stable growth for our distributors.

##### ②Award-winning products with excellent quality

On October 15, 1997 and March 4, 1998, the Company's main product, Softshell Turtle Essence-P, received the 1997 Taiwan Golden Product Award and the Gold Medal Award from the Taiwan External Trade Development Council and Consumer Association of Taiwan, respectively. In addition, we were the first company in Taiwan to obtain ISO 9002 certification for our overall marketing services on December 31, 1997. We also obtained ISO 9001 certification for our international quality management system in September 2003, ISO 22000 and HACCP certification for our international food safety management system in November 2005; in March 2006, we obtained "Softshell Turtle Essence-P" food GMP certification; in 2008, we won the National Quality Assurance Gold Award; in 2011, we received the Golden Rudder Award from the National Cheng Kung Association for Corporate Management; in 2014, we received the Quality Sustainability Award from SGS; and in 2020, we received two awards from the 2020 Asia Pacific BIO Health & Biotechnology Awards: the Industry Excellence Leadership Award and the Outstanding Health & Biotechnology Brand Award.

##### ③Stable source and quality of raw materials

The Company strictly requires the upstream farmers to raise the raw materials, and sets up long-term purchase contracts, commits to

the minimum annual purchase quantity and purchase price, and ensures the quality of Chinese turkeys by protecting the rights and basic profits of farmers.

④Self-production and self-sales

Other large multi-level marketing companies selling health food products in Taiwan are mostly foreign companies or distributors of foreign brands, and the ratio of self-production is not high. While the Company introduced Softshell Turtle Essence-P related technology and advanced manufacturing process from Japan, which makes us more competitive than other multi-level marketing companies.

⑤Different from traditional marketing approaches

The Company uses a multi-level marketing approach to sell its products and recommends them directly to consumers through distributors, which is different from traditional store marketing channels. The Company's comprehensive return and exchange service, briefing sessions, basic staff training, and transparent bonus calculations help distributors expand their organizations, while the multi-level marketing strategy attracts and acquires distribution rights for a wide range of products, which is another unique competitive advantage.

6. Favorable and unfavorable factors for the development prospect, and countermeasures

①Favorable factors

A. With the advent of the 21st century, human beings are becoming more and more aware of the pursuit of health. The products produced and introduced by the Company belong to the health service industry, which has excellent market expansion.

B. The Company has the characteristic of self-production and self-marketing, and has the inherent advantage of mastering raw materials, and the products sold have good uniqueness and high recognition. Also, in December 2000, we purchased the Meinong plant to reduce production costs and increase profitability.

C. The Company has a fast product turnover and good service and communication with the right concept, which can form a continuous consumption and promote the stable growth of business.

②Unfavorable factors

A. The number of companies joining the health service industry is increasing, and the quality of the companies varies, sometimes misleading the public and generating incorrect concepts.

Countermeasures: Construct a sound internal control system and purchase its own office to express the Company's philosophy and determination of sustainable management.

B. Similar products of inferior quality continue to enter the market, which will affect the sales performance in some markets.

Countermeasures: Actively research and develop, establish and maintain our own brand name to differentiate

ourselves from other products in the market, and build a complete distribution system to enhance our competitive advantage and create profits.

C. Some people still need to be educated on the concepts of nutrition, health and healthcare.

Countermeasures: The Company will actively obtain health food certifications and enhance the promotion of the characteristics of the Chinese Food Products through distributors and other channels in order to educate consumers about the correct understanding of the products.

D. The imported products are still subject to the risk of exchange rate fluctuations and increased costs.

Countermeasures: The Company has a strategic alliance with Japan's Koyo Health and Beauty Culture to ensure the stability of the price of purchases. In addition, the Company will continue to introduce products from other domestic manufacturers in order to diversify the source of purchases and reduce the ratio of imported products.

(II) Main usage and manufacturing processes for the Company's main products

1. Description of products:

- (1) Softshell Turtle Essence-P: All-round nutritional health food, natural chelated balanced nutrients, nourishing and strengthening the body.
- (2) Remain Young: Softshell Turtle eggs are also known as Softshell Turtle ova. Its animal lecithin is very valuable.
- (3) Songsense: A home bath and footbath that fills the home with the fragrance of the forest.
- (4) Yi Yue Kang Caplets: The product promotes metabolism and regulates physiological functions, with biotechnology-derived beneficial ingredients for human body.
- (5) Hawaii Deep Ocean Water: retains the balance of minerals in the sea.
- (6) Jia Jie Small Molecule  $\pi$  Flowing Water machine: in line with environmental protection requirements, no plugging, no wastewater discharge, raw drinking, a good choice for hydration on weekdays.
- (7) Jia Xian Lactic Acid Bacteria with Spores: The environmental

protection of the body starts from the intestine, helping to maintain the function of the digestive tract.

- (8) Kamimori High-Calcium Capsules: Helps the normal development of teeth and bones.
- (9) Yuet You Powerful<sup>+</sup> capsule: regulates physiological functions.
- (10) Softshell Turtle Koo Elite Bright Capsules: An all-around bright supplement formula that helps maintain vision in dark places.
- (11) Jia Yong Yong Caplets: Contains turtle-deer essence of Chinese recipe, turtle-deer and ostrich, plus western technology of type II collagen, polysaccharide and hyaluronic acid, it is a holy product for nourishing and flexible mobility.
- (12) Jia Water Fair Skin Tablets: Combine Softshell Turtle with collagen and multinational beauty materials, such as French melon extract rich in SOD nutrients, Italian blood orange extract, Japanese rose flower office, etc., to help stay youthful and fair-skinned with vitality and radiance.
- (13) Slimming and stabilizing bitter melon peptide: with patented bitter melon peptide and chromium to help stabilize carbohydrates.
- (14) Slender Evacuation Enzyme Jelly: with intestinal ingredients of Chinese receipt to build a healthy digestive tract with postbiotics.
- (15) Antrodia cinnamomea series: Antrodia cinnamomea is a unique fungus in Taiwan and is relatively economical and safe to produce triterpenoid-rich antrodia cinnamomea in solid state culture. Our antrodia cinnamomea mycelium capsule obtained the health food liver protection certification, and the Ben antrodia cinnamomea drink helps people to cope well with social affairs, to stay up late and work overtime without losing energy.
- (16) 367 Enzyme Jelly: With patented compound plant extracts (lemon verbena + loxin flower), garcinia cambogia and dietary fiber and other compound ingredients, the cassis-flavored QQ jelly easily eliminates the burden of excess greasiness and is light and smooth without getting stuck.
- (17) 088 Pink Latte Brewed Beverage: Italian blood orange extract, green coffee, medium chain fatty acids combined with white

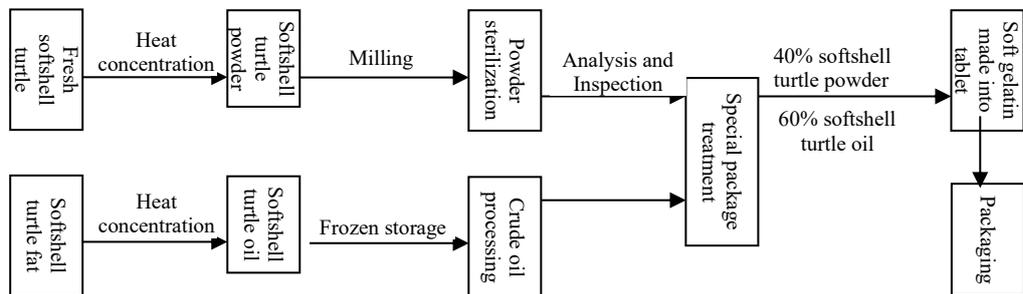
kidney beans and garcinia cambogia extract, slender, full and beautiful three in one berry flavored drinks, replace the afternoon tea hand shaken drink, light card no burden.

(18) Softshell Turtle Chuan Pei All Round Vitamins: a comprehensive and natural vitamin developed by the Orientals, which replenishes essence, chi, and spirit in one go.

(19) Always Healthy Probiotics: Contains more than 20 billion of patented lactic acid bacteria (JJ101 Lactobacillus rhamnosus, JJ102 Lactobacillus paracasei, JJ103 Lactobacillus plantarum), and the formula of three selected prebiotics has been tested and tested to be effective in environmental protection in vivo, adjust physical fitness and enhance protective power.

## 2. Manufacturing processes of the Company's main products

The manufacturing process of our self-produced Softshell Turtle Essence-P is listed below:



### (III) Supply of major raw materials

The main ingredients of our Softshell Turtle Essence-P are whole Softshell Turtle and Softshell Turtle oil. The whole Softshell Turtle is currently supplied under contract, and is raised by contract farmers and submitted to the Company. Softshell Turtle oil is purchased and supplied under long-term supply contracts. The diversified supply of raw materials ensures no shortage and the quality has been reliable for many years.

## (IV) List of major vendors and customers

## 1. List of major vendors

Major suppliers in the most recent two years

Unit: NT\$ Thousand; %

Item	2023				2022			
	Name	Amount	As a percentage of annual net purchases	Relationship with the issuer	Name	Amount	As a percentage of annual net purchases	Relationship with the issuer
1	Bright Peaceful Inc.	19,800	36	None	Bright Peaceful Inc.	18,791	32	None
2	MERLE CO., LTD.	10,633	19	None	MERLE CO., LTD.	8,160	14	Note
3	Wu, Chen-Sheng	3,713	7	None	Greenyn Biotechnology	4,541	8	None
	Others	20,790	38		Others	27,078	46	
	Net purchase	54,936	100		Net purchase	58,570	100	

Note: Other substantive related parties

## 2. List of major customers

Major sales customers in the most recent two years

Unit: NT\$ Thousand; %

Item	2023				2022			
	Name	Amount	As a percentage of the annual net sales	Relationship with the issuer	Name	Amount	as a percentage of net sales up to Q1 of the current year	Relationship with the issuer
1	-	-	-	-	-	-	-	-
	Others	332,758	100		Others	317,716	100	
	Net sales	332,758	100		Net sales	317,716	100	

## (V) Production volume and value in the most recent two years

Unit: Thousand NTD; Thousand units

Year Production volume and value Main product	2023			2022		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Softshell Turtle Essence-P	71,148	16,215	202,612	71,148	14,558	181,909

## (VI) Sales volume and value in the most recent two years

Unit: In Thousands of New Taiwan Dollars

Year	2023				2022			
	Taiwan		China		Taiwan		China	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Main product								
Nutrition and health care	Note	259,901	Note	0	Note	239,044	Note	0
Insurance brokerage	Note	62,875	Note	0	-	64,703	-	0
Others	Note	9,982	Note	1	Note	13,968	Note	1
Total	Note	332,758	Note	1	Note	317,715	Note	1

Note: The sales volume is not shown because of the wide variety of products and the lack of consistent measurement units.

### III. Information on employees for the most recent two years and the current year up to the date of publication of the annual report

Unit: People

Year		2022	2023	2024 (As of 2024/04/21)
Number of employees	Administrative staff	46	48	50
	Technicians	13	14	10
	General staff	6	5	5
	Total	65	67	65
Average age		42.33 years old	42.78 years old	43 years old
Average years of service		9.62 years	9.91 years	9.91 years
Academic background	Ph.D.	0%	0%	0%
	Master's Degree	15.38%	17.19%	16.92%
	Bachelor's Degree	70.77%	70.31%	70.77%
	Senior high school	12.31%	10.94%	10.77%
	Below senior high school	1.54%	1.56%	1.5%

### IV. Contribution to environmental protection

- For the most recent year and for the current year up to the date of publication of the Annual Report, the amount of loss due to environmental pollution (including compensation and environmental protection audit results of violations of environmental protection laws and regulations, the penalty date, the penalty number, the provisions of the regulation violated, the content of the regulation violated, and the penalty content should be stated) and the estimated amount of current and potential future losses and countermeasures. If the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None occurred.

2. Potential future losses and countermeasures: None
3. Information on the Company's compliance with the European Union's environmental protection directive (RoHS): Based on the characteristics of the Company's industry, the Company is not affected by the European Union's Restriction of Hazardous Substances Directive (RoHS).

#### V. Labor-management relations

##### (I) Material labor-management agreements at present and implementation:

###### 1. Welfare measures for employees

- (1) Participation in labor insurance, national health insurance and group insurance.
- (2) If the Company makes a profit in a year as concluded by the year-end accounting close, it shall pay employee bonuses and year-end cash awards to employees based on their performance, in addition to paying taxes, dividends and provident funds as required by law.
- (3) The Company may provide work uniforms according to actual needs.

###### 2. Retirement pension system and implementation

- (1) In accordance with the "Labor Standards Act," the Company has a defined benefit retirement plan that applies to all regular employees with years of service prior to the implementation of the "Labor Pension Act" on July 1, 2005, and to employees who elect to continue to be subject to the Labor Standards Act after the implementation of the "Labor Pension Act." For employees who meet the retirement requirements, pension payments are calculated based on the length of service and the average salary for the six months prior to retirement, with two bases for each year of service up to and including 15 years and one base for each year of service in excess of 15 years, subject to a maximum accumulation of 45 bases.

In the fourth quarter of 2014, the Company reached a settlement agreement with all employees applicable to the old scheme to settle their years of service under the old scheme and labor retirement reserve fund. On January 30, 2015, the Company obtained a letter of approval from the Labor Affairs Bureau to terminate the dedicated pension funds account for labor pension reserves and withdraw the principal and interest.

- (2) Since July 1, 2005, the Company has 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.

###### 3. Continuing education and training for employees

Through appropriate education and training, all of our employees, whether they are engaged in administrative or technical work, can improve their skills and qualifications to ensure that they understand the relevance and importance of their work and how to contribute their efforts to achieve quality goals. Therefore, the Administration

Department of the Company will compile the annual education and training demand form filled out by each unit every year, and then set up an annual education and training plan, which will be implemented after approval.

The content and number of training sessions for each department in 2023 are summarized as follows

Department	Number of training sessions	Content of training sessions
Auditing department	4	Note 1
Finance Department	2	Note 2
Administration Department	3	Note 3
Brand Strategic Division	2	Note 4
Product R&D Division	9	Note 5
Production Division	3	Note 6

Note 1: Board of Directors and Functional Committees (Audit, Compensation) Regulatory Analysis and Audit Focus; How to Adjust Internal Control Systems to Respond to New ESG Regulations; Board of Directors and Functional Committees (Audit, Compensation) Regulatory Analysis and Audit Focus; Labor Law Knowledge Required for Auditors - From Recruitment to Resignation; "Information Security Protection" and "Cloud Security" Audit Practices Seminar.

Note 2: Continuing education for the accounting officer; impact of new ESG laws and financial statements; analysis of financial statement audit/loaning of funds/endorsement/guarantees/common deficiencies with withdrawal and internal control regulations.

Note 3: Laws related to the Labor Standards Act; 2023 Great Southern Talent Forum; 2023 "Labor Standards Act Conference".

Note 4: Food labeling and advertising camp in 2023; brand internalization workshop of Jia Jie Biomedical.

Note 5: SGS Nutrasource Health Food "Product Label" and Export Seminar; Trends in Health and Nutrition Products and Food Safety Practices Seminar; 2023 Food Labeling and Advertising Workshop; 2023 Health and Nutrition Food GMP Special Course; Post-epidemic era 2023 Health Food Advantages Creation and Efficacy Verification Seminar; Ministry of Economic Affairs' Work Promotion of Food Industry Upgrading and Transformation Seminar; Taiwan Health Food Association Annual Meeting and International Academic Conference; 2023 Nephrology Specialist Nutritionist Basic Course; Food Safety Management System HACCP-Advanced Training Course.

Note 6: Key points of the latest amendment to the Food Safety and Sanitation Management Act; 2023 Health and Nutrition Food GMP Special Course; Digital Transformation Promotion Program for Small and Medium Food Manufacturing Industry.

4. Employees' code of conduct or ethics

- (1) The Company has established "Work Rules for Employees" for employees at all levels to follow and strive to achieve the tasks and missions assigned by the Company, and employees work diligently in the workplace to comply with the following codes of conduct:
  - 1) Employees shall not use the Company's telephone and computer to engage in private conversations and Internet communication, if found to be true, will be punished with three demerits and the Company reserves the right of legal recourse.
  - 2) Do not sleep, play or quarrel.
  - 3) Do not chew betel nuts, drink alcohol, gamble or take drugs, etc.
  - 4) Do not have bad behavior that affects the quality of products.
  - 5) No alteration of work records.
  - 6) Do not talk about the Company in such a way as to negatively affect the Company's image or destroy the employees' work morale.
  - 7) Do not disrupt the work order, obstruct public health and safety behavior.
  - 8) Do not compete with distributors for customers.
  - 9) Do not engage in personal matters during the Company's working hours, including Internet access, etc.
  - 10) Never steal the Company's products for private sale.
  - 11) Never accept any bribes from suppliers of the Company.
  - 12) Never criticize or behave negatively in front of distributors.
- (2) The Company requires its employees to behave ethically and morally and to conduct themselves in accordance with social and legal norms. We expect our employees to have a strong ambition and passion to show it in their daily work so that the Company can thrive in the industry with the heart of service.

5. Work environment and employee safety protection measures:

In order to maintain the safety of the working environment and employees, the Company has established a safety and health management staff in accordance with Article 14, Paragraph 3 of the Labor Safety and Health Act, and has established a "Safety and Health Code of Conduct," which is regularly promoted and instructed to the relevant departments for implementation.

- (1) Labor safety and health management and the division of authority and responsibility: Determine occupational disaster prevention plans, emergency response plans, and direct the relevant departments to implement them. Planning, supervising the inspection and examination of safety and health facilities, implementing education and training, and providing labor safety and health consultation services.

- (2) Equipment maintenance and inspection: Regular inspection, key inspection, and operation checkpoint of all machinery and equipment used in the workplace in accordance with the annual safety and health inspection plan.
- (3) Work safety and health standards: workplace, machinery, equipment installed in accordance with the provisions of various safety and health protection equipment, shall not be arbitrarily disassembled or lose its effectiveness, if found disassembled or having lost its effectiveness, should be immediately reported and remedied.
- (4) Education and training: Fire safety drills and escape drills are held regularly to ensure the safety of the working environment and employees.
- (5) First aid and rescue: Emergency first aid and rescue shall be handled in accordance with the “Emergency Response Plan.”

6. Continuing education and training of managerial officers

Title	Name	Organizer	Name of the course	Training hours
Deputy General Manager	Chiang, Chen-I	Taiwan Functional Food Industry Association	Highlights of the latest amendments to the Food Safety and Sanitation Act	6 hours
Deputy General Manager	Lin, Ching-Hung	Accounting Research and Development Foundation	Continuing Education for Accounting Officer	12 hours

7. Other important agreements: None.

- (II) For the most recent year and for the current year up to the date of publication of the Annual Report, the amount of loss due to labor disputes (including labor inspection results of violations of the labor standards act, the penalty date, the penalty number, the provisions of the regulation violated, the content of the regulation violated, and the penalty content should be stated) and the estimated amount of current and potential future losses and countermeasures should be disclosed and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

Possible future loss due to labor disputes: None.

## VI. Cybersecurity management

(I) Describe the risk management structure of cybersecurity, cybersecurity policies, substantial management plans, and resources invested in cybersecurity management.

### 1. Information security risk management structure:

- (1) The Company's Information Department is responsible for planning, implementing and promoting information security management issues and promoting information security awareness.
- (2) The Company's Audit Division is the audit unit for information security monitoring. If the audit reveals any deficiencies, it will immediately request the inspected unit to propose relevant improvement plans and submit them to the Board of Directors, and regularly track the effectiveness of the improvements in order to reduce internal information security risks.

### 2. Information security policy

- (1) Maintain the sustainable operations of information systems
- (2) Prevent the invasion of and damages caused by hackers and viruses
- (3) Prevent human-made use with inappropriate intention and illegitimacy
- (4) Prevent the leakage of confidential and sensitive data
- (5) Prevent human-made negligence and accidents
- (6) Maintain the safety of physical environments

### 3. Substantial management plan for information security

- (1) Computer mainframes, application services, and other equipment of the Company are located in the exclusive server room, where access records are kept for inspection.
- (2) The server room is equipped with independent space to keep the computer equipment operating in a proper temperature environment, and a pharmacological fire extinguisher is placed for general or electrical fires.
- (3) The host of the server room is equipped with uninterruptible power and voltage stabilization equipment to avoid system crashes caused by unexpected transient power outages or to ensure that the operation of computer applications will not be interrupted during temporary power outages.
- (4) Promotional reminder: Request employees to regularly change the system passwords to maintain the safety of accounts.
- (5) Information security promotion: Provide information security example documents for colleagues' reference.

(II) List losses incurred due to material cybersecurity events and possible effects in the most recent year and up to the publication date of the report, and countermeasures; if reasonable estimations cannot be made, the fact that

reasonable estimations cannot be made shall be specified: None

VII. Major contracts

Nature of contract	Counterparty	Starting and end date of contract	Major content	Restrictive clauses
Technical contract	Japan MIYAKU Co. Ltd.	5 years from 2010.12.19, renewable for 5 years if no change in terms and conditions is requested 2 months prior to expiration	Acquisition of Softshell Turtle Powder, Softshell Turtle Oil and other processing procedures and management processes	Related process technologies shall not be transferred to a second party without consent. If MIYAKU has a demand for Softshell Turtle Powder and Softshell Turtle Oil, the Company shall first supply them under reasonable conditions and prices.
Chief Distribution Agreement	Bright Peaceful Inc.	5 years from 2022.3.1, renewable for 5 years if no change in terms and conditions is requested 2 months prior to expiration	Chief distributor of the products provided by Bright Peaceful Inc.	The sales region is Taiwan, R.O.C.

Six. Finance Overview

I. Condensed balance sheets and statements of comprehensive income for the most recent five years

(I) Condensed balance sheets

1. IFRS – Consolidated

Unit: In Thousands of New

Taiwan Dollars

Item \ Year	Financial information for the past five years					
	2019	2020	2021	2022	2022	
Current assets	186,636	379,731	340,282	317,213	437,305	
Property, plant, and equipment	462,820	449,439	439,835	447,621	447,079	
Intangible assets	762	725	20,289	20,236	20,180	
Other assets	205,589	159,520	220,981	218,889	508,349	
Total assets	855,807	989,415	1,021,387	1,003,959	1,412,913	
Current liabilities	Before dividend	139,029	79,313	81,927	73,518	336,839
	After dividend	139,029	79,313	81,927	73,518	386,207
Non-current liabilities	21,895	2,131	4,540	6,479	5,853	
Total liabilities	Before dividend	160,924	81,444	86,467	79,997	342,692
	After dividend	160,924	81,444	86,467	79,997	392,060
Equity attributable to owners of the parent company	695,411	909,283	907,879	897,975	1,046,870	
Share capital	689,367	889,367	889,367	889,367	889,367	
Capital surplus	16,935	88,935	57,010	57,010	58,303	
Retained earnings	Before dividend	23,054	(8,871)	24,280	18,869	163,015
	After dividend	23,054	(8,871)	24,280	18,869	113,647
Other equity	(33,945)	(60,148)	(62,790)	(67,271)	(63,815)	
Treasury shares	0	0	0	0	0	
Non-controlling interests	(528)	(1,312)	27,053	25,987	23,351	
Total equity	Before dividend	694,883	907,971	934,920	923,962	1,070,221
	After dividend	694,883	907,971	934,920	923,962	1,020,853

Note: The date of publication of the Company's Annual Report is April 21, 2024, therefore, the most recent period for which CPAs have audited/attested or reviewed financial information is till the end of 2023.

## 2. IFRS – Parent Company Only

Unit: In Thousands of New

Taiwan Dollars

Item	Year	Financial information for the past five years				
		2019	2020	2021	2022	2023
Current assets		134,404	335,859	205,493	210,357	274,236
Property, plant, and equipment		462,116	449,295	439,654	437,338	436,687
Intangible assets		0	0	0	0	0
Other assets		253,573	201,702	325,688	308,503	651,673
Total assets		850,093	986,856	970,835	956,198	1,362,596
Current liabilities	Before dividend	136,088	75,442	62,757	58,012	315,515
	After dividend	136,088	75,442	62,757	58,012	364,883
Non-current liabilities		18,594	2,131	211	211	211
Total liabilities	Before dividend	154,682	77,573	62,968	58,223	315,726
	After dividend	154,682	77,573	62,968	58,223	365,094
Equity attributable to owners of the parent company		695,411	909,283	907,867	897,975	1,046,870
Share capital		689,367	889,367	889,367	889,367	889,367
Capital surplus		16,935	88,935	57,010	57,010	58,303
Retained earnings	Before dividend	23,054	(8,871)	24,280	18,869	163,015
	After dividend	23,054	(8,871)	24,280	18,869	113,647
Other equity		(33,945)	(60,148)	(62,790)	(67,271)	(63,815)
Treasury shares		0	0	0	0	0
Non-controlling interests		0	0	0	0	0
Total equity	Before dividend	695,411	909,283	907,867	897,975	1,046,870
	After dividend	695,411	909,283	907,867	897,975	997,502

Note: The date of publication of the Company's Annual Report is April 21, 2024, therefore, the most recent period for which CPAs have audited/attested or reviewed financial information is till the end of 2023.

## (II) Condensed Statements of Comprehensive Income

## 1. IFRS – Consolidated

Unit: In Thousands of New Taiwan Dollars

Item \ Year	Financial information for the past five years				
	2019	2020	2021	2022	2023
Operating revenue	343,062	270,290	242,481	317,716	332,758
Gross profit	87,966	41,714	83,770	116,508	117,635
Operating profit and loss	(20,698)	(48,331)	(930)	(13,682)	(66,200)
Non-operating income and expense	(4,765)	6,679	6,220	9,002	212,749
Profit or loss before tax from continuing operations	(25,463)	(41,652)	5,290	(4,680)	146,549
Net income before tax	(25,463)	(41,652)	5,290	(4,680)	146,549
Loss from discontinued operations	0	0	0	0	0
Net profit (loss) for the period	(24,417)	(32,697)	5,099	(6,443)	147,024
Other comprehensive income for the current period (net of tax)	11,336	(26,215)	(6,756)	(4,515)	3,816
Total current comprehensive income	(13,081)	(58,912)	(1,657)	(10,958)	150,840
Net income attributable to parent company shareholders	(24,481)	(31,925)	5,340	(5,470)	144,146
Net income attributable to non-controlling interests	64	(772)	(241)	(973)	2,878
Total comprehensive income attributable to owners of parent	(12,285)	(58,128)	(1,416)	(9,892)	147,602
Comprehensive income attributable to non-controlling	(796)	(784)	(241)	(1,066)	3,238
Earnings per share	(0.36)	(0.46)	0.06	(0.06)	1.62

Note: The date of publication of the Company's Annual Report is April 21, 2024, therefore, the most recent period for which CPAs have audited/attested or reviewed financial information is till the end of 2023.

## 2. IFRS – Parent Company Only

Unit: In Thousands of New Taiwan Dollars

Item \ Year	Financial information for the past five years				
	2019	2020	2021	2022	2023
Operating revenue	312,087	263,091	228,203	252,338	263,486
Gross profit	92,859	44,994	79,881	90,693	83,507
Operating profit and loss	67	(35,333)	1,653	2,932	(17,967)
Non-operating income and expense	(24,402)	(2,865)	3,687	(7,213)	159,470
Profit or loss before tax from continuing operations	(24,335)	(38,198)	5,340	(4,281)	141,503
Net income before tax	(24,335)	(38,198)	5,340	(4,281)	141,503
Loss from discontinued operations	0	0	0	0	0
Net profit (loss) for the period	(24,481)	(31,925)	5,340	(5,470)	144,146
Other comprehensive income for the current period (net of tax)	12,196	(26,203)	(6,756)	(4,422)	3,456
Total current comprehensive income	(12,285)	(58,128)	(1,416)	(9,892)	147,602
Earnings per share	(0.36)	(0.46)	0.06	(0.06)	1.62

Note: The date of publication of the Company's Annual Report is April 21, 2024, therefore, the most recent period for which CPAs have audited/attested or reviewed financial information is till the end of 2023.

### (III) Names and opinions of attesting CPAs for the most recent five years

Year	Name of accounting firm	Name of CPAs	Opinion
2019	PwC Taiwan	Wu, Chien-Chih and Liao, A-Shen	Unqualified opinion
2020	PwC Taiwan	Wu, Chien-Chih and Liao, A-Shen	Unqualified opinion
2021	PwC Taiwan	Liao, A-Shen and Wang, Kuo-Hua	Unqualified opinion
2022	PwC Taiwan	Liao, A-Shen and Wang, Kuo-Hua	Unqualified opinion
2023	PwC Taiwan	Liao, A-Shen and Wang, Kuo-Hua	Unqualified opinion

## II. Financial analysis for the last 5 years

### (1) Financial Analysis – IFRS – Consolidated

Analysis item		Year	Financial information for the past five years			
		2019	2020	2021	2022	2023
Financial structure (%)	Debt to assets ratio	18.80	8.23	8.47	7.97	24.25
	Ratio of long-term capital to property, plant and equipment	150.14	202.02	212.56	206.42	239.38
Solvency (%)	Current ratio	134.25	478.79	415.36	431.48	129.83
	Quick ratio	92.67	455.43	379.42	371.80	121.02
	Interest coverage ratio	(7.81)	(56.37)	90.94	(40.48)	421.60
Operating efficiency	Amounts receivable turnover (times)	7.48	7.00	5.58	6.31	6.51
	Average cash collection days	48.80	52.11	65.36	57.88	56.05
	Inventory turnover (times)	1.73	1.98	2.03	3.72	4.95
	Accounts payable turnover (times)	26.53	27.52	14.51	18.28	19.95
	Average inventory turnover days	210.98	184.34	179.80	98.12	73.74
	Property, plant and equipment turnover(times)	0.73	0.59	0.55	0.72	0.74
	Total asset turnover (times)	0.35	0.29	0.24	0.31	0.28
Profitability	Return on assets (%)	(2.24)	(3.40)	0.54	(0.63)	12.19
	Return on equity (%)	(3.47)	(3.98)	0.58	(0.69)	14.75
	Ratio of net profit before tax to paid-up capital (%)	(3.70)	(4.60)	0.62	(0.53)	16.48
	Net profit margin (%)	(7.14)	(11.81)	2.20	(2.03)	44.18
	Earnings per share (NT\$)	(0.36)	(0.46)	0.06	(0.06)	1.62
Cash flow	Cash flow ratio (%)	17.78	34.17	5.34	(11.65)	(1.33)
	Cash flow adequacy ratio (%)	3.05	(5.62)	7.07	184.30	6.45
	Cash reinvestment ratio (%)	4.30	3.54	0.62	(0.95)	(0.58)
Leverage	Operating leverage	(16.57)	(5.59)	(260.85)	(23.22)	(5.03)
	Financial leverage	0.88	0.99	0.94	0.99	0.99
Please describe the reason for changes in financial ratios in the most recent two years.						

1. The increase in debt-to-asset ratio in 2023 from 2022 is mainly due to the increase in bank borrowings.
2. The increase in the proportion of long-term funds in 2023 from 2022 is mainly due to the fact that financial assets measured at fair value through profit or loss was profitable.
3. The decrease in current ratio and quick ratio in 2023 is mainly due to an increase in bank loans.
4. The increase in interest coverage ratio in 2023 from 2022 is mainly due to the increase in net income after tax.
5. The increase in inventory turnover rate in 2023 compared to 2022 is mainly due to the decrease in inventory turnover.
6. The increase in return on assets, return on equity, net profit before tax, and earnings per share in 2023 from 2022 is mainly due to the profit
7. Cash flow ratio, net cash flow adequacy ratio and cash reinvestment ratio in 2023 increased from 2022 is mainly due to the increase in consolidated cash inflows.
8. The increase in operating leverage ratio in 2023 from 2022 is mainly due to the operating profit.

(2) Financial Analysis – IFRS – Parent Company Only

Year Analysis Item (Note 1)		Financial information for the past five years					
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt to assets ratio	18.20	7.86	6.49	6.09	23.17	
	Ratio of long-term capital to property, plant and equipment	150.48	202.38	206.50	205.33	239.73	
Solvency (%)	Current ratio	98.76	445.20	327.45	362.61	86.92	
	Quick ratio	64.18	422.27	283.56	291.75	77.97	
	Interest coverage ratio	(7.45)	(53.42)	101.55	(88.19)	468.71	
Operating efficiency	Amounts receivable turnover (times)	20.51	24.15	30.80	47.73	58.01	
	Average cash collection days	17.80	15.12	11.85	7.65	6.29	
	Inventory turnover (times)	2.17	2.46	2.21	2.93	4.11	
	Accounts payable turnover (times)	20.98	25.34	13.82	15.05	17.09	
	Average inventory turnover days	168.20	148.37	165.16	124.57	88.81	
	Property, plant and equipment turnover(times)	0.64	0.58	0.51	0.58	0.60	
	Total asset turnover (times)	0.32	0.29	0.23	0.26	0.23	
Profitability	Return on assets (%)	(2.26)	(3.41)	0.55	(0.56)	12.45	
	Return on equity (%)	(3.49)	(3.98)	0.59	(0.61)	14.82	
	Net profit before tax to paid-up capital ratio (%)	Operating profit	(3.53)	(3.97)	0.19	0.33	(2.02)
		Income before tax	(4.30)	(4.30)	0.60	(0.48)	15.91
	Net profit margin (%)	(7.84)	(12.13)	2.34	(2.17)	54.71	
	Earnings per share (NT\$)	(0.36)	(0.46)	0.06	(0.06)	1.62	
Cash flow	Cash flow ratio (%)	21.28	32.55	6.54	11.55	11.76	
	Cash flow adequacy ratio (%)	(2.35)	25.32	529.81	182.27	390.86	
	Cash reinvestment ratio (%)	4.23	2.65	0.47	0.76	4.86	
Leverage	Operating leverage	4422.33	(7.17)	132.70	81.40	(13.70)	
	Financial leverage	(0.02)	0.98	1.03	1.02	0.98	

Please describe the reason for changes in financial ratios in the most recent two years.

1. The increase in debt-to-asset ratio in 2023 from 2022 is mainly due to the increase in bank borrowings.
2. The decrease in current ratio and quick ratio in 2023 is mainly due to an increase in bank loans.
4. The increase in interest coverage ratio in 2023 from 2022 is mainly due to the increase in net income after tax.
5. The increase in inventory turnover rate in 2023 compared to 2022 is mainly due to the decrease in inventory turnover.
6. The increase in return on assets, return on equity, net profit before tax, and earnings per share in 2023 from 2022 is mainly due to the profit
7. Cash flow ratio, net cash flow adequacy ratio and cash reinvestment ratio in 2023 increased from 2022 is mainly due to the increase in consolidated cash inflows.
8. The increase in operating leverage ratio in 2023 from 2022 is mainly due to the operating profit.

Note 1: At the end of this table in the annual report, the following calculation formula should be presented:

1. Financial structure

(1) Debt ratio = Total liabilities / total assets.

(2) Ratio of long-term capital to property, plant and equipment = (Total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

(1) Current ratio = Current assets / current liabilities.

(2) Quick ratio = (Current assets - inventory - prepayments) / current liabilities.

(3) Interest coverage ratio = Net profit before tax and interest expenses / interest expenses for the period.

3. Operating performance

(1) Amounts receivable (including accounts receivable and notes receivable arising from operations) turnover = Net sales / balance of average amounts receivable (including accounts receivable and notes receivable arising from operations of each period).

(2) Average collection day = 365 / Amounts receivables turnover.

(3) Inventory turnover = sales cost/average inventory.

(4) Amounts payable (including amounts payable and notes payable arising from operations) = Cost of sales / balance of average amounts payable of each period.

(5) Average sales day = 365 / inventory turnover.

(6) Property, plant and equipment turnover = Net sales / average net property, plant and equipment.

(7) Property, plant and equipment turnover = Net sales / average net property, plant and equipment.

4. Profitability

(1) Return on assets = [Profit or loss after tax + interest expenses × (1 - tax rate)] / average total assets.

(2) Return on equity = Profit or loss after tax / average net equity.

(3) Net profit margin = Profit or loss after tax / net sales.

(4) Earnings per share = (Profit or loss attributable to the owner of the parent company - preferred shares dividends) / weighted average number of issued shares. (Note 4)

5. Cash flow

(1) Cash flow ratio = Net cash flows from operating activities / current liabilities.

(2) Net cash flow adequacy ratio = Net cash flows from operating activities for the most recent five years / (capital expenditures + inventory increment + cash dividends) for the most recent five years.

(3) Cash reinvestment ratio = (Net cash flows from operating activities - cash dividends) / (gross property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 5)

6. Leverage:

(1) Operating leverage = (Net operating income - variable operating costs and expenses) / operating gains.

(2) Financial leverage = Operating gains / (operating gains - interest expenses).

Note 2: For the calculation formula of the abovementioned earnings per share, please be aware of the following matters when measuring:

1. Calculate based on the weighted average number of ordinary shares instead of the number of shares issued at the end of the year.
2. If there is any capital increase in cash or transactions of treasury shares, the circulation period shall be considered when calculating the weighted average number of shares.
3. If there is any capital increase from earnings or capital increase from the capital reserve, retrospective adjustments

shall be made based on the capital increase proportion when calculating earnings per share for prior years and the interim period without considering the issuance period of the capital increase.

4. If the preferred shares are nonconvertible cumulative preferred shares, the dividends of the year (regardless of whether being distributed or not) shall be deducted from net profit after tax, or the net loss after tax shall be increased. If the preferred shares are not cumulative, when there is net profit after tax, dividends of preferred shares shall be deducted from net profit after tax; if losses are recorded, no adjustment is required.

Note 3: When measuring cash flow analysis, please be aware of the following matters:

1. Net cash flows from operating activities refer to net cash inflows from operating activities on the statement of cash flow.
2. Capital expenditure refers to cash outflows from capital investments each year.
3. The increase in the inventory is only included when the closing balance is higher than the opening balance; if the inventory decreases at the end of the year, it shall be calculated as zero.
4. Cash dividends include cash dividends for ordinary shares and preferred shares.
5. The gross amount of property, plant and equipment refers to the total property, plant and equipment before deducting the cumulative depreciation.

Note 4: Issuers shall divide operating costs and operating expenses into fixed and variable; if any estimate or subjective judgment is involved, be aware of the rationale and maintain consistency.

Note 5: If the shares of the Company has no par value or the par value is not NT\$10, the calculation of ratio to paid-in capital above, calculate by using the ratio of equity attributable to the owner of the parent company on the balance sheet.

III. The Audit Committee's Review Report of financial statements for the most recent year

**Jia Jie Biomedical Co., Ltd.**

**Audit Committee Review Report**

**The 2023 business report, financial statements (including the consolidated financial statements), and statement of earnings distribution of the Company are hereby approved by the Board of Directors. The financial statements (including the consolidated financial statements) have been audited by PwC Taiwan, with an audit report issued.**

**The business report, the financial statements (including the consolidated financial statements) and the statement of earnings distribution as stated above have been audited by the Audit Committee with no discrepancy found. We have presented you with the reports based on the provisions stipulated in Article 14-4 in the Securities and Exchange Act and Article 219 in the Company Act.**

**Sincerely,**

**To: The Company's 2024 General Shareholders' Meeting**

**Audit Committee of Jia Jie Bio-medical Co., Ltd.**

**Convener of the Audit Committee: Hsu, Yin-Chu (Signature)**

March 21, 2023

IV. Consolidated financial statements for the most recent year

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 2023 (from January 1 to December 31, 2023) 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.

Representative: Chen, He-Shun

March 21, 2023

## Auditor's Report

(2024) Cai-Shen-Bao-Zi No.23004605

To Jia Jie Biomedical Co., Ltd.:

### **Audit opinion**

We have audited the consolidated balanced sheet as of December 31, 2023 and 2022, 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, 2023 and 2022.

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, 2023 and 2022, and its consolidated financial performance and consolidated cash flow for the periods from January 1 to December 31, 2023 and 2022.

### **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 2023. 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 2023 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.

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

For some subsidiaries included in Jia Jie Group's consolidated financial statements for 2023 and 2022, 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, 2023 and 2022 were NT\$115,331 thousand and NT\$60,834 thousand, accounting for 8.2% and 6.1% of the total consolidated assets, respectively. For the periods from January 1 to December 31, 2023 and 2022, the operating revenue was NT\$62,875 thousand and NT\$64,703 thousand, accounting for 18.9% and 20.4% of the consolidated net operating revenue, respectively. From January 1 to December 31, 2023, the gain recognized for the aforementioned investment under the equity method was NT\$306 thousand, accounting for 0.2% of the total consolidated comprehensive income.

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

Jia Jie Biomedical Co., Ltd. prepared the parent company only financial statements for 2023 and 2021, 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 2023. 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 (Signature and Stamp)

Auditor

Wang, Kuo-Hua (Signature and Stamp)

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

March 18, 2024

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Assets	Note	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 354,424	25	\$ 125,534	12
1136	Financial assets measured at amortized cost - current	6(2)	29,742	2	128,214	13
1140	Contract assets - current	6(19)	5,333	1	5,544	1
1150	Net notes receivable	6 (5)	355	-	333	-
1170	Net accounts receivable	6 (5)	12,081	1	10,328	1
1200	Other receivables		2,798	-	2,779	-
1220	Current income tax assets		18	-	-	-
130X	Inventories	5 and 6(6)	24,681	2	26,639	3
1410	Prepayments		4,986	-	17,232	2
1479	Other current assets - others		2,887	-	610	-
11XX	<b>Total current assets</b>		<u>437,305</u>	<u>31</u>	<u>317,213</u>	<u>32</u>
<b>Non-current assets</b>						
1510	Non-current financial assets at fair value through profit or loss	6(3)	254,100	18	-	-
1517	Financial assets measured at fair value through other comprehensive income - non-current	6(4)	116,804	8	112,830	11
1560	Contract assets - non-current	6(19)	6,721	1	7,401	1
1550	Investments under the equity method	6(7)	31,956	2	-	-
1600	Property, plant, and equipment	6(8) and 8	447,079	32	447,621	45
1755	Right-of-use assets	6(9)	1,728	-	3,584	-
1760	Net investment property	6 (10) and 8	40,290	3	40,472	4
1780	Intangible assets	6 (10)	20,180	1	20,236	2
1840	Deferred income tax assets	6(26)	49,935	4	47,451	5
1920	Refundable deposits		3,739	-	3,000	-
1990	Other non-current assets - others		3,076	-	4,151	-
15XX	<b>Total non-current assets</b>		<u>975,608</u>	<u>69</u>	<u>686,746</u>	<u>68</u>
1XXX	<b>Total assets</b>		<u>\$ 1,412,913</u>	<u>100</u>	<u>\$ 1,003,959</u>	<u>100</u>

(continued on next page)

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Liabilities and equity	Note	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6 (12) and 8	\$ 75,000	5	\$ -	-
2130	Contract liabilities - current	6(19)	532	-	357	-
2150	Notes payable		-	-	118	-
2170	Accounts payable		11,268	1	10,180	1
2200	Other payables	6(13)	81,285	6	57,104	6
2220	Other payables - related parties	7	162,449	12	-	-
2230	Current income tax liabilities		1,567	-	378	-
2280	Lease liabilities - current	6(9)	811	-	2,528	-
2365	Refund liabilities - current	6(19)	936	-	1,160	-
2399	Other current liabilities - others		2,991	-	1,693	-
21XX	<b>Total current liabilities</b>		<u>336,839</u>	<u>24</u>	<u>73,518</u>	<u>7</u>
<b>Non-current liabilities</b>						
2580	Lease liabilities - non-current	6(9)	938	-	1,087	-
2610	Long-term notes and accounts payable		4,704	-	5,181	1
2645	Deposits received		211	-	211	-
25XX	<b>Total non-current liabilities</b>		<u>5,853</u>	<u>-</u>	<u>6,479</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>342,692</u>	<u>24</u>	<u>79,997</u>	<u>8</u>
<b>Equity</b>						
<b>Equity attributable to owners of the parent company</b>						
	Share capital	6(15)				
3110	Common stock capital	6(15)	889,367	63	889,367	89
	Capital surplus	6(16)				
3200	Capital surplus		58,303	4	57,010	6
	Retained earnings	6(17)				
3310	Legal reserves		123	-	123	-
3320	Special reserves		24,157	2	24,157	2
3350	Undistributed earnings (losses to be		138,735	10	( 5,411)	( 1)

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

Chairman: Chen, He-Shun

Managerial Officer: Tseng Ming-Chuan

Accounting Supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

	made up for)				
	Other equity	6(18)			
3400	Other equity		( 63,815)	( 5)	( 67,271) ( 7)
31XX	<b>Total equity attributable to owners of the parent company</b>		<u>1,046,870</u>	<u>74</u>	<u>897,975</u> <u>89</u>
36XX	<b>Non-controlling interests</b>	4(3)	<u>23,351</u>	<u>2</u>	<u>25,987</u> <u>3</u>
3XXX	<b>Total equity</b>		<u>1,070,221</u>	<u>76</u>	<u>923,962</u> <u>92</u>
	Significant subsequent events	11			
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,412,913</u>	<u>100</u>	<u>\$ 1,003,959</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: Chen, He-Shun

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, 2023 and 2022

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

	Item	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	6(19)	\$ 332,758	100	\$ 317,716	100
5000	Operating cost	6(6) (24) (25) and 7	( 215,123)	( 65)	( 201,208)	( 63)
5900	Gross profit		<u>117,635</u>	<u>35</u>	<u>116,508</u>	<u>37</u>
	Operating expenses	6(24) (25) and 12 (2)				
6100	Sales and marketing expenses		( 113,599)	( 34)	( 61,353)	( 19)
6200	Administrative expense		( 61,195)	( 18)	( 60,610)	( 19)
6300	R&D expense		( 9,324)	( 3)	( 8,935)	( 3)
6450	Expected credit impairment gain	12(2)	283	-	708	-
6000	Total operating expenses		<u>( 183,835)</u>	<u>( 55)</u>	<u>( 130,190)</u>	<u>( 41)</u>
6900	Operating loss		<u>( 66,200)</u>	<u>( 20)</u>	<u>( 13,682)</u>	<u>( 4)</u>
	Non-operating revenue and expenses					
7100	Interest revenue	6(20)	1,822	1	1,205	-
7010	Other revenue	6(21)	10,628	3	7,776	3
7020	Other gains and losses	6(22)	200,341	60	134	-
7050	Financial cost	6(23)	( 348)	-	( 113)	-
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>212,749</u>	<u>64</u>	<u>9,002</u>	<u>3</u>
7900	<b>Net profit (loss) before tax</b>		<u>146,549</u>	<u>44</u>	<u>( 4,680)</u>	<u>( 1)</u>
7950	Income tax gains (expenses)	6(26)	475	-	( 1,763)	( 1)
8200	<b>Net profit (loss) for the period</b>		<u>\$ 147,024</u>	<u>44</u>	<u>(\$ 6,443)</u>	<u>( 2)</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)	\$ 4,338	1	(\$ 5,753)	( 2)
	<b>Items that may be subsequently reclassified to profit or loss</b>					
8361	Exchange difference on translation of the financial statements of foreign operations		( 522)	-	1,238	1
8300	<b>Other comprehensive income (net amount)</b>		<u>\$ 3,816</u>	<u>1</u>	<u>(\$ 4,515)</u>	<u>( 1)</u>
8500	<b>Total current comprehensive income</b>		<u>\$ 150,840</u>	<u>45</u>	<u>(\$ 10,958)</u>	<u>( 3)</u>
	Current net profit (loss) attributable to:					
8610	Owner of the parent company		\$ 144,146	43	(\$ 5,470)	( 2)
8620	Non-controlling interests		2,878	1	( 973)	-
	Total current comprehensive income attributable to:		<u>\$ 147,024</u>	<u>44</u>	<u>(\$ 6,443)</u>	<u>( 2)</u>
	attributable to:					
8710	Owner of the parent company		\$ 147,602	44	(\$ 9,892)	( 3)
8720	Non-controlling interests		3,238	1	( 1,066)	-
			<u>\$ 150,840</u>	<u>45</u>	<u>(\$ 10,958)</u>	<u>( 3)</u>
	Earnings (losses) per share	6(27)				
9750	Basic		\$ 1.62		(\$ 0.06)	
9850	Diluted		\$ 1.62		(\$ 0.06)	

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

Chairman: Chen, He-Shun

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, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

	Equity attributable to owners of the parent company											Non-controlling interests	Total equity
	Capital surplus				Retained earnings			Other equity					
	Note	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	Legal reserves	Special reserves	(Losses to be made up for) 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	Total		
<u>January 1 to December 31, 2022</u>													
Balance on January 1, 2022		\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ -	\$ 23,054	\$ 1,226	(\$ 22,782 )	(\$ 40,008 )	\$ 907,867	\$ 27,053	\$ 934,920
Current net loss		-	-	-	-	-	( 5,470 )	-	-	-	( 5,470 )	( 973 )	( 6,443 )
Current other comprehensive income	6 (4)(18)	-	-	-	-	-	-	1,238	( 5,660 )	( 4,422 )	( 93 )	( 4,515 )	
Total current comprehensive income		-	-	-	-	-	( 5,470 )	1,238	( 5,660 )	( 9,892 )	( 1,066 )	( 10,958 )	
Provision for legal reserves		-	-	-	123	-	( 123 )	-	-	-	-	-	
Provision for special reserves		-	-	-	-	1,103	( 1,103 )	-	-	-	-	-	
Disposal of equity instruments measured at fair value through other comprehensive income		-	-	-	-	-	59	-	( 59 )	-	-	-	
Balance on December 31, 2022		\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ 123	\$ 24,157	(\$ 5,411 )	(\$ 21,544 )	(\$ 45,727 )	\$ 897,975	\$ 25,987	\$ 923,962
<u>For the years ended December 31, 2023</u>													
Balance on 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	6 (28)	-	-	-	1,293	-	-	-	-	1,293	( 1,487 )	( 194 )	
Changes in non-controlling interests	6 (28)	-	-	-	-	-	-	-	-	-	( 4,387 )	( 4,387 )	

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

Chairman: Chen, He-Shun

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, 2023 and 2022

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	Legal reserves	Special reserves	(Losses to be made up for) 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					
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		

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

Chairman: Chen, He-Shun

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, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

	<u>Note</u>	<u>2023</u>	<u>2022</u>
<u>Cash flow from operating activities</u>			
Net profit (loss) before tax for the pe		\$ 146,549	(\$ 4,680)
Adjustment items			
Income and expenses			
Net gain on financial assets at fair value through profit or loss		( 200,247 )	-
Depreciation expense	6 (8)(9)(10) (24)	12,648	14,209
Amortization expense	6(24)	2,239	2,656
Expected credit impairment gain	12(2)	( 283 )	( 708 )
Interest expense	6(23)	348	113
Interest revenue	6(20)	( 1,822 )	( 1,205 )
Dividend revenue	6(21)	( 4,935 )	( 2,620 )
Share of profit of associates and joint ventures accounted for using equity method	6(8)	( 306 )	-
Loss (gain) on disposal and scrapping of property, plant and equipment	6 (22)	116	( 476 )
Gain on lease modification	6 (9) (22)	( 7 )	( 36 )
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Contract assets		891	( 3,226 )
Notes receivable		( 22 )	206
Accounts receivable		( 2,462 )	3,146
Other receivables		( 20 )	1,841
Inventories		1,958	( 5,844 )
Prepayments		11,622	( 8,583 )
Other current assets - others		( 2,277 )	( 510 )
Net changes in liabilities related to operating activities			
Contract liabilities - current		175	( 496 )
Notes payable		( 118 )	( 48 )
Accounts payable		1,088	1,426
Accounts payable - related parties		-	( 2,796 )
Other payables		24,209	( 6,601 )
Refund liabilities - current		( 224 )	( 122 )
Other current liabilities - others		1,298	303
Long-term notes and accounts payables		( 477 )	3,673
Cash outflow from operations		( 10,059 )	( 10,378 )
Interest received		1,822	1,205
Tax refund received		-	40
Dividends received		4,935	2,620
Interest paid		( 348 )	( 113 )
Income tax paid		( 838 )	( 2,152 )
Net cash outflow from operating activities		( 4,488 )	( 8,778 )

(continued on next page)

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flows  
For the years ended December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

	Note	2023	2022
<u>Cash flow from investing activities</u>			
Acquisition of investments under the equity method	6(8)	(\$ 31,650 )	\$ -
Acquisition of financial assets measured at amortized cost - current		( 15,398 )	( 14,183 )
Disposal of financial assets measured at amortized cost - current		113,870	-
Disposal of financial assets measured at amortized cost - non-current		-	5,000
Acquisition of financial assets at fair value through profit or loss - non-current		( 132,000 )	-
Disposal of financial assets at fair value through profit or loss - non-current		78,147	-
Acquisition of financial assets measured at fair value through other comprehensive income - non-current		-	( 16,318 )
Proceeds from sale of financial assets measured at fair value through other comprehensive income - non-current		-	10,548
Cash paid for acquisition of property, plant and equipment	6 (29)	( 8,612 )	( 17,859 )
Proceeds from disposal of property, plant, and equipment		45	549
Decrease (increase) in refundable deposits		( 739 )	685
Increase in other non-current assets - others		( 1,115 )	( 3,439 )
Net cash inflow (outflow) from investing activities		<u>2,548</u>	<u>( 35,017 )</u>
<u>Cash flow from financing activities</u>			
Increase in short-term borrowings		80,000	-
Decrease in short-term borrowings		( 5,000 )	-
Other payables - related parties		162,449	-
Repayment of lease principal	6 (30)	( 2,880 )	( 3,727 )
Net cash inflow (outflow) from financing activities		<u>234,569</u>	<u>( 3,727 )</u>
Effect of exchange rate changes		( 3,739 )	781
Increase (decrease) in current cash and cash equivalents		228,890	( 46,741 )
Opening balance of cash and cash equivalents		<u>125,534</u>	<u>172,275</u>
Closing balance of cash and cash equivalents		<u>\$ 354,424</u>	<u>\$ 125,534</u>

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

Chairman: Chen, He-Shun

Managerial Officer: Tseng Ming-Chuan

Accounting Supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd. and Subsidiaries  
Notes to the Consolidated Financial Statements  
2023 and 2022

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

I. Company history

(1) 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, and life insurance and property insurance brokerage business.

(2) 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 March 12, 2024.

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 2023 that were approved and promulgated by the FSC:

<u>New/amended/revised standards and interpretations</u>	<u>Effective date as published by IASB</u>
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023
Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"	May 23, 2023

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 2024:

<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.

(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 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
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.

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:

<u>Name of investing company</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Percentage of shareholding</u>		<u>Description</u>
			<u>December 31, 2023</u>	<u>December 31, 2022</u>	
The Company	Wisetech Corporation	Overseas investment	100.00	100.00	
	Shi Zhang Bio-Technology Co., Ltd.	Wholesale and retail of cosmetics, foods and groceries	100.00	100.00	Note 3
	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	Sure Wise International Co., Ltd.	Overseas investment	66.67	66.67	Note 1, 6
	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 2
	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.	Fortune Chain Enterprise Co.,Ltd.	Overseas investment	100.00	100.00	Note 6
	Taiwan Ding Insurance Brokers Co., Ltd.	Personal insurance and property insurance broker	60.83	35.13	Note 2, 4, 5
Fortune Chain Enterprise Co.,Ltd.	Sure Wise International Co., Ltd.	Overseas investment	33.33	33.33	Note 1, 6

Note 1: As of December 31, 2023 and 2022, Wisetech Corporation and Fortune Chain Enterprise Co., Ltd. held 66.67% and 33.33% of the company, respectively.

Note 2: 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 3: The company is currently in the liquidation process.

Note 4: 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 5: Shares acquired from other shareholders in the fourth quarter of 2023.

Note 6: The company completed the liquidation on July 19, 2023.

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, 2023 and 2022, was NT\$23,351 and NT\$25,987. The following is the information about the significant non-controlling interests in the Group and its subsidiaries:

		<u>Non-controlling interests</u>		<u>Non-controlling interests</u>	
		<u>December 31, 2023</u>		<u>December 31, 2022</u>	
<u>Name of subsidiary</u>	<u>Principal places of business</u>	<u>Amount</u>	<u>Percentage of shareholding</u>	<u>Amount</u>	<u>Percentage of shareholding</u>
Titan Assurance Broker Co., Ltd.	Taiwan	\$ 24,698	39.17%	\$ 27,587	64.87%

Summary financial information of subsidiaries:

	<u>Titan Assurance Broker Co., Ltd.</u>			
	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
Current assets	\$	60,474	\$	37,148
Non-current assets		22,901		23,686
Current liabilities	(	14,748)	(	12,398)
Non-current liabilities	(	5,574)	(	5,910)
Total net assets	\$	63,053	\$	42,526

Statement of Comprehensive Income

	<u>Titan Assurance Broker Co., Ltd.</u>			
	<u>2023</u>		<u>2022</u>	
Revenue	\$	62,875	\$	64,703
Net profit (loss) before tax		6,907	(	741)
Income tax expenses	(	1,373)	(	614)
Net profit (loss) for the period		5,534	(	1,355)
Other comprehensive income (net amount after tax)	(	7)		141
Total current comprehensive income	\$	5,527	(\$	1,214)
Comprehensive income attributable to non-controlling interests	\$	2,901	(\$	788)
Dividends paid to non-controlling interests	\$	-	\$	-

Statement of Cash Flows

	<u>Titan Assurance Broker Co., Ltd.</u>			
	<u>2023</u>		<u>2022</u>	
Net cash inflows (outflows) from operating activities	\$	8,968	(\$	1,018)
Net cash outflow from investing activities	(	15,647)	(	10,373)

Net cash outflow from financing activities	13,859	( 2,036)
Increase (decrease) in current cash and cash equivalents	7,180	( 13,427)
Opening balance of cash and cash equivalents	13,109	
Closing balance of cash and cash equivalents	\$ 20,289	\$ 13,109

#### (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.

The Company has no right to unconditionally defer the settlement of the liability for at least 12 months after the balance sheet date. The classification of liabilities is not affected if the liabilities are paid off by issuing equity instruments at the choice of the counterparty pursuant to the terms of the liabilities.

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

(VI) 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.

(VII) 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 measured at fair value through other comprehensive income in conformity with trading practices.
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.

(VIII) 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 measured 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.

(IX) 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.

(X) 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.

(XI) 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.

(XII) 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.

(XIII) 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 relevant variable selling expenses.

(XIV) 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.

(XV) 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 to 20 years

#### (XVI) 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.

#### (XVII) 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.

(XVIII) 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.

(XIX) 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 book value, 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 book value. 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.

(XX) 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.

(XXI) 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.

(XXII) Derecognition of financial liabilities

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

(XXIII) 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.

(XXIV) 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.

## (XXV) 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.

#### (XXVI) 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 book value is recognized as an adjustment to shareholders' equity.

#### (XXVII) 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.

#### (XXVIII) Recognition of revenue

1. Sales revenue
  - (1) The Group's revenue from the manufacturing and sale of processed softshell turtle food and other related products 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) The Group runs a loyalty program for its retail customers and gives them reward points for each transaction. The customers may redeem the reward points for additional products at discounted prices or free of charge. Such reward points provide the customers with important rights that they would not be able to acquire if there is no initial transaction. Therefore, the reward points are offered to the customers as a separate performance obligation. The transaction price is allocated to the product and reward points on a relative stand-alone selling price basis. The stand-alone selling price of the reward points is estimated based on the discount received by the customer and the possibility of redemption of the reward points according to past experience. The stand-alone selling price of the

product is estimated based on the retail price. The transaction price allocated to the reward points is recognized as a contract liability, and is transferred to revenue when the points are redeemed by the customer or when the points expire and become invalid.

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.

(XXIX) 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.

(XXX) 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.

(XXXI) 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 estimate 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, 2023, the book value of the Group's inventories was NT\$24,681.

VI. Description of important accounting items

(I) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and working capital	\$ 390	\$ 448
Checkable deposits and demand deposits	<u>354,034</u>	<u>125,086</u>
	<u>\$ 354,424</u>	<u>\$ 125,534</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 or cash equivalents.

(II) Financial assets measured at amortized cost

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Time deposits with an initial maturity date of more than 3 months	<u>\$ 29,742</u>	<u>\$ 128,214</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, 2023 and 2022 amounted to NT\$29,742 and NT\$128,214, 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

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
TWSE and TPEX listed shares - private placement	\$ 72,000	\$ -
Valuation adjustment	<u>182,100</u>	<u>-</u>
Total	<u>\$ 254,100</u>	<u>\$ -</u>

1. The net gains from financial assets at fair value through profit or loss recognized in 2023 and 2022 were NT\$200,247 and NT\$0, respectively.
2. In November 2023, the Group subscribed 10,000 thousand shares of 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

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Equity instruments		
Listed (OTC) companies' stocks	\$ 62,949	\$ 62,949
Non-listed, OTC, or emerging stocks	95,065	95,065
Valuation adjustment	<u>( 41,210 )</u>	<u>( 45,184 )</u>
	<u>\$ 116,804</u>	<u>\$ 112,830</u>

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, 2023 and 2022 was NT\$116,804 and NT\$112,830, 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:

	<u>2023</u>	<u>2022</u>
<u>Financial assets measured at fair value through other comprehensive income</u>		
Fair value changes recognized in other comprehensive income	\$ <u>3,974</u>	(\$ <u>5,569</u> )
Accumulated losses transferred to retained earnings due to derecognition	\$ <u>-</u>	(\$ <u>59</u> )
Dividend revenue recognized in profit or loss held at end of period	\$ <u>4,935</u>	\$ <u>2,620</u>

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

(V) Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$ 355	\$ 333
Less: Loss allowance	<u>-</u>	<u>-</u>
	\$ 355	\$ 333
Accounts receivable	\$ 39,488	\$ 37,026
Less: Loss allowance	<u>(27,407)</u>	<u>(26,698)</u>
	\$ <u>12,081</u>	\$ <u>10,328</u>

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

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>
Within 90 days	\$ 355	\$ 11,994	\$ 333	\$ 10,300
91-180 days	-	69	-	-
181-365 days	-	-	-	-
More than 366 days	<u>-</u>	<u>27,425</u>	<u>-</u>	<u>26,726</u>
	\$ <u>355</u>	\$ <u>39,488</u>	\$ <u>333</u>	\$ <u>37,026</u>

The above aging analysis is based on the accounting date.

- The balances of notes receivable and accounts receivable as of December 31, 2023 and 2022 were generated from customer contracts, and the balance of receivables (including notes receivable) from customer contracts as of January 1, 2022 was NT\$40,741.
- The Group does not hold any collateral.
- 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, 2023 and 2022 amounted to NT\$355 and NT\$333, respectively; for the accounts receivable that best represent the Group, the maximum credit risk exposure as of December 31, 2023 and 2022 amounted to NT\$12,081 and NT\$10,328, 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:

	<u>December 31, 2023</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Book value</u>
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>
	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Book value</u>
Raw materials	\$ 5,728	(\$ 1,116)	\$ 4,612
Work in process	1,290	( 1)	1,289
Finished goods	8,830	( 1,826)	7,004
Goods	40,188	( 26,454)	13,734
	<u>\$ 56,036</u>	<u>(\$ 29,397)</u>	<u>\$ 26,639</u>

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

	<u>2023</u>	<u>2022</u>
Cost of inventories sold	\$ 183,746	\$ 146,021
Gain on inventory value recovery	( 23,083)	( 2,214)
(Gain) Loss of inventory	( 16)	35
Others	18,708	17,103
	<u>\$ 179,355</u>	<u>\$ 160,945</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

<u>Name of affiliates</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Mi Hsiang Food Co., Ltd.	\$ 29,391	\$ -
Bai Chien Hui Food Co., Ltd.	2,565	-
	<u>\$ 31,956</u>	<u>\$ -</u>

Note 1: The Group invested NT\$29,250 in Mi Hsiang Food Co., Ltd. on December 1, 2023 for a 39% stake.

Note 2: The Group invested NT\$2,400 in Bai Chien Hui Food Co., Ltd. on December 1, 2023 for a 48% stake.

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

Company name	Principal places of business	Shareholding percentage		Nature of the relationship	Measurement method
		December 31, 2023	December 31, 2022		
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:

	<u>Mi Hsiang Food Co., Ltd.</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current assets	\$ 25,306	\$ -
Non-current assets	6,894	-
Current liabilities	(11,505)	-
Total net assets	<u>\$ 20,695</u>	<u>\$ -</u>
Share in net assets of affiliates	\$ 8,157	\$ -
Goodwill	21,234	-
Book value of affiliates	<u>\$ 29,391</u>	<u>\$ -</u>
	<u>Bai Chien Hui Food Co., Ltd.</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current assets	\$ 6,848	\$ -
Non-current assets	2,465	-
Current liabilities	(5,272)	-
Total net assets	<u>\$ 4,041</u>	<u>\$ -</u>
Share in net assets of affiliates	\$ 2,001	\$ -
Goodwill	564	-
Book value of affiliates	<u>\$ 2,565</u>	<u>\$ -</u>

Income Statement:

	<u>Mi Hsiang Food Co., Ltd.</u>		
	<u>2023</u>	<u>2022</u>	
Revenue	\$	83,482	\$ -
Net profit from continuing operations for the period (i.e. total comprehensive income for the period)	\$	1,691	\$ -

	<u>Bai Chien Hui Food Co., Ltd.</u>		
	<u>2023</u>	<u>2022</u>	
Revenue	\$	54,889	\$ -
Net profit from continuing operations for the period (i.e. total comprehensive income for the period)	\$	1,980	\$ -

The investment income recognized under equity method in 2023 and 2022 was NT\$306 and NT\$0, 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, 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>2023</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>

	<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, 2022							
Cost	\$ 171,759	\$ 376,786	\$ 19,005	\$ 2,740	\$ 26,327	\$ 38,142	\$ 634,759
Accumulated depreciation and impairment	-	( 117,468)	( 16,128)	( 2,740)	( 23,699)	( 34,889)	( 194,924)
	<u>\$ 171,759</u>	<u>\$ 259,318</u>	<u>\$ 2,877</u>	<u>\$ -</u>	<u>\$ 2,628</u>	<u>\$ 3,253</u>	<u>\$ 439,835</u>
<u>2022</u>							
January 1	\$ 171,759	\$ 259,318	\$ 2,877	\$ -	\$ 2,628	\$ 3,253	\$ 439,835
Addition	6,790	4,104	200	2,297	2,944	1,734	18,069
Transfer	-	-	-	60	-	-	60
Disposition	-	-	-	-	( 73)	-	( 73)
Depreciation expense	-	( 6,599)	( 972)	( 330)	( 1,403)	( 966)	( 10,270)
December 31	<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>
December 31, 2022							
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>

1. There was no capitalization of borrowing costs for property, plant, and equipment in 2023 and 2022.
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, 2023 and 2022 was \$19,907. The reportable segment for the said asset was Mainland China.

(IX) Lease transactions - Lessee

1. The underlying assets of the Group's leases include land, buildings and company vehicles. 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 book value of the right-of-use assets and the recognized depreciation expenses is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Book value</u>	<u>Book value</u>
Houses	\$ 1,728	\$ 3,584

	<u>2023</u>	<u>2022</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Houses	\$ 2,877	\$ 3,758

3. The additions to the Group's right-of-use assets in 2023 and 2022 amounted to NT\$1,815 and NT\$5,990 respectively.
4. Information on profit and loss items related to lease contracts is as follows:

	<u>2023</u>	<u>2022</u>
<u>Items affecting current profit or loss</u>		
Interest expense on lease liabilities	\$ 61	\$ 109
Expenses related to short-term lease contracts	1,048	2,711
Expenses of low-value lease contracts	565	-
Gain on lease modification	7	36

5. The total cash outflow from the leases of the Group in 2023 and 2022 was \$4,554 and \$6,547 respectively.

(X) Investment property

	<u>2023</u>		<u>2022</u>
	<u>Land</u>	<u>Houses and buildings</u>	<u>Total</u>
January 1			
Cost	\$ 31,174	\$ 10,032	\$ 41,206
Accumulated depreciation and impairment	-	( 734)	( 734)
	<u>\$ 31,174</u>	<u>\$ 9,298</u>	<u>\$ 40,472</u>

	<u>2023</u>		
	<u>Land</u>	<u>Houses and buildings</u>	<u>Total</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 and impairment	-	( 916)	( 916)
	<u>\$ 31,174</u>	<u>\$ 9,116</u>	<u>\$ 40,290</u>
	<u>2022</u>		
	<u>Land</u>	<u>Houses and buildings</u>	<u>Total</u>
January 1			
Cost	\$ 31,174	\$ 10,032	\$ 41,206
Accumulated depreciation and impairment	-	( 553)	( 553)
	<u>\$ 31,174</u>	<u>\$ 9,479</u>	<u>\$ 40,653</u>
January 1	\$ 31,174	\$ 9,479	\$ 40,653
Depreciation expense	-	( 181)	( 181)
December 31	<u>\$ 31,174</u>	<u>\$ 9,298</u>	<u>\$ 40,472</u>
December 31			
Cost	\$ 31,174	\$ 10,032	\$ 41,206
Accumulated depreciation and impairment	-	( 734)	( 734)
	<u>\$ 31,174</u>	<u>\$ 9,298</u>	<u>\$ 40,472</u>

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

	<u>2023</u>	<u>2022</u>
Rental revenue from investment property	<u>\$ 1,624</u>	<u>\$ 1,960</u>
Direct operating expenses from investment property that generates rental revenue in the current period	<u>\$ 182</u>	<u>\$ 181</u>

2. For information on the investment property provided as collateral, please refer to the description in Note 8.
3. As of December 31, 2023 and 2022, the fair value of the investment property held by the Group for generating rental revenue was \$82,441 and \$83,070, 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

	<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>2023</u>				
January 1	\$ 19,779	\$ -	\$ 457	\$ 20,236
Amortization expense	-	-	( 48)	( 48)
Net exchange difference	-	-	( 8)	( 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>
	<u>Goodwill</u>	<u>Concession</u>	<u>Others</u>	<u>Total</u>
January 1, 2022				
Cost	\$ 47,852	\$ 20,749	\$ 1,136	\$ 69,737
Accumulated amortization and impairment	( 28,073)	( 20,749)	( 638)	( 49,460)
	<u>\$ 19,779</u>	<u>\$ -</u>	<u>\$ 498</u>	<u>\$ 20,277</u>
<u>2022</u>				
January 1	\$ 19,779	\$ -	\$ 498	\$ 20,277
Amortization expense	-	-	( 48)	( 48)
Net exchange difference	-	-	7	7
December 31	<u>\$ 19,779</u>	<u>\$ -</u>	<u>\$ 457</u>	<u>\$ 20,236</u>
December 31, 2022				
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>

1. The amortization expense of intangible assets is presented in operating expenses.
2. The reporting segment for goodwill and concessions is Taiwan.
3. The accumulated impairment amount of the intangible assets amounted to \$39,181 as of both December 31, 2023 and 2022. The reporting segment for the assets is Taiwan.

(XII) Short-term borrowings

<u>Nature of loan</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>
Bank loans		

Secured borrowings \$ 75,000 2.06%~2.19%

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, 2023</u>	<u>December 31, 2022</u>
Commission payable	\$ 45,973	\$ 37,197
Salary payable	14,925	10,793
Remuneration payable to employees, directors and supervisors	7,006	-
Others	13,381	9,114
	<u>\$ 81,285</u>	<u>\$ 57,104</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 2023 and 2022, the pension cost recognized by the Group according to the pension recognition policies mentioned above was \$2,797 and \$2,144, respectively.

(XV) Share capital

1. As of December 31, 2023, the total authorized capital of the Company was \$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 \$889,367, with a par value of NT\$10 per share. The payment for the issued shares of the Company has been received. The opening and closing numbers of the Company's outstanding common shares in 2023 and 2022 were the same.
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, 2023, the Company has privately placed 21,800 thousand shares (including 1,800 thousand shares issued in 2014 and 20,000 thousand shares issued in 2020), 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. However, as of January 16, 2024, due to the inconsistency between the eligibility of places and the private placement regulations, the private placement proceeds were refunded, and thus invalidated 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.

#### (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. 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.
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. The proposal for distributing earnings and making up for losses for 2022 and 2021 was resolved by the shareholders' meetings on June 13, 2023 and June 7, 2022.
5. The Board of Directors 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), as resolved by the Board of Directors on March 12, 2024.

(XVIII) Other equity items

	<u>2023</u>		
	<u>Unrealized</u>	<u>Translation of</u>	<u>Total</u>
	<u>valuation gain or</u>	<u>foreign currencies</u>	
	<u>loss</u>		
January 1	(\$ 45,727)	(\$ 21,544)	(\$ 67,271)
Valuation adjustment	3,978	-	3,978
Valuation adjustment transferred to retained earnings	-	-	-
Difference in foreign exchange:			
- Group	-	( 522)	( 522)
December 31	<u>(\$ 41,749)</u>	<u>(\$ 22,066)</u>	<u>(\$ 63,815)</u>
	<u>111 年</u>		
	<u>Unrealized</u>	<u>Translation of</u>	<u>Total</u>
	<u>valuation gain or</u>	<u>foreign currencies</u>	
	<u>loss</u>		
January 1	(\$ 40,008)	(\$ 22,782)	(\$ 62,790)
Valuation adjustment	( 5,660)	-	( 5,660)
Valuation adjustment transferred to retained earnings	( 59)	-	( 59)
Difference in foreign exchange:			
- Group	-	1,238	1,238
December 31	<u>(\$ 45,727)</u>	<u>(\$ 21,544)</u>	<u>(\$ 67,271)</u>

(XIX) Operating revenue

	<u>2023</u>		<u>2022</u>
Revenue from customer contracts	<u>\$ 332,758</u>		<u>\$ 317,716</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:

	<u>2023</u>		<u>2022</u>	
Nutritional health products	\$	259,901	\$	243,111
Insurance brokerage		62,875		64,703
Others		9,982		9,902
	<u>\$</u>	<u>332,758</u>	<u>\$</u>	<u>317,716</u>

2. Contract assets

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

	<u>December 31,</u> <u>2023</u>		<u>December 31,</u> <u>2022</u>		<u>January 1, 2022</u>
Contract assets - current	\$	5,333	\$	5,544	\$ 7,564
Contract assets - non-current		6,721		7,401	2,155
	<u>\$</u>	<u>12,054</u>	<u>\$</u>	<u>12,945</u>	<u>\$ 9,719</u>

3. Contract liabilities

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

	<u>December 31,</u> <u>2023</u>		<u>December 31,</u> <u>2022</u>		<u>January 1, 2022</u>
Contract liabilities:					
Contract liabilities - sale of goods contracts	\$	532	\$	357	\$ 853

Opening contract liabilities recognized as revenue in the current period:

	<u>2023</u>		<u>2022</u>	
Opening balance of contract liabilities recognized as revenue in the current period:				
Sale of goods contracts	\$		48	\$ 524

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

	<u>December 31, 2023</u>		<u>December 31, 2022</u>
Refund liabilities:			
Refund liabilities - sale of goods contracts	\$	936	\$ 1,160

(XX) Interest revenue

	<u>2023</u>		<u>2022</u>
Interest on bank deposits	\$	1,822	\$ 1,205

(XXI) Other revenue

	<u>2023</u>		<u>2022</u>
Rental revenue	\$	3,703	\$ 3,730
Dividend revenue		4,935	2,620
Other revenue - others		1,990	1,426
	\$	10,628	\$ 7,776

(XXII) Other gains and losses

	<u>2023</u>		<u>2022</u>
Gain (loss) on disposal of property, plant and equipment	(\$	116)	\$ 476
Gain on lease modification		7	36
Net foreign currency exchange gain (loss)		285 (	290)
Financial assets income measured at fair value through profit or loss		200,247	-
Others	(	82)	( 88)
	\$	200,341	\$ 134

(XXIII) Financial cost

	<u>2023</u>		<u>2022</u>
Interest expense:			
Bank loans	\$	134	\$ 2
Lease liabilities		61	109
Other financial expenses		153	2
	\$	348	\$ 113

(XXIV) Additional information on the nature of expenses

	<u>2023</u>		<u>2022</u>
Employee benefit expenses	\$	72,935	\$ 68,756
Depreciation expense of property, plant and equipment		9,589	10,270
Depreciation expense of investment property		182	181
Depreciation expense of right-of-use assets		2,877	3,758

Intangible assets and other non-current assets - other amortization expenses	2,239	2,656
	<u>\$ 87,822</u>	<u>\$ 85,621</u>

(XXV) Employee benefit expenses

	<u>2023</u>		<u>2022</u>
Salary expense	\$ 61,967	\$	58,098
Labor and health insurance expenses	5,836		5,806
Pension expense	2,797		2,841
Directors' remuneration (Note)	1,250		890
Other employee benefit expenses	1,085		1,121
	<u>\$ 72,935</u>	\$	<u>68,756</u>

Note: Travelling 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 the 2023 employees' remuneration for NT\$4,670; and NT\$2,336 for the directors' remuneration, and the aforementioned amounts were accounted as salary expense. A loss before tax was recorded in 2022. Therefore, the remuneration to employees and directors was not estimated.

For 2023, the estimation is based on the profit of the year. The differences from the actual amount distributed as resolved by the Board of Directors were of \$10 and \$5, respectively, will be adjusted in 2024, and the employee remuneration will be distributed in cash.

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

Components of income tax expenses:

	<u>2023</u>		<u>2022</u>
Current income tax:			
Income tax on current income	\$ 1,977	\$	-
Additional income tax on undistributed earnings	-		197
The underestimates of income tax in prior years	32		536
Total current income tax	<u>2,009</u>		<u>733</u>

	<u>2023</u>	<u>2022</u>
Deferred income tax:		
Initial occurrence and reversal of temporary differences	( 2,484)	1,030
Total deferred income tax	( 2,484)	1,030
Income tax (gains) expenses	(\$ 475)	\$ 1,763

2. Relationship between income tax expenses and accounting profit

	<u>2023</u>	<u>2022</u>
Income tax on net profit (loss) before tax calculated at the statutory tax rate	\$ 20,526	(\$ 3,870)
Income tax effect of items adjusted in accordance with tax laws	( 30,525)	2,535
Income exempted from taxation under tax laws	( 987)	( 513)
Temporary differences not recognized as deferred income tax assets	146	123
Tax losses not recognized as deferred income tax assets	10,333	2,731
Additional income tax on undistributed earnings	-	197
The underestimates of income tax in prior years	32	560
Income tax expenses	(\$ 475)	\$ 1,763

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

	<u>2023</u>		<u>Recognized</u>	
	<u>January 1</u>	<u>Recognized</u>	<u>in other</u>	<u>December 31</u>
		<u>in profit or</u>	<u>comprehensi</u>	
		<u>loss</u>	<u>ve net</u>	
			<u>income</u>	
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 under the overseas equity method	27,746	-	-	27,746

	<u>2023</u>		<u>Recognized in other comprehensive net income</u>	<u>December 31</u>
	<u>January 1</u>	<u>Recognized in profit or loss</u>		
Exchange difference from foreign operations	2,654	-	-	2,654
Others	357	(143)	-	214
- Tax losses	<u>10,095</u>	<u>7,244</u>	<u>-</u>	<u>17,339</u>
	<u>47,451</u>	<u>2,484</u>	<u>-</u>	<u>49,935</u>
Deferred income tax liabilities: Investment gain recognized under the overseas equity method	-	-	-	-
	<u>\$ 47,451</u>	<u>\$ 2,484</u>	<u>\$ -</u>	<u>\$ 49,935</u>

	<u>2022</u>		<u>Recognized in other comprehensive net income</u>	<u>December 31</u>
	<u>January 1</u>	<u>Recognized in profit or loss</u>		
Deferred income tax assets: - Temporary differences:				
Allowance for bad debts	\$ 434	\$ -	\$ -	\$ 434
Inventory valuation loss	6,126	(443)	-	5,683
Unrealized gross profit	482	-	-	482
Investment loss recognized under the overseas equity method	27,746	-	-	27,746
Exchange difference from foreign operations	2,654	-	-	2,654
Others	360	(3)	-	357
- Tax losses	<u>10,679</u>	<u>(584)</u>	<u>-</u>	<u>10,095</u>
	<u>48,481</u>	<u>(1,030)</u>	<u>-</u>	<u>47,451</u>
Deferred income tax liabilities: Investment gain recognized under the overseas equity method	-	-	-	-
	<u>\$ 48,481</u>	<u>(\$ 1,030)</u>	<u>\$ -</u>	<u>\$ 47,451</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, 2023

<u>Year of occurrence</u>	<u>Amount reported/approved</u>	<u>Amount</u>	<u>Amount yet to be offset</u>	<u>Portion not recognized as deferred income tax assets</u>	<u>Last year of credit</u>
2017	Amount approved	\$ 329	\$ 329	\$ 329	116
2018	Amount approved	11,870	7,436	3,715	117
2019	Amount approved	2,107	2,107	587	118
2020	Amount approved	22,403	22,403	5,109	119
2021	Amount approved	29,290	29,290	1,404	120
2022	Amount reported	13,793	13,793	12,997	121
2023	Estimated amount reported	88,837	88,837	51,661	122
		<u>\$ 168,629</u>	<u>\$ 164,195</u>	<u>\$ 75,802</u>	

Domestic companies:  
December 31, 2022

<u>Year of occurrence</u>	<u>Amount reported/approved</u>	<u>Amount</u>	<u>Amount yet to be offset</u>	<u>Portion not recognized as deferred income tax assets</u>	<u>Last year of credit</u>
2017	Amount approved	\$ 329	\$ 329	\$ 329	116
2018	Amount approved	11,870	7,436	3,715	117
2019	Amount approved	2,107	2,107	587	118
2020	Amount approved	22,403	22,403	5,109	119
2021	Amount reported	28,547	28,547	1,404	120
2022	Estimated amount reported	13,793	13,793	12,997	121
		<u>\$ 79,049</u>	<u>\$ 74,615</u>	<u>\$ 24,141</u>	

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deductible temporary differences	<u>\$ 154,370</u>	<u>\$ 153,639</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 (losses) per share

	<u>2023</u>	<u>Weighted average number of outstanding shares (thousand shares)</u>	<u>Earnings per share (NTD)</u>
	<u>Amount after tax</u>		
<u>Basic earnings per share</u>			
Current net profit attributable to the parent company's common stock shareholders	<u>\$144,146</u>	<u>88,936</u>	<u>\$1.62</u>
<u>Diluted earnings per share</u>			
Current net profit attributable to the parent company's common stock shareholders	144,146	88,936	
Effect of potentially dilutive common shares			
Remuneration to employees	<u>-</u>	<u>258</u>	
Current net profit attributable to the parent company's common stock shareholders	<u>\$144,146</u>	<u>\$89,194</u>	<u>\$1.62</u>
<u>2022</u>			
	<u>Amount after tax</u>	<u>Weighted average number of outstanding shares (thousand shares)</u>	<u>Loss per share (NTD)</u>
<u>Basic/diluted loss per share</u>			
Current net loss attributable to the parent company's common stock shareholders	<u>(\$5,470)</u>	<u>88,936</u>	<u>(\$0.06)</u>

(XXVIII) Transactions with non-controlling interests

- The cash capital increase of a subsidiary not subscribed pro rata by the Group  
The Group's subsidiary, Titan 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 \$1,487, and the equity attributable to owners of the parent company increased by \$1,293. The effect of changes in the equity of Titan Insurance Broker Co., Ltd. for 2023 on the owners' equity attributable to the parent company is as follows:

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

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, Titan Insurance Broker Co., Ltd., for NT\$4,387 in cash. The carrying amount of the non-controlling interests of Titan 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 Titan Insurance Broker Co., Ltd. for 2023 on the owners' equity attributable to the parent company is as follows:

	<u>2023</u>		<u>2022</u>
Book value of non-controlling interests purchased	\$	4,387	\$ -
Consideration paid to non-controlling interests	(	<u>4,387)</u>	<u>-</u>
Capital reserve - difference between the price and the book value of the subsidiary's equity acquired or disposed of	<u>\$</u>	<u>-</u>	<u>\$ -</u>

(XXIX) Supplementary information on cash flows

Investing activities partially involving cash collections and payments:

	<u>2023</u>		<u>2022</u>
Acquisition of property, plant, and equipment	\$	8,584	\$ 18,069
Plus: Opening payables for equipment (stated as "other payables")		210	-
Less: Ending payables for equipment (stated as "other payables")	(	<u>182)</u>	( <u>210)</u>

	<u>2023</u>	<u>2022</u>
Cash paid in the current period	\$ <u>8,612</u>	\$ <u>17,859</u>

(XXX) Changes in liabilities from financing activities

	<u>January 1, 2023</u>	<u>Changes in cash flow from financing</u>	<u>Other non-cash changes (Note)</u>	<u>Effect of exchange rate changes</u>	<u>December 31, 2023</u>
Short-term borrowings	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000
Other payables - related parties	-	162,449	-	-	162,449
Lease liabilities	<u>3,615</u>	<u>( 2,880)</u>	<u>1,014</u>	<u>-</u>	<u>1,749</u>
	<u>\$ 3,615</u>	<u>\$ 234,569</u>	<u>\$ 1,014</u>	<u>\$ -</u>	<u>\$ 239,198</u>
	<u>January 1, 2022</u>	<u>Changes in cash flow from financing</u>	<u>Other non-cash changes</u>	<u>Effect of exchange rate changes</u>	<u>December 31, 2022</u>
Lease liabilities	<u>\$ 5,106</u>	<u>(\$ 3,727)</u>	<u>\$ 2,236</u>	<u>\$ -</u>	<u>\$ 3,615</u>

Note: Mainly current additions, business combinations and acquisitions, and lease modifications.

VII. Transactions with related parties

(I) Name of related party

<u>Name of related party</u>	<u>Relationship with the Group</u>
Chung Hsiang-Feng	Representative the Company's corporate director (Note 1)
MAW YANG TECHNOLOGY CO., LTD. (hereinafter referred to as "MAW YANG")	The person in charge of the company is a relative within second degree of kinship of a representative the Company's corporate director (Note 1)
Director of TSG Hawks Baseball Co., Ltd. (hereinafter referred to as "TSG Hawks")	A director of the company is the chairman of the Company
TSG Sports Marketing Co., Ltd. (hereinafter referred to as "TSG Sports Marketing")	A director of the company is the representative the Company's corporate director
<u>Name of related party</u>	<u>Relationship with the Group</u>
Taiwan Steel Group Aerospace Technology Corporation (hereinafter referred to as "TSG Aerospace")	supervisor of the company is the representative the Company's corporate director

<u>Name of related party</u>	<u>Relationship with the Group</u>
TSG Transportation Corporation (hereinafter referred to as "TSG Transportation")	e chairman of the company is the representative the Company's corporate director
Chun Yu Works & Co., Ltd. (hereinafter referred to as "Chun Yu Works")	orporate director of the company is the corporate director of the Company
NewSoft Technology Corporation (hereinafter referred to as "NewSoft")	e chairman of the company is the Chairman of the Company
OFCO Industrial Corporation (hereinafter referred to as "OFCO")	e chairman of the company is the representative the Company's corporate director
UNITED FIBER OPTIC COMMUNICATIONS INC. (hereinafter referred to as "United Fiber Optic")	e chairman of the company is an independent director of the Company (Note 2)
TSG Star Travel Corp. (hereinafter referred to as "TSG Star Travel")	director of the company is the representative the Company's corporate director
YUNG FU CO., LTD (hereinafter referred to as "Yung Fu")	e chairman of the company is the representative the Company's corporate director
Youshun Investment Co., Ltd. (hereinafter referred to as "Youshun")	supervisor of the company is the representative the Company's corporate director
CAMEO COMMUNICATIONS, INC. (hereinafter referred to as "Cameo")	e chairman of the company is the representative the Company's corporate director
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 corporate director resigned from the Company's director position on July 19, 2022.

Note 2: The director resigned from the Company's independent director position on June 13, 2023.

(II) Significant transactions with related parties

1. Sales of goods

	<u>2023</u>		<u>2022</u>	
Sale of goods:				
- Chun Yu Works	\$	2,277	\$	-
- United Fiber Optic		1,040		-
- NewSoft		1,000		-
- OFCO		703		
- E-Sheng Steel		815		

- E-Top Metal	413	
- Others	1,562	-
	<u>\$ 7,810</u>	<u>\$ -</u>

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

2. Purchase of goods and services

	<u>2023</u>		<u>2022</u>
Purchase of goods:			
- MAW YANG	<u>\$ -</u>		<u>\$ 6,619</u>

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

3. Rental revenue

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

(2) Rental revenue	<u>2023</u>		<u>2022</u>
- TSG Hawks	<u>\$ 686</u>		<u>\$ -</u>

4. Accounts receivable

	<u>December 31, 2023</u>		<u>December 31, 2022</u>
Accounts receivable:			
- Yung Fu	<u>\$ 100</u>		<u>\$ -</u>

5. Other payables

	<u>December 31, 2023</u>		<u>December 31, 2022</u>
Other payables:			
- E-Sheng Steel	\$ 108,300	\$	-
- E-Top Metal	54,149		-
	<u>\$ 162,449</u>	<u>\$</u>	<u>-</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.

(III) Information on the remuneration of the key management

	<u>2023</u>		<u>2022</u>
Short-term employee benefits	\$ 12,252	\$	11,608
Post-employment benefits	406		410

\$ 12,658      \$ 12,018

VIII. Pledged assets

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

<u>Asset</u>	<u>Book value</u>		<u>Purpose of collateral</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Land	\$ 125,221	\$ 161,332	Note
Buildings and buildings - net	117,301	253,284	Note
Net investment property	40,290	40,472	Note
	<u>\$ 282,812</u>	<u>\$ 455,088</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

Please refer to Note 6 (15) for the description regarding the cash capital increase by the Company through private placement.

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:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total liabilities	\$ 342,692	\$ 79,997
Total assets	\$ 1,412,913	\$ 1,003,959
Liabilities to assets ratio	<u>24</u>	<u>8</u>

(II) Financial instruments

1. Types of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		

Financial assets measured at fair value through other comprehensive income			
Investment in designated equity instruments	\$	116,804	\$ 112,830
Financial assets measured at amortized cost			
Cash and cash equivalents		354,424	125,534
Financial assets measured at amortized cost		29,742	128,214
Notes receivable		355	333
Accounts receivable		12,081	10,328
Other receivables		2,798	2,779
Refundable deposits		3,739	3,000
	\$	519,943	\$ 383,018
		<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost			
Short-term borrowings	\$	75,000	\$ -
Notes payable		-	118
Accounts payable		11,268	10,180
Other payables (including related parties)		81,285	57,104
Long-term notes and accounts payables		4,704	5,181
Deposits received		211	211
	\$	172,468	\$ 72,794
Lease liabilities	\$	1,749	\$ 3,615

## 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 multinationally, 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:

	<u>December 31, 2023</u>			<u>Sensitivity analysis</u>		
	Foreign currency (NT\$ thousands)	Exchange rate	Book value (NT\$)	Range of change	Impact on profit or loss	Impact on other comprehensiv e 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	256	1%	3	-
	<u>December 31, 2022</u>			<u>Sensitivity analysis</u>		
	Foreign currency (NT\$ thousands)	Exchange rate	Book value (NT\$)	Range of change	Impact on profit or loss	Impact on other comprehensiv e income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$103	30.71	\$3,163	1%	\$32	\$ -
USD:CNY	36	6.96	1,106	1%	11	-

- D. Due to the significant impact of exchange rate fluctuations on the monetary items of the Group in 2023 and 2022, the total amount of exchange losses (including realized and unrealized) was \$285 and (\$290), respectively.

#### Price risk

- A. The Group's equity instruments exposed to price risk are 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 2023 and 2022, would have been increased or decreased by \$2,541 and \$0, 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 \$1,168 and \$1,128 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 Group groups accounts receivable from customers according to the characteristics of trade credit risk and estimates the expected credit losses based on a provision matrix using the simplified method. The Group assesses the credit risk of other receivables individually.
- E. 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 and accounts receivable. The provision matrix as of December 31, 2023 and 2022 is as follows:

	Account age Within 90 days	Account age 91-180 days	Account age 181-365 days	Account age More than 366 days	Total
<u>December 31, 2023</u>					
Expected loss rate	0.1%	1.0%	5.0%	100%	
Total book value	\$ 12,349	\$ 69	\$ -	\$ 27,425	\$ 39,843
Loss allowance	\$ 21	\$ -	\$ -	\$ 27,386	\$ 27,407
	Account age Within 90 days	Account age 91-180 days	Account age 181-365 days	Account age More than 366 days	Total
<u>December 31, 2022</u>					
Expected loss rate	0.1%	1.0%	5.0%	100%	
Total book value	\$ 10,633	\$ -	\$ -	\$ 26,726	\$ 37,359
Loss allowance	\$ 13	\$ -	\$ -	\$ 26,685	\$ 26,698

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

	<u>2023</u> <u>Accounts</u> <u>receivable</u>	<u>2022</u> <u>Accounts</u> <u>receivable</u>
January 1	\$ 26,698	\$ 27,248
Recovered gains	( 283)	( 708)
Irrecoverable amount written off	-	( 30)
Exchange rate effect	992	188
December 31	<u>\$ 27,407</u>	<u>\$ 26,698</u>

The impairment gain recognized for receivables arising from customers contracts in 2023 and 2022 was \$283 and \$708, 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, 2023 and 2022, the Group's money market positions amounted to \$353,979 and \$125,031, 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, 2023

<u>Non-derivative financial liabilities:</u>	<u>Less than 1 year</u>	<u>1~2 years</u>	<u>More than 2 years</u>	<u>Total</u>
Short-term borrowings	\$75,127	\$ -	\$ -	75,127
Accounts payable	11,268	-	-	11,268
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

December 31, 2022

<u>Non-derivative financial liabilities:</u>	<u>Less than 1 year</u>	<u>1~2 years</u>	<u>More than 2 years</u>	<u>Total</u>
Accounts payable (including related parties)	\$10,180	\$ -	\$ -	10,180
Other payables	57,104	-	-	57,104
Lease liabilities (including those due within one year)	2,567	617	488	3,672
Long-term notes and accounts payables	-	5,181	-	5,181
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 (24.82% 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.

3. For information on the fair value of investment property measured at cost, please refer to the description in Note 6(8).

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, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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	<u>77,852</u>	<u>-</u>	<u>38,952</u>	<u>116,804</u>
	<u>\$ 77,852</u>	<u>\$ 254,100</u>	<u>\$ 38,952</u>	<u>\$ 370,904</u>
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				

Financial assets measured  
at fair value through  
other comprehensive  
income

Equity securities \$ 66,961 \$ - \$ 45,869 \$ 112,830

(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	<u>Shares of TWSE (TPEX) listed companies</u> 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 2023 and 2022.

5. The following table shows the changes in Level 3 in 2023 and 2022:

	<u>2023</u>	<u>2022</u>
	<u>Equity instruments</u>	<u>Equity instruments</u>
January 1	\$ 45,869	\$ 47,590
Recognized in other comprehensive income	( 6,917)	( 1,721)
December 31	<u>\$ 38,952</u>	<u>\$ 45,869</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 2023 and 2022.

7. 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:

	<u>December 31, 2023</u>		<u>Significant unobservable input</u>	<u>Range (weighted between input average)</u>	<u>Relationship and fair value</u>
	<u>Fair value</u>	<u>Valuation technique</u>			
Non-derivative equity instruments:					
Non-listed (non-OTC) companies' stocks	\$ 38,952	Price-to-book Net worth ratio method	Price-to-book ratio	0.52	The higher the price-to-book ratio, the

	<u>December 31, 2022</u>				<u>higher the fair value.</u>
	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship between input and fair value</u>
Non-derivative equity instruments:					
Non-listed (non-OTC) companies' stocks	\$ 45,869	Price-to-book ratio approach	Price-to-book ratio	0.61	The higher the price-to-book ratio, the higher the fair value.

8. 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:

		<u>December 31, 2023</u>				
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>		
	<u>Input</u>	<u>Change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Financial assets						
Equity instruments	Price-to-book ratio	± 10%	\$ -	\$ -	\$ 3,895	(\$ 3,895)
		<u>December 31, 2022</u>				
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>		
	<u>Input</u>	<u>Change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Financial assets						
Equity instruments	Price-to-book ratio	± 10%	\$ -	\$ -	\$ 4,587	(\$ 4,587)

### 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, and the insurance brokerage 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. The Group's decision-maker changed the division of reviewed segments, leading to a change in the compositions of the reportable segments. Therefore, the corresponding information in the previous period was restated as required for easier comparison.

(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:

2023

	<u>Nutritional health products</u>	<u>Insurance brokerage</u>	<u>Others</u>	<u>Adjustments and write-offs (Note)</u>	<u>Consolidated</u>
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					<u>306</u>
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>	\$ 509,179
Company's general assets					<u>903,734</u>
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.

	<u>2022</u>				
	<u>Nutritional health products</u>	<u>Insurance brokerage</u>	<u>Others</u>	<u>Consolidated</u>	
External revenue	\$ 243,111	\$ 64,703	\$ 9,902	\$ -	\$ 317,716
Internal segment revenue	-	-	-	-	-
Segment revenue	<u>\$ 243,111</u>	<u>\$ 64,703</u>	<u>\$ 9,902</u>	<u>\$ -</u>	<u>\$ 317,716</u>
Segment profit or loss	<u>(\$ 8,890)</u>	<u>(\$ 2,871)</u>	<u>(\$ 1,921)</u>	<u>\$ -</u>	<u>(\$ 13,682)</u>
Interest revenue					1,205
Other revenue					7,776
Other gains and losses					134
Interest expense					( 113)
Net profit or loss before tax from continuing operations					<u>(\$ 4,680)</u>
Segment assets	<u>\$ 476,310</u>	<u>\$ 15,367</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 491,677
Company's general assets					<u>512,282</u>
Total assets					<u>\$ 1,003,959</u>
Depreciation and amortization expenses	<u>\$ 14,820</u>	<u>\$ 2,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,865</u>
Capital expenditure	<u>\$ 18,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,069</u>
Segment liabilities	<u>\$ 61,689</u>	<u>\$ 18,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,997</u>

Note: Write-offs of internal segment revenue.

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

The total amounts and information on other significant items for the reportable segments disclosed in (3) are consistent with the amounts of profit or loss before tax, assets, liabilities, and corresponding items in the Company's financial statements and are measured in a consistent manner.

(V) Information by product and service

Please refer to Note 6(19).

(VI) Information by region

The Group's information by region in 2023 and 2022 is as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
Taiwan	\$ 332,758	\$ 511,953	\$ 317,715	\$ 515,885
Mainland		400		179
China	-	1	1	
	<u>\$ 332,758</u>	<u>\$ 512,353</u>	<u>\$ 317,716</u>	<u>\$ 516,064</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 2023 and 2022, 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, 2023

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				
0	Jia Jie Biomedical Co., Ltd.	Taiwan Juijang Biotechnology Co., Ltd.	Other receivables	No	\$ 1,769	\$ -	\$ -	-	Business dealings	\$ 6,233	-	\$ -	None	\$ -	\$ 90,928	\$ 181,856	-	-
1	Dongguan Jia Jie Biotechnology Co., Ltd.	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Other receivables	Yes	\$ 4,757	\$ 4,757	2,741	-	Short-term financing	-	Operating turnover	-	None	-	\$ 10,071	\$ 10,071	-	-

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 4.32 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, 2023

Table 2

Unit: In Thousands of New Taiwan Dollars

(unless otherwise stated)

<u>Holding company</u>	<u>Type and name of marketable securities</u>	<u>Relationship with the issuer of marketable securities</u>	<u>Account</u>	<u>Shares</u>	<u>Closing</u>			<u>Remarks</u>
					<u>Book value</u>	<u>Shareholding percentage</u>	<u>Fair value</u>	
Jia Jie Biotechnology 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 Biotechnology 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 Biotechnology co., Ltd.	FM International Inc.(stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	2,448,572	38,952	18.64	38,952	
Jia Jie Biotechnology 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 Biotechnology 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 Biotechnology co., Ltd.	Taiwan Styrene Monomer Corporation (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	435,000	6,808	0.08	6,808	
Jia Jie Biotechnology co., Ltd.	OFCO Industrial Corp. (stock)	The chairman of the company is the representative the Company's corporate director	Financial assets measured at fair value through other comprehensive income - non-current	1,000,000	25,900	1.01	25,900	
Jia Jie Biotechnology co., Ltd.	TMP Steel Corporation (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	1,546,108	43,523	2.25	43,523	
Jia Jie Biotechnology co., Ltd.	ENSURE GLOBAL CORP., LTD. (stock)	None	Non-current financial assets at fair value through profit or loss	10,000,000	254,100	6.32	254,100	
Taiwan Ding Insurance Brokers Co., Ltd.	Hua Nan Financial Holdings Co., Ltd. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	72,504	1,619	0.29	1,619	

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, 2023

Unit: In Thousands of New Taiwan Dollars

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:

(unless otherwise stated)

<u>No.</u> (Note 1)	<u>Name of trader</u>	<u>Counterparty</u>	<u>Relationship with the counterparty</u> (Note 2)	<u>Account</u>	<u>Transaction</u>		<u>As a percentage of total consolidated revenue or total consolidated assets</u> (Note 3)
					<u>Amount</u>	<u>Transaction terms</u>	
0	Jia Jie Biomedical Co., Ltd.	Jia Jie Biotech Co., Ltd.	1	Sales revenue	\$ 3,780	As agreed by both parties	1.14%
1	Dongguan Jia Jie Biotechnology Co., Ltd.	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	3	Other receivables	2,680	As agreed by both parties	0.19%
1	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Xiamen Zengmeining Biotech Co., Ltd.	3	Accounts receivable	1,666	As agreed by both parties	0.12%

Note 1: Business transactions between the parent company and its subsidiaries should be specified in the number column as follows:

(1) Indicated as "0" 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, in case of the transaction between the parent company and the subsidiary, if the parent company has disclosed the information, there is no need to repeat the disclosure for the subsidiary;

For the transaction between two subsidiaries, if one of the subsidiaries has disclosed the information, the other subsidiary 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, 2023

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 Biotechnology co., Ltd.	Wisetech Corporation	Samoa	Overseas investment	\$ 353,766	\$ 363,893	11,890,234	100.00	\$ 11,307	(\$ 731)	(\$ 731)	Subsidiary
Jia Jie Biotechnology co., Ltd.	Jia Jie Investment Co., Ltd.	Taiwan	Investment	134,000	37,000	15,962,500	100.00	141,866	2,253	2,253	Subsidiary
Jia Jie Biotechnology co., Ltd.	Shi Zhang Bio-Technology Co., Ltd.	Taiwan	Wholesale and retail of cosmetics, foods and groceries	68,000	68,000	2,000,000	100.00	206	( 41)	( 42)	Subsidiary
Jia Jie Biotechnology co., Ltd.	Jia Jie Biotechnology co., Ltd.	Taiwan	Wholesale of foods, groceries and daily commodities, and retail sale of other products	100,000	50,000	10,000,000	100.00	35,384	( 51,661)	( 51,662)	Subsidiary
Wisetech Corporation	Sure Wise International Co.,Ltd.	Seychelles	Overseas investment	-	14,971	-	-	-	( 729)	-	Sub-subsi diary
Wisetech Corporation	Honor Peak Holdings Limited	Hong Kong	Overseas investment	267,833	267,833	-	100.00	10,764	( 211)	-	Sub-subsi diary
Jia Jie Investment Co., Ltd.	Fortune Chain Enterprise Co.,Ltd	Seychelles	Overseas investment	-	7,763	-	-	-	( 242)	-	Sub-subsi diary
Jia Jie Investment Co., Ltd.	Taiwan Ding Insurance Brokers Co., Ltd.	Taiwan	Personal insurance and property insurance broker	54,082	34,695	2,128,888	60.83	53,468	5,534	-	Sub-subsi diary
Jia Jie Investment Co., Ltd.	Mi Hsiang Food Co., Ltd.	Taiwan	Instant Meal Box Food Manufacturing	5,850	-	585,000	39.00	29,391	1,691	141	Equity method
Jia Jie Investment Co., Ltd.	Bai Chien Hui Food Co., Ltd.	Taiwan	Instant Meal Box Food Manufacturing	480	-	48,000	48.00	2,565	1,980	165	Equity method
Fortune Chain Enterprise Co.,Ltd	Sure Wise International Co.,Ltd.	Seychelles	Overseas investment	-	8,431	-	-	-	( 729)	-	Sub-subsi diary

Note 1: Except for the current profit and loss, which was translated at the average exchange rate of 31.155 between January 1 and December 31, 2023, the information related to the investees was translated at the exchange rate of 30.705 on December 31, 2023.

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, 2023

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	Investment amount remitted or recovered in the current period		Accumulated investment amount remitted from	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	Book value of investment at end of period	Investment gain repatriated by the end of the current period	Remark
				Taiwan at the beginning of the current period	Remitted	Recovered	Taiwan at the end of the current period		Company	(Note 2)	\$	\$	
Harbin Shen-Shou Biotechnology Ltd.	Development of biological products	\$ 25,995	2	\$ 14,407	\$ -	\$ -	\$ 14,407	\$ -	48.98	\$ -	\$ -	\$ -	-
Harbin Dian Yi Technology Ltd.	Smart card application systems	240,944	2	-	-	-	-	-	49.00	-	-	-	-
Jing-Ding Murad Biomedical Technology Ltd.	Development of biological products	350,985	2	75,183	-	-	75,183	-	15.01	-	-	-	-
Shanghai Andy Pure-water Equipment Manufacturing Co., Ltd.	Production of water purification equipment and related parts	-	2	6,141	-	6,141	-	-	0.00	-	-	21,698	-
Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Development of aquatic product technology, and production and processing of softshell turtle powder and softshell turtle oil	91,001	2	43,294	-	-	43,294	( 59)	50.00	( 30)	( 1,463)	-	Note 2
Xiamen Zengmeinong Biotech Co., Ltd.	Development of biological products	77,448	2	73,692	-	-	73,692	( 179)	100.00	( 179)	1,994	-	Note 2
Heilongjiang Shen Shou Pharmaceutical Co., Ltd.	Production, processing, and sale of Chinese herbal medicine	47,741	1	36,481	-	-	36,481	-	41.00	-	-	-	-
Dongguan Jia Jie Biotechnology Co., Ltd.	Retail	22,105	2	23,124	-	-	23,124	29	100.00	29	10,071	-	Note 2
Shuo Rong Tai Xing IoT Technology Co., Ltd.	Internet of Things	15,183	1	15,353	-	-	15,353	-	1.25	-	-	-	-

Company name	Accumulated investment amount remitted from Taiwan to Mainland China by the end of the current period (Notes 4, 6)	Investment amount approved by the Investment Commission, MOEA (Notes 4, 6)	Limit on investment in Mainland China as specified by the Investment Commission, MOEA (Note 5)
Jia Jie Biotechnology co., Ltd.	\$ 274,472	\$ 302,853	\$ 642,132

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 31.155 between January 1 and December 31, 2023, all figures were translated at the exchange rate of 30.705 on December 31, 2023.

Note 4: The Company indirectly invested US\$733 thousand in Shanghai Andy Pure-water Equipment Manufacturing Co., Ltd. in Mainland China through Sure Wise International Co., Ltd., of which US\$533 thousand was the investment with the loans endorsed/guaranteed by the Company for Sure Wise International Co., Ltd. rather than the investment amount directly remitted from Taiwan. This resulted in a difference between the aforementioned accumulated investment amount remitted from Taiwan to Mainland China by the end of the period and the investment amount approved by the Investment Commission, MOEA.

Note 5: Investment in Mainland China is limited to 60% of the net worth according to the regulations of the Investment Commission, MOEA.

Note 6: The Company indirectly invested US\$152 thousand in Shanghai Andy Pure-water Equipment Manufacturing Co., Ltd. in Mainland China through Sure Wise International Co., Ltd. instead of having the investment amount remitted directly from Taiwan, resulting in a difference between the aforementioned accumulated investment amount remitted from Taiwan to Mainland China by the end of the period and the investment amount approved by the Investment Commission, MOEA.

Jia Jie Biomedical Co., Ltd.  
Information on major shareholders  
December 31, 2023

Table 6

<u>Name of major shareholder</u>	<u>Shareholding</u>	<u>Shares</u>	<u>Shareholding percentage</u>
Bai-Jia-Yuan Investment Co., Ltd.:	20,000,000		22.48%
E-Top Metal Co., Ltd.	5,118,000		5.75%

V. Parent company only financial statements audited and certified by CPAs in the most recent year:

Auditor's Report

(2024) Cai-Shen-Bao-Zi No.23004605

To Jia Jie Biomedical Co., Ltd.:

**Audit opinion**

We have audited the parent company only balanced sheet as of December 31, 2023 and 2022, and the parent company only statement of comprehensive income, parent company only statement of changes in equity, parent company only statement of cash flows, and notes to the parent company only financial statements (including the summary of significant accounting policies) of Jia Jie Biomedical Co., Ltd. for the periods from January 1 to December 31, 2023 and 2022.

In our opinion, according to our audit result and the report of other auditors (please refer to “Other matters” sections), the aforesaid parent company only financial statements have been prepared, in all material aspects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and presented fairly the parent company only financial position of Jia Jie Biomedical Co., Ltd. as of December 31, 2023 and 2022, and its parent company only financial performance and parent company only cash flow for the periods from January 1 to December 31, 2023 and 2022. 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 parent company only financial statements” section. We are independent of Jia Jie Biomedical Co., Ltd. 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 Biomedical Co., Ltd.'s parent company only financial statements for 2023. These matters were addressed in the context of our audit of the parent company only 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 Biomedical Co., Ltd.'s parent company only financial statements for 2023 are as follows:

### **Correctness of commission calculations**

#### Description of matters

Jia Jie Biomedical Co., Ltd. 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.

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

As stated in Note 6(6) to the parent company only financial statements, the financial statements of some of Jia Jie Biomedical Co., Ltd.'s investments valued under the equity method were not audited by us, but by other auditors.

Therefore, our opinions expressed on the aforementioned parent company only financial statements with respect to the amounts in the parent company only financial statements of such companies are based on the report of such auditors. The balance of the investment in the aforementioned companies under the equity method as of December 31, 2023 and 2022 was NT\$89,798 thousand and NT\$34,540 thousand, respectively, accounting for 6.6% and 3.6% of the total assets, respectively. The comprehensive income recognized under the equity method for the periods from January 1 to December 31, 2023 and 2022, was NT\$2,932 thousand and NT\$(476) thousand, accounting for 2.0% and (4.8%) of the total comprehensive loss, respectively.

### **Responsibilities of the management and governing body for the parent company only financial statements**

The management was responsible for preparing the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintaining necessary internal control related to the preparation of the parent company only financial statements to ensure that the parent company only financial statements were free of material misstatements due to fraud or error.

In preparing the parent company only financial statements, the management was also responsible for assessing Jia Jie Biomedical Co., Ltd.'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 Biomedical Co., Ltd. or there were no actual feasible solutions other than liquidation or cessation of operation.

The governing body of Jia Jie Biomedical Co., Ltd. (including the Audit Committee) was responsible for supervising the financial reporting process.

## **Auditor's responsibilities for the audit of the parent company only financial statements**

The purpose of our audit of the parent company only financial statements was to obtain reasonable assurance on whether the parent company only 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 parent company only 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 parent company only 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 parent company only 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 Biomedical Co., Ltd.'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 Biomedical Co., Ltd.'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 parent company only financial statements or, if such disclosures 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 Biomedical Co., Ltd. to cease to continue as a going concern.
5. Evaluating the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
6. Obtaining sufficient and appropriate audit evidence concerning the financial information of entities within Jia Jie Biomedical Co., Ltd. to express an opinion on the parent company only financial statements. We are responsible for directing, supervising and performing the audit of the parent company only financial statements and forming an audit opinion on the parent company only financial statements.

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 Biomedical Co., Ltd.'s parent company only financial statements for 2023. 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 (Signature and Stamp)

Auditor

Wang, Kuo-Hua (Signature and Stamp)

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

March 18, 2024

Jia Jie Biomedical Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Assets	Note	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 238,000	18	\$ 72,294	8
1136	Financial assets measured at amortized cost - current	6(2)	3,400	-	92,470	10
1170	Net accounts receivable	6 (5)	4,577	-	4,473	-
1200	Other receivables		37	-	13	-
130X	Inventories	5 and 6(6)	24,682	2	26,625	3
1410	Prepayments		3,540	-	14,482	1
11XX	<b>Total current assets</b>		<u>274,236</u>	<u>20</u>	<u>210,357</u>	<u>22</u>
<b>Non-current assets</b>						
1510	Non-current financial assets at fair value through profit or loss	6(3)	254,100	19	-	-
1517	Financial assets measured at fair value through other comprehensive income - non-current	6(4)	115,183	8	111,202	12
1550	Investments under the equity method	6(7)	188,763	14	103,996	11
1600	Property, plant, and equipment	6(8) and 8	436,687	32	437,338	46
1755	Right-of-use assets	6(9)	-	-	1,770	-
1760	Net investment property	6 (10) and 8	40,290	3	40,472	4
1840	Deferred income tax assets	6 (25)	49,340	4	46,697	5
1920	Refundable deposits		1,222	-	597	-
1990	Other non-current assets - others		2,775	-	3,769	-
15XX	<b>Total non-current assets</b>		<u>1,088,360</u>	<u>80</u>	<u>745,841</u>	<u>78</u>
1XXX	<b>Total assets</b>		<u>\$ 1,362,596</u>	<u>100</u>	<u>\$ 956,198</u>	<u>100</u>

(continued on next page)

Jia Jie Biomedical Co., Ltd.  
Parent Company Only Balance Sheet  
December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Liabilities and equity	Note	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6 (11) and 8	\$ 75,000	5	\$ -	-
2130	Contract liabilities - current	6(18)	205	-	18	-
2170	Accounts payable		11,089	1	9,969	1
2200	Other payables	6(12)	63,790	5	44,416	5
2220	Other payables - related parties	7	162,449	12	-	-
2280	Lease liabilities - current		-	-	1,785	-
2365	Refund liabilities - current	6(18)	936	-	1,160	-
2399	Other current liabilities - others		2,046	-	664	-
21XX	<b>Total current liabilities</b>		<u>315,515</u>	<u>23</u>	<u>58,012</u>	<u>6</u>
<b>Non-current liabilities</b>						
2645	Deposits received		211	-	211	-
25XX	<b>Total non-current liabilities</b>		<u>211</u>	<u>-</u>	<u>211</u>	<u>-</u>
2XXX	<b>Total liabilities</b>		<u>315,726</u>	<u>23</u>	<u>58,223</u>	<u>6</u>
<b>Equity</b>						
	Share capital	6(14)				
3110	Common stock capital		889,367	65	889,367	93
	Capital surplus	6(15)				
3200	Capital surplus		58,303	4	57,010	6
	Retained earnings	6(16)				
3310	Legal reserves		123	-	123	-
3320	Special reserves		24,157	2	24,157	3
3350	Undistributed earnings (losses to be made up for)		138,735	10	( 5,411)	( 1)
	Other equity	6(17)				
3400	Other equity		( 63,815)	( 4)	( 67,271)	( 7)
3XXX	<b>Total equity</b>		<u>1,046,870</u>	<u>77</u>	<u>897,975</u>	<u>94</u>
	Significant subsequent events	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,362,596</u>	<u>100</u>	<u>\$ 956,198</u>	<u>100</u>

The attached notes to the parent company only financial statements form part of the parent company only financial report, please refer to them, too.

Chairman: Chen, He-Shun

Managerial Officer: Tseng Ming-Chuan

Accounting Supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd.  
Parent Company Only Statement of Comprehensive Income  
For the years ended December 31, 2023 and 2022

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

	Item	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	6(18)	\$ 263,486	100	\$ 252,338	100
5000	Operating cost	6 (6) (24) (24) and 7	( 179,979)	( 68)	( 161,645)	( 64)
5900	Gross profit		<u>83,507</u>	<u>32</u>	<u>90,693</u>	<u>36</u>
	Operating expenses	6(24) (24) and 12 (2)				
6100	Sales and marketing expenses		( 44,261)	( 17)	( 35,573)	( 14)
6200	Administrative expense		( 47,881)	( 18)	( 43,257)	( 17)
6300	R&D expense		( 9,324)	( 4)	( 8,935)	( 4)
6450	Expected credit impairment (loss) gains		( 8)	-	4	-
6000	Total operating expenses		( 101,474)	( 39)	( 87,761)	( 35)
6900	Operating (loss) income		( 17,967)	( 7)	2,932	1
	Non-operating revenue and expenses					
7100	Interest revenue	6(19)	1,012	1	758	-
7010	Other revenue	6(20)	8,798	3	5,198	2
7020	Other gains and losses	6(21)	200,144	76	328	-
7050	Financial cost	6 (22)	( 302)	-	( 48)	-
7070	Share in the profit or loss of subsidiaries, associates, and joint ventures recognized under equity method	6(7)	( 50,182)	( 19)	( 13,449)	( 5)
7000	Total non-operating revenue and expenses		159,470	61	7,213	3
7900	<b>Net profit (loss) before tax</b>		141,503	54	( 4,281)	( 2)
7950	Income tax gains (expenses)	6 (25)	2,643	1	1,189	-
8200	<b>Net profit (loss) for the period</b>		<u>\$ 144,146</u>	<u>55</u>	<u>(\$ 5,470)</u>	<u>( 2)</u>
	<b>Other comprehensive income (net amount after tax)</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)	\$ 3,978	1	(\$ 5,660)	( 2)
	<b>Total items that may be subsequently reclassified to profit or loss</b>					
8361	Exchange difference on translation of the financial statements of foreign operations	6(7)	( 522)	-	1,238	-
8300	<b>Other comprehensive income (net amount)</b>		<u>\$ 3,456</u>	<u>1</u>	<u>(\$ 4,422)</u>	<u>( 2)</u>
8500	<b>Total current comprehensive income</b>		<u>\$ 147,602</u>	<u>56</u>	<u>(\$ 9,892)</u>	<u>( 4)</u>
	Earnings (losses) per share	6(26)				
9750	Basic		\$ 1.62		(\$ 0.06)	
9850	Diluted		\$ 1.62		(\$ 0.06)	

The attached notes to the parent company only financial statements form part of the parent company only financial report, please refer to them, too.

Chairman: Chen, He-Shun

Managerial Officer: Tseng Ming-Chuan

Accounting Supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd.  
Parent Company Only Statement of Changes in Equity  
For the years ended December 31, 2023 and 2022  
Unit: In Thousands of New Taiwan Dollars

Note	Common stock capital	Capital surplus				Retained earnings			Other equity		Total	
		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	Others	Legal reserves	Special reserves	(Losses to be made up for) 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>2022</u>												
	Balance on January 1, 2022	\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ -	\$ -	\$ 23,054	\$ 1,226	(\$ 22,782)	(\$ 40,008)	\$ 907,867
	Current net loss	-	-	-	-	-	-	( 5,470 )	-	-	-	( 5,470 )
	Current other comprehensive income	6 (4)(7)(16)	-	-	-	-	-	-	1,238	( 5,660 )	( 4,422 )	
	Total current comprehensive income	-	-	-	-	-	-	( 5,470 )	1,238	( 5,660 )	( 9,892 )	
	Provision for legal reserves	-	-	-	-	123	-	( 123 )	-	-	-	
	Provision for special reserves	-	-	-	-	-	1,103	( 1,103 )	-	-	-	
	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	59	-	( 59 )	-	
	Balance on December 31, 2022	\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ 123	\$ 24,157	(\$ 5,411 )	(\$ 21,544 )	(\$ 45,727 )	\$ 897,975	
<u>2023</u>												
	Balance on January 1, 2023	\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ 123	\$ 24,157	(\$ 5,411 )	(\$ 21,544 )	(\$ 45,727 )	\$ 897,975	
	Current net loss	-	-	-	-	-	-	144,146	-	-	144,146	
	Current other comprehensive income	6 (4)(16)	-	-	-	-	-	-	( 522 )	3,978	3,456	
	Total current comprehensive income	-	-	-	-	-	-	144,146	( 522 )	3,978	147,602	
	Changes in ownership interests in subsidiaries recognized	6(15)	-	-	1,293	-	-	-	-	-	1,293	
	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	

The attached notes to the parent company only financial statements form part of the parent company only financial report, please refer to them, too.

Chairman: Chen, He-Shun

Managerial Officer: Tseng Ming-Chuan

Accounting Supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd.  
Parent Company Only Statement of Cash Flows  
For the years ended December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

	Note	2023	2022
<u>Cash flow from operating activities</u>			
Net profit (loss) before tax for the pe		\$ 141,503	(\$ 4,281 )
Adjustment items			
Income and expenses			
Net gain on financial assets at fair value through profit or loss	6(21)	( 200,247 )	-
Depreciation expense	6 (8)(9)(10) (23)	11,433	12,150
Amortization expense	6(23)	1,888	2,358
Expected credit impairment loss (gains)	12(2)	8	( 4 )
Interest expense	6 (22)	302	48
Interest revenue	6(19)	( 1,012 )	( 758 )
Dividend revenue	6(20)	4,893	2,565
Share in the profit or loss of subsidiaries, associates, and joint ventures recognized under equity method	6(7)	50,182	13,449
Loss on disposal and scrapping of property, plant and equipment	6(21)	116	-
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Accounts receivable		( 112 )	1,600
Other receivables		( 5 )	993
Inventories		2,056	( 5,753 )
Prepayments		8,429	( 7,067 )
Net changes in liabilities related to operating activities			
Contract liabilities - current		187	( 506 )
Notes payable		-	( 166 )
Accounts payable		1,120	1,424
Accounts payable - related parties		-	( 2,796 )
Other payables		19,402	( 4,706 )
Refund liabilities - current		( 224 )	( 123 )
Other current liabilities - others		1,382	133
Cash inflow from operations		41,301	8,560
Interest received		1,012	758
Interest paid		( 302 )	( 48 )
Income tax paid		( 19 )	( 2 )
Dividends received		( 4,893 )	( 2,565 )
Net cash inflow from operating activities		37,099	6,703

(continued on next page)

Jia Jie Biomedical Co., Ltd.  
Parent Company Only Statement of Cash Flows  
For the years ended December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

	Note	2023	2022
<u>Cash flow from investing activities</u>			
Acquisition of financial assets measured at amortized cost - current		(\$ 3,400)	\$ -
Acquisition of financial assets at fair value through profit or loss - non-current		( 132,000)	-
Disposal of financial assets at fair value through profit or loss - non-current		78,147	-
Acquisition of financial assets measured at fair value through other comprehensive income - non-current		-	( 16,319)
Acquisition of investments under the equity method	6(7)	( 147,000)	-
Return of investments under the equity method	6(7)	12,706	-
Acquisition of property, plant, and equipment	6 (27)	( 8,395)	( 7,685)
Disposal of financial assets measured at amortized cost - current		92,470	10,620
Disposal of financial assets measured at amortized cost - non-current		-	5,000
Proceeds from sale of financial assets measured at fair value through other comprehensive income - non-current		-	10,549
Proceeds from disposal of property, plant, and equipment		45	73
Decrease (increase) in refundable deposits		( 625)	539
Decrease (increase) in other non-current assets - others		995	( 2,805)
Net cash outflow from investing activities		( 107,057)	( 28)
<u>Cash flow from financing activities</u>			
Increase in short-term borrowings	6 (28)	80,000	-
Decrease in short-term borrowings	6 (28)	( 5,000)	-
Increase in other payables - related parties	6 (28)	162,449	-
Repayment of lease principal	6 (28)	( 1,785)	( 1,756)
Net cash inflow (outflow) from financing activities		235,664	( 1,756)
Increase in current cash and cash equivalents		165,706	4,919
Opening balance of cash and cash equivalents		72,294	67,375
Closing balance of cash and cash equivalents		\$ 238,000	\$ 72,294

The attached notes to the parent company only financial statements form part of the parent company only financial report, please refer to them, too.

Chairman: Chen, He-Shun

Managerial Officer: Tseng Ming-Chuan Accounting Supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd.  
Notes to the Parent Company Only Financial Statements  
2023 and 2022

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

I. Company history

1. Jia Jie Biomedical Co., Ltd. (hereinafter referred to as 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, and sports equipment wholesale.
2. The Company's shares have been traded on the TPEx since August 2002.
3. The Company's name was changed from "Mu La De Jia Jie Biotech Co., Ltd." to "Jia Jie Biomedical Co., Ltd." upon resolution of the shareholders' meeting on June 27, 2019.

II. The date and procedure for approving the financial report

The parent-only financial report was approved by the Board of Directors and released on March 12, 2024.

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 2023 that were approved and promulgated by the FSC:

New/amended/revised standards and interpretations	Effective date as published by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023
Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"	May 23, 2023

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

(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 2024:

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

(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 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
Amendments to IAS No. 21 "Lack of Exchangeability"	January 1, 2025

The Company has assessed that the standards and interpretations above have no significant

impact on the financial position and financial performance of the Company.

#### IV. Summary of important accounting policies

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

##### (I) Compliance statement

The parent company only financial report was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

##### (II) Basis of preparation

1. Except for the financial assets FVTPL and financial assets measured at FVTOCI, the parent company only financial report was prepared on the basis of historical cost.
2. Preparing a financial report in conformity with the IFRS, IAS, IFRIC Interpretations, and SIC Interpretations (hereinafter collectively referred to as IFRSs) endorsed and issued into effect by the FSC requires the use of some important accounting estimates. The management also needs to use its judgment in the process of applying the accounting policies of the Company, which involves items with a high degree of judgment or complexity, or significant assumptions and estimations in the parent company only financial report. Please refer to Note 5 for details.

##### (III) Translation of foreign currencies

Items included in the financial report of the Company are measured by the currency of the primary economic environment in which the Company operates (i.e. the functional currency). The parent company only 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 company 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 Company still retains part of the interest in the former associate or joint venture, but has lost significant influence over the foreign operation that is an associate or the joint control over the foreign operation that is a joint venture, the Company'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 Company still retains part of the interest in the former subsidiary, but has lost control of the foreign operation that is a subsidiary, the Company's interest in the foreign operation is wholly disposed of.

## (IV) 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 Company 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.

The Company has no right to unconditionally defer the settlement of the liability for at least 12 months after the balance sheet date. The classification of liabilities is not affected if the liabilities are paid off by issuing equity instruments at the choice of the counterparty pursuant to the terms of the liabilities.

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

(V) 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.

(VI) 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 Company uses trade date accounting for financial assets measured at fair value through other comprehensive income in conformity with trading practices.

3. The Company 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 Company recognizes the dividend revenue in profit or loss.

(VII) 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 Company uses trade date accounting for financial assets measured at amortized cost in conformity with trading practices.
3. The Company 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 Company 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.

(VIII) 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 Company measures short-term accounts and notes receivable with unpaid interest at the initial invoice amount due to the insignificant impact of discounting.

(IX) Impairment of financial assets

On each balance sheet date, the Company, 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.

(X) Derecognition of financial assets

The Company 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.

(XI) 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.

(XII) 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 relevant variable selling expenses.

(XIII) Investments/subsidiaries/associates under the equity method

1. Subsidiaries refer to entities (including structured entities) controlled by the Company. When the Company 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 Company controls the entities.
2. The unrealized gains or losses from the transactions between the Company and the subsidiaries were eliminated. Necessary adjustments have been made to the accounting policies of the subsidiaries to bring them into line with those adopted by the Company.
3. The Company recognizes the share in the profit or loss of subsidiaries after the acquisition as current profit and loss and recognizes the share in their other comprehensive income after the acquisition as other comprehensive income. If the share in the loss of a subsidiary recognized by the Company equals or exceeds the interest in the said subsidiary, the Company continues to recognize losses in proportion to the shareholding percentage.
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 Company loses control over a subsidiary, the Company'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 Company, 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 Company loses control of the subsidiary.
6. Associates are entities over which the Company has significant influence but no control. Generally, the Company holds more than 20% of their shares with voting rights directly or indirectly. The Company's investment in associates is accounted for using the equity method and is recognized at cost at the time of acquisition.
7. The Company recognizes the share in the profit or loss of associates after the acquisition as current profit and loss and recognizes the share in their other comprehensive income after the acquisition as other comprehensive income. If the Company's share in the loss of any associate equals or exceeds the interest in the said associate (including any other unsecured receivables), the Company does not recognize further losses, unless the Company has incurred legal obligations or constructive obligations for the associate or has made payments on behalf of it.
8. When equity changes not related to profit or loss and other comprehensive income occur to an associate, with no impact on the Company's shareholding percentage in the associate, the Company recognizes all equity changes as "capital surplus" based on the shareholding percentage.
9. Any unrealized gains or losses arising from transactions between the Company and associates have been written off proportionally to the interest the Company 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 Company.

10. If the Company loses significant influence over an associate when the Company 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 Company, 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 Company 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.
11. According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit and loss and other comprehensive income in the parent company only financial report shall be identical to the allocations of the current profit and loss and other comprehensive income attributable to the owners of the parent company in the financial report prepared on a consolidated basis. The shareholders' equity in the parent only financial report shall be identical to the equity attributable to the owners of the parent company in the financial report prepared on a consolidated basis.

(XIV)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 Company 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 Company 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	5 years
Office equipment	3 - 10 years
Other equipment	3 to 20 years

(XV) 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 Company. 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 Company'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 based on the amortized cost method, 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.

(XVI) 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.

(XVII) Impairment of non-financial assets

On the balance sheet date, the Company estimates the recoverable amount of assets with signs of impairment. When the recoverable amount is less than the book value, an impairment loss is recognized. Recoverable amount is the fair value of an asset less its disposal cost or use value, whichever is higher. 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.

(XVIII) Loans

They refer to long-term and short-term loans from banks. The Company 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.

(XIX) 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 Company measures short-term accounts and notes payable with unpaid interest at the initial invoice amount due to the insignificant impact of discounting.

(XX) Derecognition of financial liabilities

The Company derecognizes financial liabilities when the contractual obligation is performed, discharged or expired.

(XXI) 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.

(XXII) 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.

(XXIII) 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 Company calculates the current income tax according to the tax rate that has been enacted or has been substantively enacted 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 parent company only 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 Company can control the time of reversal of any temporary difference generated from the 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.

#### (XXIV) 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 book value is recognized as an adjustment to shareholders' equity.

(XXV) 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.

(XXVI) Recognition of revenue

- 1 The Company's revenue from the manufacturing and sale of processed softshell turtle food and other related products 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 Company does not adjust the transaction price to reflect the time value of money.
- 2 The Company runs a loyalty program for its retail customers and gives them reward points for each transaction. The customers may redeem the reward points for additional products at discounted prices or free of charge. Such reward points provide the customers with important rights that they would not be able to acquire if there is no initial transaction. Therefore, the reward points are offered to the customers as a separate performance obligation. The transaction price is allocated to the product and reward points on a relative stand-alone selling price basis. The stand-alone selling price of the reward points is estimated based on the discount received by the customer and the possibility of redemption of the reward points according to past experience. The stand-alone selling price of the product is estimated based on the retail price. The transaction price allocated to the reward points is recognized as a contract liability, and is transferred to revenue when the points are redeemed by the customer or when the points expire and become invalid.

(XXVII) 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 Company, the government grants are recognized as current profit or loss on a systematic basis during the period when the relevant expenses are incurred.

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

When the Company prepared the parent company only 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 Company 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 Company 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, 2023, the book value of the Company's inventories was \$24,682.

#### VI. Description of important accounting items

##### (I) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and working capital	\$ 348	\$ 403
Checkable deposits and demand deposits	<u>237,652</u>	<u>71,891</u>
	<u>\$ 238,000</u>	<u>\$ 72,294</u>

1. The financial institutions that the Company does business with have good credit quality, and the Company does business with multiple financial institutions to diversify credit risk. Thus, the probability of default is expected to be very low.
2. The Company does not pledge cash or cash equivalents.

##### (II) Financial assets measured at amortized cost

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Time deposits with an initial maturity date of more than 3 months	<u>\$ 3,400</u>	<u>\$ 92,470</u>

1. Please refer to Note 6 (19) 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 Company, the maximum credit risk exposure as of December 31, 2023 and 2022 amounted to \$3,400 and \$92,470, respectively.
3. The credit quality of the financial institutions that the Company 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

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
TWSE and TPEX listed shares - private placement	\$ 72,000	-
Valuation adjustment	<u>182,100</u>	<u>-</u>
Total	<u>\$ 254,100</u>	<u>\$ -</u>

1. The net gains from financial assets at fair value through profit or loss recognized in 2023 and 2022 were NT\$200,247 and NT\$0, respectively.
2. In November 2023, the Company subscribed 10,000 thousand shares of ENSURE GLOBAL CORP., LTD. through private placement, which was not transferable within three years.
3. The Company 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

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items:		
Equity instruments		
Listed (OTC) companies' stocks	\$ 61,902	\$ 61,902
Non-listed, OTC, or emerging stocks	95,065	95,065
Valuation adjustment	<u>(41,784)</u>	<u>(45,765)</u>
	<u>\$ 115,183</u>	<u>\$ 111,202</u>

1. The Company chooses to classify strategic investments and equity instrument investments as financial assets measured at fair value through other comprehensive income. The fair value of such investments as of December 31, 2023 and 2022 was \$115,183 and \$111,202, 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:

	<u>2023</u>	<u>2022</u>
<u>Financial assets measured at fair value</u>		
<u>through other comprehensive income</u>		
<u>Equity instruments</u>		
Fair value changes recognized in other comprehensive income	\$ <u>3,981</u>	(\$ <u>5,710</u> )
Accumulated gains transferred to retained earnings due to derecognition	\$ <u>-</u>	(\$ <u>59</u> )
Dividend revenue recognized in profit or loss in the current period		
Held at end of period	\$ <u>4,893</u>	\$ <u>2,565</u>

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

(V) Accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable	\$ 4,598	\$ 4,486
Less: Loss allowance	( <u>21</u> )	( <u>13</u> )
	\$ <u>4,577</u>	\$ <u>4,473</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
Within 90 days	\$ <u>4,598</u>	\$ <u>4,486</u>

The above aging analysis is based on the accounting date.

2. The balances of notes receivable and accounts receivable as of December 31, 2023 and 2022 were generated from customer contracts, and the balance of receivables (including notes receivable) from customer contracts as of January 1, 2022 was NT\$6,086.
3. The Company does not hold any collateral.
4. Without considering the collateral or other credit enhancements held, for the notes receivable that best represent the Company, the maximum credit risk exposure as of both December 31, 2022 and 2021 was \$0, respectively; for the accounts receivable that best represent the Company, the maximum credit risk exposure as of December 31, 2022 and 2021 amounted to \$4,577 and \$4,473, 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) Inventory

1. The item includes the following:

	<u>December 31, 2023</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Book value</u>
Raw materials	\$ 7,545	(\$ 1,188)	\$ 6,357
Work in process	3,482	( 6)	3,476
Finished goods	5,799	( 46)	5,753
Goods	<u>12,066</u>	<u>( 2,970)</u>	<u>9,096</u>
	<u>\$ 28,892</u>	<u>(\$ 4,210)</u>	<u>\$ 24,682</u>

	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Book value</u>
Raw materials	\$ 5,728	(\$ 1,116)	\$ 4,612
Work in process	1,290	( 1)	1,289
Finished goods	7,037	( 34)	7,003
Goods	<u>39,863</u>	<u>( 26,142)</u>	<u>13,721</u>
	<u>\$ 53,918</u>	<u>(\$ 27,293)</u>	<u>\$ 26,625</u>

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

	<u>2023</u>		<u>2022</u>
Cost of inventories sold	\$	184,258	\$ 146,221
Gain on inventory value recovery	(	23,083)	( 2,214)
Inventory loss	(	16)	35
Others		18,820	17,603
	<u>\$</u>	<u>179,979</u>	<u>\$ 161,645</u>

Due to the Company'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

1. Current changes are as follows:

	<u>2023</u>		<u>2022</u>
Balance on January 1	\$	103,996	\$ 116,549
Increase in investments under the equity method		147,000	-
Return of investments under the equity method	(	12,706)	-
Share in investment losses under the equity method	(	50,182)	( 13,449)
Capital reserves - changes in ownership interests in subsidiaries recognized		1,293	-
Other equity - exchange difference on translation of the financial statements of foreign operations	(	522)	1,238
Other equities - unrealized gain or loss on financial assets measured at fair value through other comprehensive income for the period	(	3)	50
Other changes in equity	<u>( 113 )</u>		<u>( 392 )</u>
Balance on December 31	<u>\$</u>	<u>188,763</u>	<u>\$ 103,996</u>

- For information on the Company's subsidiaries, please refer to Note 4 (3) to the Company's consolidated financial statements for 2023.
- Part of the Company's investment adopting the equity method is valued based on the financial reports audited by other CPAs appointed by the companies.

(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, 2023							
Cost	\$ 171,759	\$ 377,586	\$ 19,206	\$ 2,917	\$ 25,594	\$ 26,722	\$ 623,784
Accumulated depreciation and impairment	<u>-</u>	<u>( 124,018)</u>	<u>( 17,101)</u>	<u>( 889)</u>	<u>( 21,729)</u>	<u>( 22,709)</u>	<u>( 186,446)</u>
	<u>\$ 171,759</u>	<u>\$ 253,568</u>	<u>\$ 2,105</u>	<u>\$ 2,028</u>	<u>\$ 3,865</u>	<u>\$ 4,013</u>	<u>\$ 437,338</u>
<u>2023</u>							
January 1	\$ 171,759	\$ 253,568	\$ 2,105	\$ 2,028	\$ 3,865	\$ 4,013	\$ 437,338
Addition	357	1,921	120	-	675	5,294	8,367
Transfer	-	-	-	-	624	-	624
Disposition	-	-	-	-	( 146)	( 15)	( 161)
Depreciation expense	<u>-</u>	<u>( 6,251)</u>	<u>( 596)</u>	<u>( 393)</u>	<u>( 984)</u>	<u>( 1,257)</u>	<u>( 9,481)</u>
December 31	<u>\$ 172,116</u>	<u>\$ 249,238</u>	<u>\$ 1,629</u>	<u>\$ 1,635</u>	<u>\$ 4,034</u>	<u>\$ 8,035</u>	<u>\$ 436,687</u>
December 31, 2023							
Cost	\$ 172,116	\$ 379,507	\$ 19,326	\$ 2,917	\$ 11,719	\$ 26,293	\$ 611,878
Accumulated depreciation and impairment	<u>-</u>	<u>( 130,269)</u>	<u>( 17,697)</u>	<u>( 1,282)</u>	<u>( 7,685)</u>	<u>( 18,258)</u>	<u>( 175,191)</u>
	<u>\$ 172,116</u>	<u>\$ 249,238</u>	<u>\$ 1,629</u>	<u>\$ 1,635</u>	<u>\$ 4,034</u>	<u>\$ 8,035</u>	<u>\$ 436,687</u>

	<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, 2022							
Cost	\$ 171,759	\$ 376,786	\$ 19,006	\$ 560	\$ 22,810	\$ 24,988	\$ 615,909
Accumulated depreciation and impairment	<u>-</u>	<u>( 117,468)</u>	<u>( 16,127)</u>	<u>( 560)</u>	<u>( 20,358)</u>	<u>( 21,742)</u>	<u>( 176,255)</u>
	<u>\$ 171,759</u>	<u>\$ 259,318</u>	<u>\$ 2,879</u>	<u>\$ -</u>	<u>\$ 2,452</u>	<u>\$ 3,246</u>	<u>\$ 439,654</u>
<u>2022</u>							
January 1	\$ 171,759	\$ 259,318	\$ 2,879	\$ -	\$ 2,452	\$ 3,246	\$ 439,654
Addition	-	800	200	2,297	2,864	1,734	7,895
Transfer	-	-	-	60	-	-	60
Disposition	-	-	-	-	( 73)	-	( 73)
Depreciation expense	<u>-</u>	<u>( 6,550)</u>	<u>( 974)</u>	<u>( 329)</u>	<u>( 1,378)</u>	<u>( 967)</u>	<u>( 10,198)</u>
December 31	<u>\$ 171,759</u>	<u>\$ 253,568</u>	<u>\$ 2,105</u>	<u>\$ 2,028</u>	<u>\$ 3,865</u>	<u>\$ 4,013</u>	<u>\$ 437,338</u>
December 31, 2022							
Cost	\$ 171,759	\$ 377,586	\$ 19,206	\$ 2,917	\$ 25,594	\$ 26,722	\$ 623,784
Accumulated depreciation and impairment	<u>-</u>	<u>( 124,018)</u>	<u>( 17,101)</u>	<u>( 889)</u>	<u>( 21,729)</u>	<u>( 22,709)</u>	<u>( 186,446)</u>
	<u>\$ 171,759</u>	<u>\$ 253,568</u>	<u>\$ 2,105</u>	<u>\$ 2,028</u>	<u>\$ 3,865</u>	<u>\$ 4,013</u>	<u>\$ 437,338</u>

1. There was no capitalization of borrowing costs for property, plant, and equipment in 2023 and 2022.
2. For information on the property, plant and equipment provided as collateral, please refer to the description in Note 8.

(IX) Lease transactions - Lessee

1. The underlying assets of the Company's leases include land, buildings and company vehicles. 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 book value of the right-of-use assets and the recognized depreciation expenses is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Book value</u>	<u>Book value</u>
Houses	\$ -	\$ 1,770

	<u>2023</u>	<u>2022</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Houses	\$ 1,770	\$ 1,771

3. The additions to the Company's right-of-use assets in 2023 and 2022 amounted to \$0 and \$3,541, respectively.
4. Information on profit and loss items related to lease contracts is as follows:

	<u>2023</u>	<u>2022</u>
<u>Items affecting current profit or loss</u>		
Interest expense on lease liabilities	\$ 15	\$ 44
Expenses related to short-term lease contracts	286	1,896
Expenses of low-value asset lease contracts	565	-

5. The total cash outflow from the leases of the Company in 2023 and 2022 was \$2,651 and \$3,696, respectively.

(X) Investment property

	<u>2023</u>		<u>Houses and buildings</u>		<u>Total</u>
	<u>Land</u>				
January 1					
Cost	\$	31,174	\$	10,032	\$ 41,206
Accumulated depreciation and impairment		-	(	734)	( 734)
	<u>\$</u>	<u>31,174</u>	<u>\$</u>	<u>9,298</u>	<u>\$ 40,472</u>
January 1	\$	31,174	\$	9,298	\$ 40,472
Depreciation expense		-	(	182)	( 182)
December 31	<u>\$</u>	<u>31,174</u>	<u>\$</u>	<u>9,116</u>	<u>\$ 40,290</u>
December 31					
Cost	\$	31,174	\$	10,032	\$ 41,206
Accumulated depreciation and impairment		-	(	916)	( 916)
	<u>\$</u>	<u>31,174</u>	<u>\$</u>	<u>9,116</u>	<u>\$ 40,290</u>
	<u>2022</u>		<u>Houses and buildings</u>		<u>Total</u>
	<u>Land</u>				
January 1					
Cost	\$	31,174	\$	10,032	\$ 41,206
Accumulated depreciation and impairment		-	(	553)	( 553)
	<u>\$</u>	<u>31,174</u>	<u>\$</u>	<u>9,479</u>	<u>\$ 40,653</u>
January 1	\$	31,174	\$	9,479	\$ 40,653
Depreciation expense		-	(	181)	( 181)
December 31	<u>\$</u>	<u>31,174</u>	<u>\$</u>	<u>9,298</u>	<u>\$ 40,472</u>
December 31					
Cost	\$	31,174	\$	10,032	\$ 41,206
Accumulated depreciation and impairment		-	(	734)	( 734)

impairment

\$ 31,174      \$ 9,298      \$ 40,472

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

	<u>2023</u>	<u>2022</u>
Rental revenue from investment property	<u>\$ 1,624</u>	<u>\$ 1,960</u>
Direct operating expenses from investment property that generates rental revenue in the current period	<u>\$ 182</u>	<u>\$ 181</u>

2. For information on the investment property provided as collateral, please refer to the description in Note 8.

3. As of December 31, 2023 and 2022, the fair value of the investment property held by the Company for generating rental revenue was \$82,441 and \$83,070, respectively. The fair value is derived 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) 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%

1. Please refer to the descriptions in Note 6(22) for the Company'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.

(XII) Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commission payable	\$ 41,019	\$ 29,304
Salary payable	9,028	8,778
Remuneration payable to employees, directors and supervisors	6,668	-
Others	<u>7,075</u>	<u>6,334</u>
	<u>\$ 63,790</u>	<u>\$ 44,416</u>

### (XIII) Pension

1. Since July 1, 2005, the Company has 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. In 2023 and 2022, the pension cost recognized by the Company according to the pension recognition policies mentioned above was \$2,109 and \$2,082, respectively.

### (XIV) Share capital

1. As of December 31, 2023, the total authorized capital of the Company was \$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 \$889,367, with a par value of NT\$10 per share. The payment for the issued shares of the Company has been received. The opening and closing numbers of the Company's outstanding common shares in 2023 and 2022 were the same.
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, 2023, the Company has privately placed 21,800 thousand shares (including 1,800 thousand shares issued in 2014 and 20,000 thousand shares issued in 2020), 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. However, as of January 16, 2024, due to the inconsistency between the eligibility of placees and the private placement regulations, the private placement proceeds were refunded, and thus invalidated 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.

(XV) 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. 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.

(XVI) 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.
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. The proposal for distributing earnings and making up for losses for 2022 and 2021 was resolved by the shareholders' meetings on June 13, 2023 and June 7, 2022, respectively.
5. The Board of Directors 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), as resolved by the Board of Directors on March 12, 2024.

(XVII) Other equity items

	<u>2023</u>		
	<u>Unrealized valuation</u>	<u>Translation of</u>	<u>Total</u>
	<u>gain or loss</u>	<u>foreign currencies</u>	
January 1	(\$ 45,727)	(\$ 21,544)	(\$ 67,271)
Valuation adjustment	3,978	-	3,978
Difference in foreign exchange:			
- Group	<u>-</u>	<u>( 522)</u>	<u>( 522)</u>
December 31	<u>(\$ 41,749)</u>	<u>(\$ 22,066)</u>	<u>(\$ 63,815)</u>
	<u>2022</u>		
	<u>Unrealized valuation</u>	<u>Translation of</u>	<u>Total</u>
	<u>gain or loss</u>	<u>foreign currencies</u>	
January 1	(\$ 40,008)	(\$ 22,782)	(\$ 62,790)
Valuation adjustment	( 5,660)	-	( 5,660)
Valuation adjustment transferred to retained earnings	( 59)	-	( 59)
Difference in foreign exchange:			
- Group	<u>-</u>	<u>1,238</u>	<u>1,238</u>
December 31	<u>(\$ 45,727)</u>	<u>(\$ 21,544)</u>	<u>(\$ 67,271)</u>

(XVIII) Operating revenue

	<u>2023</u>	<u>2022</u>
Revenue from customer contracts	<u>\$ 263,486</u>	<u>\$ 252,338</u>

1. Breakdown of revenue from customer contracts

The Company's operating revenue comes from the revenue from customer contracts. The revenue can be classified by type and geographical region as follows:

<u>By customer's location</u>	<u>2023</u>	<u>2022</u>
Taiwan	<u>\$ 263,486</u>	<u>\$ 252,338</u>

<u>Type</u>	<u>2023</u>	<u>2022</u>
Nutritional health products	\$ 253,568	\$ 243,530
Others	9,918	8,808
	<u>\$ 263,486</u>	<u>\$ 252,338</u>

## 2. Contract liabilities

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract liabilities:			
Contract liabilities - sale			
of goods contracts	<u>\$ 205</u>	<u>\$ 18</u>	<u>\$ 524</u>

Opening contract liabilities recognized as revenue in the current period:

	<u>2023</u>	<u>2022</u>
Opening balance of contract liabilities		
recognized as revenue in the current		
period:		
Sale of goods contracts	<u>\$ 18</u>	<u>\$ 524</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Refund liabilities:		
Refund liabilities - sale of goods	<u>\$ 936</u>	<u>\$ 1,160</u>
contracts		

## (XIX) Interest revenue

	<u>2023</u>	<u>2022</u>
Interest on bank deposits	<u>\$ 1,012</u>	<u>\$ 758</u>

(XX) Other revenue

	<u>2023</u>		<u>2022</u>
Dividend revenue	\$	4,893	\$ 2,565
Rental revenue		2,328	1,994
Other revenue - others		<u>1,577</u>	<u>639</u>
	<u>\$</u>	<u>8,798</u>	<u>\$ 5,198</u>

(XXI) Other gains and losses

	<u>2023</u>		<u>2022</u>
Net gains from foreign currency exchange	\$	96	\$ 328
Financial assets income measured at fair value through profit or loss		200,247	
Loss on disposal of property, plant and equipment	(	116)	-
Others	(	<u>83)</u>	<u>-</u>
	<u>\$</u>	<u>200,144</u>	<u>\$ 328</u>

(XXII) Financial cost

	<u>2023</u>		<u>2022</u>
Interest expense:			
Bank loans	\$	134	\$ 2
Lease liabilities		15	44
Other financial expenses		<u>153</u>	<u>2</u>
	<u>\$</u>	<u>302</u>	<u>\$ 48</u>

(XXIII) Additional information on the nature of expenses

	<u>2023</u>		<u>2022</u>
Employee benefit expenses	\$	55,982	\$ 48,823

Depreciation expense of property, plant and equipment	9,481	10,198
Depreciation expense of investment property, plant and equipment	182	181
Depreciation expense of right-of-use assets	1,770	1,771
Other non-current assets - other amortization expenses	1,888	2,358
	<u>\$ 69,303</u>	<u>\$ 63,331</u>

(XXIV) Employee benefit expenses

	<u>2023</u>	<u>2022</u>
Salary expense	\$ 48,157	\$ 41,545
Labor and health insurance expenses	4,350	4,260
Pension expense	2,109	2,082
Directors' remuneration	890	450
Other employee benefit expenses	476	486
	<u>\$ 55,982</u>	<u>\$ 48,823</u>

1. The Company 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 Company estimated the 2023 employees' remuneration for NT\$4,445; and NT\$2,223 for the directors' remuneration, and the aforementioned amounts were accounted as salary expense. A loss before tax was recorded in 2022. Therefore, the remuneration to employees, directors and supervisors was not estimated.

For 2023, the estimation is based on the profit of the year. The differences from the actual amount distributed as resolved by the Board of Directors were of \$10 and \$5, respectively, will be adjusted in 2024, and the employee remuneration will be distributed in cash.

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

(XXV) Income tax

1. Income tax (gains) expenses

Components of income tax (gains) expenses

	<u>2023</u>	<u>2022</u>
Deferred income tax:		
Initial occurrence and reversal of temporary differences	(\$ 2,643)	\$ 1,189
Income tax (gains) expenses	<u>(\$ 2,643)</u>	<u>\$ 1,189</u>

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

	<u>2023</u>	<u>2022</u>
Income tax on net profit (loss) before tax calculated at the statutory tax rate	\$ 28,300	(\$ 856)
Income tax effect of items adjusted in accordance with tax laws	30,143)	2,578
Income exempted from taxation under tax laws	( 978	( 513
Temporary differences not recognized as deferred income tax assets	146	123
Tax losses not recognized as deferred income tax assets	- (	167
Overestimation of income tax in prior years	<u>32</u>	<u>24</u>
Income tax (gains) expenses	<u>(\$ 2,643)</u>	<u>\$ 1,189</u>

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

2023

<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other</u>	<u>December 31</u>
------------------	-------------------------------------	----------------------------	--------------------

			<u>comprehensive</u> <u>income</u>	
Deferred income tax assets:				
- Temporary differences:				
Allowance for bad debts	\$ 434	\$ -	\$ -	\$ 434
Inventory valuation loss	5,458	( 4,617)	-	841
Investment loss				
recognized under the				
overseas equity method	27,746	-	-	27,746
Exchange difference from				
foreign operations	2,654	-	-	2,654
Others	469	( 143)	-	326
- Tax losses	<u>9,936</u>	<u>7,403</u>	<u>-</u>	<u>17,339</u>
	<u>\$ 46,697</u>	<u>\$ 2,643</u>	<u>\$ -</u>	<u>\$ 49,340</u>

2022

	<u>January 1</u>	<u>Recognized in</u> <u>profit or loss</u>	<u>Recognized in</u> <u>other</u> <u>comprehensive</u> <u>income</u>	<u>December 31</u>
Deferred income tax assets:				
- Temporary differences:				
Allowance for bad debts	\$ 434	\$ -	\$ -	\$ 434
Inventory valuation loss	5,901	( 443)	-	5,458
Investment loss recognized				
under the overseas				
equity method	27,746	-	-	27,746
Exchange difference from				
foreign operations	2,654	-	-	2,654
Others	472	( 3)	-	469
- Tax losses	<u>10,679</u>	<u>( 743)</u>	<u>-</u>	<u>9,936</u>
	<u>\$ 47,886</u>	<u>(\$ 1,189)</u>	<u>\$ -</u>	<u>\$ 46,697</u>

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

December 31, 2023

<u>Year of</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount yet to</u>	<u>Amount not recognized</u>	<u>Last year</u>
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<u>occurrence</u>	<u>reported/approved</u>		<u>be offset</u>	<u>as deferred income tax</u>	<u>of credit</u>
<u>e</u>				<u>assets</u>	
2018	Amount approved	\$ 8,155	\$ 3,721	\$	- 2028
2019	Amount approved	1,520	1,520		- 2029
2020	Amount approved	17,294	17,294		- 2030
2021	Amount approved	27,887	27,887		- 2031
2023	Estimated amount	<u>37,176</u>	<u>37,176</u>		<u>- 122</u>
	reported				
		<u>\$ 92,032</u>	<u>\$ 87,598</u>	<u>\$</u>	<u>-</u>

December 31, 2022

<u>Year of</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount yet to</u>	<u>Amount not recognized</u>	<u>Last year</u>
<u>occurrence</u>	<u>reported/approved</u>		<u>be offset</u>	<u>as deferred income tax</u>	<u>of credit</u>
<u>e</u>				<u>assets</u>	
2018	Amount approved	\$ 8,155	\$ 3,721	\$	- 2028
2019	Amount approved	1,520	1,520		- 2029
2020	Amount approved	17,294	17,294		- 2030
2021	Amount reported	<u>27,143</u>	<u>27,143</u>		<u>- 2031</u>
		<u>\$ 54,112</u>	<u>\$ 49,678</u>	<u>\$</u>	<u>-</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deductible temporary differences	<u>\$ 154,370</u>	<u>\$ 153,639</u>

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

(XXVI) Earnings (losses) per share

	<u>2023</u>		
	<u>Amount</u>	<u>Weighted average</u>	<u>Loss per</u>
	<u>after tax</u>	<u>number of outstanding</u>	<u>share (NTD)</u>
		<u>shares (thousand</u>	
		<u>shares)</u>	
<u>Basic earnings per share</u>			
Attributable to the Company's	<u>\$ 144,146</u>	<u>88,936</u>	<u>\$ 1.62</u>
common share holders			

Diluted earnings per share

Current net profit attributable to the Company's common stock shareholders	144,146	88,936	
Effect of potentially dilutive common shares on employee's remuneration	<u>-</u>	<u>258</u>	
Current net profit attributable to the Company's common stock shareholders	<u>\$ 144,146</u>	<u>89,194</u>	<u>\$ 1.62</u>

2022

	<u>Amount after tax</u>	<u>Weighted average number of outstanding shares (thousand shares)</u>	<u>Loss per share (NTD)</u>
<u>Basic/diluted loss per share</u>			
Current net loss attributable to the Company's common stock shareholders	<u>(\$ 5,470)</u>	<u>88,936</u>	<u>(\$ 0.06)</u>

(XXVII) Supplementary information on cash flows

1. Investing activities partially involving cash collections and payments:

	<u>2023</u>	<u>2022</u>
Acquisition of property, plant, and equipment	\$ 8,367	\$ 7,895
Plus: Opening payables for equipment (stated as "other payables")	210	-
Less: Ending payables for equipment (stated as "other payables")	<u>(182)</u>	<u>(210)</u>
Cash paid in the current period	<u>\$ 8,395</u>	<u>\$ 7,685</u>

2. Investing activities not affecting cash flows:

	<u>2023</u>	<u>2022</u>
Prepayments transferred to property, plant, and equipment	\$ 624	\$ 60

(XXVIII) Changes in liabilities from financing activities

	<u>January 1, 2023</u>	<u>Changes in cash flow from financing</u>	<u>Other non-cash changes (Note)</u>	<u>December 31, 2023</u>
Short-term borrowings	\$ -	\$ 75,000	\$ -	\$ 75,000
Other payables - related parties	-	162,449	-	162,449
Lease liabilities	<u>1,785</u>	<u>( 1,785)</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,785</u>	<u>\$ 235,664</u>	<u>\$ -</u>	<u>\$ 237,449</u>

	<u>January 1, 2022</u>	<u>Cash from financing Changes in flow</u>	<u>Other non-cash Change in (Note)</u>	<u>December 31, 2022</u>
Lease liabilities	<u>\$ -</u>	<u>(\$ 1,756)</u>	<u>\$ 3,541</u>	<u>\$ 1,785</u>

Note: Mainly current additions and lease modifications.

VII. Transactions with related parties

(XXIX) Name and relationship of related party

<u>Name of related party</u>	<u>Relationship with the Company</u>
Wisetech Corporation (hereinafter referred to as "Wisetech")	Subsidiary of the Company
Shi Zhang Bio-Technology Co., Ltd.	Subsidiary of the Company
Jia Jie Investment Co., Ltd. (hereinafter referred to as "Jia Jie Investment")	Subsidiary of the Company
Jia Jie Biotech Co., Ltd. (hereinafter referred to as "Jia Jie Biotechnology")	Subsidiary of the Company

<u>Name of related party</u>	<u>Relationship with the Company</u>
Honor Peak Holdings Limited (hereinafter referred to as "Honor")	Subsidiary of Wisetech
Titan Assurance Broker Co., Ltd. (hereinafter referred to as "Titan Insurance")	Subsidiary of Jia Jie Investment
Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Subsidiary of Honor
Xiamen Zengmeining Biotech Co., Ltd.	Subsidiary of Honor
Dongguan Jia Jie Biotechnology Co., Ltd.	Subsidiary of Honor
Chung Hsiang-Feng	Representative the Company's corporate director (Note 1)
MAW YANG TECHNOLOGY CO., LTD. (hereinafter referred to as "MAW YANG")	The person in charge of the company is a relative within second degree of kinship of a representative the Company's corporate director (Note 1)
NewSoft Technology Corporation (hereinafter referred to as "NewSoft")	The chairman of the company is the Chairman of the Company
OFCO Industrial Corporation (hereinafter referred to as "OFCO")	The chairman of the company is the representative the Company's corporate director
CAMEO COMMUNICATIONS, INC. (hereinafter referred to as "Cameo")	A director of the company is the representative the Company's corporate director
Youshun Investment Co., Ltd. (hereinafter referred to as "Youshun")	A supervisor of the company is the representative the Company's corporate director
Name of related party	Relationship with the Company
Taiwan Steel Group Aerospace Technology Corporation (hereinafter referred to as "TSG Aerospace")	A supervisor of the company is the representative the Company's corporate director
Director of TSG Hawks Baseball Co., Ltd. (hereinafter referred to as "TSG Hawks")	A director of the company is the chairman of the Company
TSG Sports Marketing Co., Ltd. (hereinafter referred to as "TSG Sports")	A director of the company is the representative the Company's corporate director
TSG Transportation Corporation (hereinafter referred to as "TSG	A director of the company is the representative the Company's corporate

<u>Name of related party</u>	<u>Relationship with the Company</u>
Transportation")	director
E-Sheng Steel Co., Ltd. (hereinafter referred to as "E-Sheng Steel")	Substantive related party
Chun Yu Works & Co., Ltd. (hereinafter referred to as "Chun Yu Works")	A corporate director of the company is the corporate director of the Company
YUNG FU CO., LTD (hereinafter referred to as "Yung Fu")	A director of the company is the representative the Company's corporate director
E-Top Metal Co., Ltd. (hereinafter referred to as "E-Top Metal")	Substantive related party
TSG Star Travel Corp. (hereinafter referred to as "TSG Star Travel")	A director of the company is the representative the Company's corporate director
UNITED FIBER OPTIC COMMUNICATION INC. (hereinafter referred to as "United Fiber Optic")	A director of the company is an independent director of the Company (Note 2)

Note 1: The corporate director resigned from the Company's director position on July 19, 2022.

Note 2: The director resigned from the Company's independent director position on June 13, 2023.

(XXX) Significant transactions with related parties

1. Operating revenue

	<u>2023</u>	<u>2022</u>
Sale of goods:		
— Jia Jie Biotechnology	\$ 3,780	\$ 1,289
- NewSoft	1,000	-
- E-Sheng Steel	815	-
- Chun Yu Works	2,277	-
- E-Top Metal	413	-
- United Fiber Optic	1,040	-
- OFCO	703	-
— Others	1,603	-
	<u>\$ 11,631</u>	<u>\$ 1,289</u>

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

2. Purchase of goods and services

	<u>2023</u>	<u>2022</u>
Purchase of goods:		
- MAW YANG	<u>\$ -</u>	<u>\$ 6,619</u>

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

3. Rental revenue

(1) The Company leases an office to TSG Hawks at a rent payment on a monthly basis.

	<u>2023</u>	<u>2022</u>
(2) Rental revenue		
- TSG Hawks	<u>\$ 686</u>	<u>\$ -</u>

4. Accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
— Jia Jie Biotechnology	\$ 21	\$ -
- Yung Fu	<u>100</u>	<u>-</u>
	<u>\$ 121</u>	<u>\$ -</u>

5. Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
- E-Sheng Steel	108,300	-
- E-Top Metal	<u>54,149</u>	<u>-</u>
	<u>\$ 162,449</u>	<u>\$ -</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.

(XXXI) Information on the remuneration of the key management

	<u>2023</u>		<u>2022</u>
Short-term employee benefits	\$ 12,154	\$	11,608
Post-employment benefits	406		410
	<u>\$ 12,560</u>	\$	<u>12,018</u>

VIII. Pledged assets

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

<u>Asset</u>	<u>Book value</u>		<u>Purpose of collateral</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Land	\$ 125,221	\$ 161,332	Note
Buildings and buildings - net	117,301	253,284	Note
Net investment property	40,290	40,472	Note
	<u>\$ 282,812</u>	<u>\$ 455,088</u>	

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

IX. Significant contingent liabilities and unrecognized contractual commitments

(1) Contingencies

None.

(2) Commitments

None.

X. Significant disaster losses

None.

XI. Significant subsequent events

Please refer to Note 6 (14) for the description regarding the cash capital increase by the Company through private placement.

XII. Others

(I) Capital management

The Company'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

Company 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 Company controls capital based on the liabilities to assets ratio.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total liabilities	\$ 315,726	\$ 58,223
Total assets	\$ 1,362,596	\$ 956,198
Liabilities to assets ratio	<u>23</u>	<u>6</u>

(II) Financial instruments

1. Types of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 254,100	\$ -
Financial assets measured at fair value through other comprehensive income		
Investment in designated equity instruments	115,183	111,202
Financial assets measured at amortized cost		
Cash and cash equivalents	238,000	72,294
Financial assets measured at amortized cost	-	92,470
Accounts receivable	4,577	4,473
Other receivables	37	13
Refundable deposits	1,222	597
	<u>\$ 613,119</u>	<u>\$ 281,049</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		

Short-term borrowings	\$	75,000	\$	-
Accounts payable		11,089		9,969
Other payables (including related parties)		226,239		44,416
Deposits received		211		211
	\$	<u>312,539</u>	\$	<u>54,596</u>
Lease liabilities	\$	<u>-</u>	\$	<u>1,785</u>

## 2. Risk management policies

- (1) The daily operations of the Company 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 Company is responsible for identifying, assessing and avoiding financial risks through close cooperation with operating units within the Company in accordance with the approved policies. The Company'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 Company operates multinationally, the Company is exposed to the exchange rate risk arising from transactions with currencies (USD in particular) different from the functional currency of the Company. The related exchange rate risk mainly comes from future business transactions and recognized assets and liabilities.
- B. The management of the Company has formulated the policy to manage the exchange rate risk relative to the functional currency and hedge the Company's exposure to the risk.
- C. The Company's business involves several non-functional currencies (the functional currency of the Company is NTD), 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:

<u>Financial assets</u>	<u>December 31, 2023</u>		
<u>Investments under the equity</u>	<u>Foreign currency</u>		
<u>method</u>	<u>(thousand)</u>	<u>Exchange rate</u>	<u>Book value (NT\$)</u>
USD:NTD	<u>\$ 368</u>	30.71	<u>\$ 11,307</u>

<u>Financial assets</u>	<u>December 31, 2022</u>		
<u>Investments under the equity</u>	<u>Foreign currency</u>		
<u>method</u>	<u>(thousand)</u>	<u>Exchange rate</u>	<u>Book value (NT\$)</u>
USD:NTD	<u>\$ 756</u>	30.71	<u>\$ 23,211</u>

D. Due to the significant impact of exchange rate fluctuations on the monetary items of the Company in 2023 and 2022, the total amount of exchange gains (losses) (including realized and unrealized) was \$96 and 328, respectively.

#### Price risk

- A. The Company's equity instruments exposed to price risk are financial assets measured at fair value through other comprehensive income.
- B. The Company 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 2023 and 2022, would have been increased or decreased by \$2,541 and \$0, respectively, due to the gains or losses from the equity instruments at FVTPL; for the the other comprehensive income would have been increased or decreased by \$1,152 and \$1,112 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 Company is the risk of financial losses incurred by the Company 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. Only creditworthy banks are accepted as counterparties for transactions.

According to the internal credit policy, the Company 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 Company 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 Company groups accounts receivable from customers according to the characteristics of trade credit risk and estimates the expected credit losses based on a provision matrix using the simplified method. The Company assesses the credit risk of other receivables individually.
- E. The Company's forward-looking considerations for adjusting the loss rate based on historical and current information in a specific period, to estimate the loss allowance for notes and accounts receivable, the provision matrix for December 31, 2023 and 2022 is as follows:

	Account					Total
	Account age	age	Account age	Account age		
	<u>Within 90 days</u>	<u>91-180 days</u>	<u>181-365 days</u>	<u>More than 366 days</u>		
<u>December 31, 2023</u>						
Expected loss rate	0.1%	1.0%	5.0%	100.0%		
Total book value	\$ 4,598	\$ -	\$ -	\$ -		\$ 4,598
Loss allowance	\$ 21	\$ -	\$ -	\$ -		\$ 21

	Account					Total
	Account age	age	Account age	Account age		
	<u>Within 90 days</u>	<u>91-180 days</u>	<u>181-365 days</u>	<u>More than 366 days</u>		
<u>December 31, 2022</u>						
Expected loss rate	0.1%	1%	5%	100%		
Total book value	\$ 4,486	\$ -	\$ -	\$ -		\$ 4,486
Loss allowance	\$ 13	\$ -	\$ -	\$ -		\$ 13

- F. The Company's simplified statement of changes in the loss allowance for accounts receivable is as follows:

	<u>2023</u>		<u>2022</u>
January 1	\$	13	\$ 17
Provision for impairment loss		8	-
Reversal impairment loss		-	(4)
December 31	<u>\$</u>	<u>21</u>	<u>\$ 13</u>

Out of the loss provided in 2023 and 2022, the impairment gain recognized for receivables arising from customers contracts was \$8 and \$(4), respectively.

### (3) Liquidity risk

- A. The Finance Department of the Company monitors the forecast of the Company's need for liquid funds to ensure that the Company has sufficient funds to meet operating needs and maintain sufficient undrawn loan commitments at all times to prevent the Company from breaching relevant loan limits or covenants. The forecast takes into account the Company's debt financing plan, compliance with debt terms, and achievement of the financial ratio targets on the internal balance sheet.
- B. The Company's Finance Department invests the remaining funds 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, 2023 and 2022, the Company's money market positions amounted to \$237,597 and \$71,836, respectively, which were expected to generate cash flows immediately for the management of liquidity risk.
- C. The following table shows the Company'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,  
2023

Non-derivative   Less than 1 year   1~2 years   More than 2 years   Total

<u>financial</u>				
<u>liabilities:</u>				
Short-term borrowings	\$ 75,127	\$ -	\$ -	\$ 75,127
Accounts payable	11,089	-	-	11,089
Other payables (including related parties)	226,239	-	-	226,239
Deposits received	211	-	-	211
December 31, 2022				

<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities:</u>				
	<u>Less than 1 year</u>	<u>1~2 years</u>	<u>More than 2 years</u>	<u>Total</u>
Accounts payable (including related parties)	\$ 9,969	\$ -	\$ -	\$ 9,969
Other payables	44,416	-	-	44,416
Lease liabilities (including those due within one year)	1,800	-	-	1,800
Deposits received	211	-	-	211

D. The Company 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.

Level 2: Inputs other than the quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability. The Company's investment in the private placement of TPEX-listed shares (24.82% 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 Company 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 Company 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 Company's classification by the nature of assets and liabilities is as follows:

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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	<u>76,231</u>	<u>-</u>	<u>38,952</u>	<u>115,183</u>
	<u>\$ 76,231</u>	<u>\$ 254,100</u>	<u>\$ 38,952</u>	<u>\$ 369,283</u>

December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value				

through other  
comprehensive income

Equity securities	<u>\$ 65,333</u>	<u>\$ -</u>	<u>\$ 45,869</u>	<u>\$ 111,202</u>
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(2) The methods and assumptions used by the Company to measure fair value are described as follows:

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

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

B. Except for those with active markets, the fair value of all financial instruments is derived using valuation techniques. 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 parent company only balance sheet date along with models for the calculation.

4. There were no transfers between Level 1 and Level 2 in 2023 and 2022.

5. The following table shows the changes in Level 3 in 2023 and 2022:

	<u>2023</u>		<u>2022</u>	
	<u>Derivatives</u>	<u>Equity instruments</u>	<u>Derivatives</u>	<u>Equity instruments</u>
January 1	\$ -	\$ 45,869	\$ -	\$ 47,590
Recognized in other comprehensive income	-	( 6,917)	-	( 1,721)
December 31	<u>\$ -</u>	<u>\$ 38,952</u>	<u>\$ -</u>	<u>\$ 45,869</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>	<u>\$ -</u>	<u>\$ -</u>

6. There was no transfer in or out from Level 3 in 2023 and 2022.

7. 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:

	<u>Fair value on December 31, 2023</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship between input and fair value</u>
Non-derivative equity instruments:					
Non-listed (non-OTC) companies' stocks	\$ 38,952	Price-to-book Net worth ratio method	Price-to-book ratio	0.52%	The higher the price-to-book ratio, the higher the fair value.

	<u>Fair value on December 31, 2022</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship between input and fair value</u>
Non-derivative equity instruments:					
Non-listed (non-OTC) companies' stocks	\$ 45,869	Price-to-book ratio approach	Price-to-book ratio	0.61	The higher the price-to-book ratio, the higher the fair value.

8. The Company 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:

		<u>December 31, 2023</u>			
		<u>Recognized in profit</u>		<u>Recognized in other</u>	
		<u>or loss</u>		<u>comprehensive income</u>	
<u>Input</u>	<u>Change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Equity instruments under financial assets	Price-to-book ratio $\pm 10\%$	\$ -	\$ -	\$ 3,895	(\$ 3,895)

		<u>December 31, 2022</u>			
		<u>Recognized in profit</u>		<u>Recognized in other</u>	
		<u>or loss</u>		<u>comprehensive income</u>	
<u>Input</u>	<u>Change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Equity instruments under financial assets	Price-to-book ratio $\pm 10\%$	\$ -	\$ -	\$ 4,587	(\$ 4,587)

### 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

Disclosure is not necessary.

Jia Jie Biomedical Co., Ltd.  
Statement of Cash and Cash Equivalents  
December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount
Cash on hand and working capital		\$ 348
Checkable deposits		55
Demand deposits	NTD deposits	234,522
	Deposits in foreign currencies (USD89 thousand, exchange rate 30.705)	2,814
	(JPY1,191 thousand, exchange rate 0.2172)	261
		<u>\$ 238,000</u>

Jia Jie Biomedical Co., Ltd.  
Statement of Financial Assets at FVTPL - Non-current  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Name	Opening		Increase in the current period		Decrease in the current period		Valuation adjustment for the period	Closing		Provision as collateral or pledge	Remarks
	Shares in thousands	Fair value	Shares in thousands	Amount	Shares in thousands	Amount		Shares in thousands	Fair value		
TWSE and TPEX listed shares - private placement	-										
ENSURE INTERNATIONAL CO., LTD.	-	\$ -	10,000	\$ 72,000	-	\$ -	\$ 182,100	10,000	\$ 254,100		None

Note: Please refer to Note 6 (2) for the description of financial assets measured at FVTPL - non-current.

Jia Jie Biomedical Co., Ltd.  
Statement of Financial Assets Measured at Fair Value through Comprehensive Income - Non-current  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

<u>Name</u>	<u>Opening</u>		<u>Increase in the current period</u>		<u>Decrease in the current period</u>		<u>Closing</u>		<u>Provision as collateral or pledge</u>	<u>Remarks</u>
	<u>Shares in thousands</u>	<u>Book value</u>	<u>Shares in thousands</u>	<u>Book value</u>	<u>Shares in thousands</u>	<u>Book value</u>	<u>Shares in thousands</u>	<u>Book value</u>		
Choice Publishing Co., Ltd.	300	\$ -	-	\$ -	-	\$ -	300	\$ -	None	
AlfaPlus Semiconductor Inc.	264	-	-	-	-	-	264	-	None	
FM International Inc.	2,449	45,869	-	-	-	(6,917)	2,449	38,952	None	
Shuo Rong Tai Xing IoT Technology Co., Ltd.	500	-	-	-	-	-	500	-	None	
TAIWAN JUIJANG BIOTECHNOLOGY CO., LTD.	20	-	-	-	-	-	20	-	None	
Taiwan Styrene Monomer Corporation	435	5,873	-	935	-	-	435	6,808	None	
OFCO Industrial Corporation	1,000	24,750	-	1,150	-	-	1,000	25,900	None	
TMP Steel Corporation	1,546	34,710	-	8,813	-	-	1,546	43,523	None	
		<u>\$ 111,202</u>		<u>\$ 10,898</u>		<u>(\$ 6,917)</u>		<u>\$ 115,183</u>		

Jia Jie Biomedical Co., Ltd.  
Statement of Changes in Investments under the Equity Method  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Name	<u>Opening balance</u>		<u>Increase in the current period</u>		<u>Decrease for the current period</u>		<u>Closing balance</u>		<u>Market price or net equity</u>		<u>Provision as collateral or</u>	
	<u>Shares in</u>	<u>Amount</u>	<u>Shares in</u>	<u>Amount</u>	<u>(Note)</u>		<u>Shares in</u>	<u>Shareholding</u>	<u>Amount</u>	<u>Unit price</u>	<u>Total price</u>	<u>pledge</u>
	<u>thousands</u>		<u>thousands</u>		<u>thousands</u>		<u>thousands</u>	<u>percentage</u>				
Wisetech Corporation	11,890	\$ 23,211	-	\$ -	-	(\$ 11,904)	11,890	-	\$ 11,307	0.95	\$ 11,307	None
Jia Jie Investment Co., Ltd.	5,763	41,269	9,700	100,597	-	-	15,463	-	141,866	9.17	141,866	None
Shi Zhang Bio-Technology Co., Ltd.	2,000	2,358	-	-	-	( 2,152)	2,000	-	206	0.10	206	None
Jia Jie Biotechnology co., Ltd.	5,000	37,158	5,000	50,000	-	( 51,774)	10,000	-	35,384	3.54	35,384	None
		<u>\$ 103,996</u>		<u>\$ 150,597</u>		<u>(\$ 65,830)</u>			<u>\$ 188,763</u>		<u>\$188,763</u>	

Note: The decrease in the current period was due to the investment loss recognized and cumulative translation adjustments.

Jia Jie Biomedical Co., Ltd.  
Statement of Changes in the Cost of Property, Plant and Equipment  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Opening</u> <u>balance</u>	<u>Increase in the</u> <u>current period</u>	<u>Decrease</u> <u>in the current</u> <u>period</u>	<u>Transfer in</u> <u>in the current</u> <u>period</u>	<u>Closing</u> <u>balance</u>	<u>Provision</u> <u>as</u> <u>collateral</u> <u>or pledge</u>	<u>Remarks</u>
Land	\$ 171,759	\$ 357	\$ -	\$ -	\$ 172,116	None	Note
Houses and buildings	377,586	1,921	-	-	379,507	None	Note
Machinery and equipment	19,206	120	-	-	19,326	None	None
Transportation equipment	2,917	-	-	-	2,917	None	None
Office equipment	25,594	675	( 15,174 )	624	11,719	None	None
Other equipment	<u>26,722</u>	<u>5,294</u>	<u>( 5,723 )</u>	<u>-</u>	<u>26,293</u>	None	None
	<u>\$ 623,784</u>	<u>\$ 8,367</u>	<u>(\$ 20,897)</u>	<u>\$ 624</u>	<u>\$ 611,878</u>		

Note: Please refer to Note 8 - Pledged assets.

Jia Jie Biomedical Co., Ltd.  
Statement of Changes in Accumulated Depreciation of Property, Plant and Equipment  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Opening balance	Increase in the current period	Decrease in the current period	Transfer in the current period	Closing balance	Remarks
Houses and buildings	\$ 124,018	\$ 6,251	\$ -	\$ -	\$ 130,269	Note
Machinery and equipment	17,101	596	-	-	17,697	Note
Transportation equipment	889	393	-	-	1,282	Note
Office equipment	21,729	984	(15,028)	-	7,685	Note
Other equipment	22,709	1,257	(5,708)	-	18,258	Note
	<u>\$ 186,446</u>	<u>\$ 9,481</u>	<u>(\$ 20,736)</u>	<u>\$ -</u>	<u>\$ 175,191</u>	

Note: For the depreciation method and useful lives, please refer to the description in Note 4(14).

Jia Jie Biomedical Co., Ltd.  
Statement of short-term borrowings  
December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Type of loan	Term of contract	Interest rate range	Financing limit	Closing balance	Pledged or secured
Secured bank borrowings	December 29, 2023 - January 29, 2024	2.19%	\$ 100,000	\$ 40,000	Note
Secured bank borrowings	December 29, 2023 - January 29, 2024	2.06%	60,000	35,000	Note
				\$ 75,000	

Note: Please refer to Note 8 - Pledged assets.

Jia Jie Biomedical Co., Ltd.  
Statement of Operating Revenue  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Quantity	Amount	Remarks
Sales revenue			
Softshell Turtle Essence	52,808 bottles	\$ 145,072	
Remain Young	40,696 bottles	67,196	
Terrapin Capsules	23,181 bottles	9,944	
Jia Xian Lactic Acid Bacteria with Spores	13,659 boxes	6,089	
Jia Yong Yong Caplets	6,753 bottles	11,910	
Others	Note	36,152	
		276,363	
Other operating revenue		467	
Sales allowances and returns		(	13,34
		4)	
Net sales		\$	
		<u>263,486</u>	

Note: Not disclosed due to different units of measurement.

Jia Jie Biomedical Co., Ltd.  
Statement of Operating Costs  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Amount	Remarks
Raw materials, opening	\$	5,728
Plus: Materials purchased in the current period		30,552
Less: Sale of raw materials	(	794)
Gains on raw material inventory	(	84)
Raw materials, closing	(	7,545)
Raw material consumption in the current period		27,857
Direct labor		2,428
Manufacturing overhead		9,563
Manufacturing cost		39,848
Work in process, opening		1,290
Plus: Picked goods put into process	(	230)
Less: Transferred to expense	(	20)
Work in process, closing	(	3,482)
Cost of finished goods		37,406
Finished goods, opening		7,037
Plus: Commission cost		74,246
Less: Transferred to expense	(	6,683)
Finished good inventory loss		20
Finished goods, closing	(	5,799)
Cost of production and sales		106,227
Goods, opening		39,863
Plus: Current purchase		24,598
Commission cost		28,364
Less: Goods, closing	(	12,066)
Transferred to expense	(	2,728)
Cost of purchase and sales		78,031
Cost of sales		184,258
Gain on inventory value recovery	(	23,083)
Inventory gain/loss	(	16)
Other operating costs		18,820
Operating cost	<u>\$</u>	<u>179,979</u>

Jia Jie Biomedical Co., Ltd.  
Statement of Sales and Marketing Expenses  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Remarks
Salary expense	Including salaries, overtime and pensions	\$ 14,035	
Handling fee		2,840	
Depreciation		8,365	
Advertising expense		5,564	
Utility bill		2,322	
Others		11,135	The balance of each account does not exceed 5% of the amount of the account
		<u>\$ 44,261</u>	

Jia Jie Biomedical Co., Ltd.  
Statement of Administrative Expenses  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Remarks
Salary expense	Including salaries, overtime and pensions	\$ 24,262	
Service expense		4,657	
Other expenses		-	
Others		18,962	The balance of each account does not exceed 5% of the amount of the account
		<u>\$ 47,881</u>	

Jia Jie Biomedical Co., Ltd.  
Statement of R&D Expenses  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Remarks
Salary expense	Including salaries, overtime and pensions	\$ 4,555	
Amortizations		1,044	
Others		3,725	The balance of each account does not exceed 5% of the amount of the account
		<u>\$ 9,324</u>	

Jia Jie Biomedical Co., Ltd.  
Schedule of Employee Benefits, Depreciation, Depletion and Amortization Expenses Incurred in the Current Period, by Function  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Nature	Function	2023			2022			
		Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total	
Employee benefit expenses								
Salary expense		\$ 7,851	\$ 40,306	\$ 48,157	\$ 8,055	\$ 33,490	\$ 41,545	
Labor and health insurance expenses		970	3,380	4,350	944	3,316	4,260	
Pension expense		453	1,656	2,109	443	1,639	2,082	
Directors' remuneration		-	890	890	-	450	450	
Other employee benefit expenses		124	352	476	123	363	486	
Depreciation expense		1,571	9,862	11,433	1,698	10,452	12,150	
Amortization expense		4	1,884	1,888	8	2,350	2,358	
Total		\$ 10,973	\$ 58,330	\$ 69,303	\$ 11,271	\$ 47,540	\$ 58,811	

Jia Jie Biomedical Co., Ltd.  
Schedule of Employee Benefits, Depreciation, Depletion and Amortization Expenses Incurred in the Current Period, by Function  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

52,060      63,331

Note:

1. The number of employees in the current year and the previous year was 64 and 65 , respectively, and the number of directors who were not employees was 7 and 5.
- 2.(1) The average employee benefit expense in the current year was \$967; the average employee benefit expense in the previous year was \$806.
  - (2) The average employee salary expense in the current year was \$845; the average employee salary expense in the previous year was \$693.
  - (3) Adjustment and change in the average employee salary expense was 22%.
  - (4) The remuneration of supervisors in both the current year and the previous year was 0. The reason was that the Company established the Audit Committee and did not pay the supervisors' remuneration.

Jia Jie Biomedical Co., Ltd.

Statement of Employee Benefits, Depreciation, Depletion and Amortization Expenses Incurred in the Current Period, by Function (continued)  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

(5) The remuneration policy of the Company (for directors, managerial officers, and employees) is described as follows:

A. Directors' remuneration:

- (A) Fixed remuneration: Based on the resolution of the Remuneration Committee/Board of Directors of the Company, an independent director may receive a travel allowance of NT\$10,000 for each attendance at the Company's board meeting or Audit Committee meeting or for each attendance at the Company's shareholders' meeting as a non-voting participant;
- (B) Non-fixed remuneration: Pursuant to Article 21 of the Company's Articles of Incorporation, the Company shall distribute no more than 5% of the profit in the current year as the directors' remuneration based on the profit performance in the year. However, the Company shall make up for any accumulated losses.

B. Managerial officers and employees' remuneration:

- (A) Fixed remuneration: The Company's current remuneration to managerial officers and employees is equal to 12 months of salary;
- (B) Variable remuneration: According to the Company's principle of year-end bonuses to managerial officers, as resolved by the Remuneration Committee/Board of Directors of the Company, and with reference to the operating conditions of the year, the operations and profits of each units (for the pre-provision of bonus each month), and the positions taken and responsibility assumed by each managerial officers (including directors who are concurrent managerial officers), the amounts are adjusted.

According to Article 21 of the Company's Articles of Incorporation, the Company shall distribute 1% to 10% of the profit in the current year as the employees' remuneration based on the profit performance in the year. However, the Company shall make up for any accumulated losses.

Jia Jie Biomedical Co., Ltd.

Loaning of Funds to Others

January 1 to December 31, 2023

Table 1

Unit: In Thousands of New Taiwan Dollars

(unless otherwise stated)

No.	Lending company	Borrower	Account	Related party	Current maximum		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		Remarks
					amount	Closing balance						Name	Value	to individual borrowers	Limit on total funds loaned			
0	Jia Jie Biomedical Co., Ltd.	Taiwan Juijang Biotechnology Co., Ltd.	Other receivables	No	\$ 1,769	\$ -	\$ -	-	Business dealings	\$ 6,233	-	\$ -	None	\$ -	\$ 90,928	\$ 181,856	-	
1	Dongguan Jia Jie Biotechnology Co., Ltd.	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Other receivables	Yes	\$ 4,757	\$ 4,757	2,741	-	Short-term financing	-	Operating turnover	-	None	-	\$ 10,071	\$ 10,071	-	

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 4.32 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, 2023

Table 2

Unit: In Thousands of New Taiwan Dollars

(unless otherwise stated)

<u>Holding company</u>	<u>Type and name of marketable securities</u>	<u>Relationship with the issuer of marketable securities</u>	<u>Account</u>	<u>Shares</u>	<u>Book value</u>	<u>Closing</u>		<u>Remarks</u>
						<u>Shareholding percentage</u>	<u>Fair value</u>	
Jia Jie Biotechnology 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 Biotechnology 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 Biotechnology co., Ltd.	FM International Inc.(stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	2,448,572	38,952	18.64	38,952	
Jia Jie Biotechnology 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 Biotechnology 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 Biotechnology co., Ltd.	Taiwan Styrene Monomer Corporation (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	435,000	6,808	0.08	6,808	
Jia Jie Biotechnology co., Ltd.	OFCO Industrial Corp. (stock)	The chairman of the company is the representative the Company's corporate director	Financial assets measured at fair value through other comprehensive income - non-current	1,000,000	25,900	1.01	25,900	
Jia Jie Biotechnology co., Ltd.	TMP Steel Corporation (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	1,546,108	43,523	2.25	43,523	
Jia Jie Biotechnology co., Ltd.	ENSURE GLOBAL CORP., LTD. (stock)	None	Non-current financial assets at fair value through profit or loss	10,000,000	254,100	6.32	254,100	
Taiwan Ding Insurance Brokers Co., Ltd.	Hua Nan Financial Holdings Co., Ltd. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	72,504	1,619	0.29	1,619	

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, 2023

Unit: In Thousands of New Taiwan Dollars

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:

(unless otherwise stated)

<u>No. (Note 1)</u>	<u>Name of trader</u>	<u>Counterparty</u>	<u>Relationship with the counterparty (Note 2)</u>	<u>Account</u>	<u>Amount</u>	<u>Transaction</u>		<u>As a percentage of total consolidated revenue or total consolidated assets (Note 3)</u>
						<u>Transaction terms</u>	<u>Amount</u>	
0	Jia Jie Biomedical Co., Ltd.	Jia Jie Biotech Co., Ltd.	1	Sales revenue	\$ 3,780	As agreed by both parties		1.14%
1	Dongguan Jia Jie Biotechnology Co., Ltd.	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	3	Other receivables	2,680	As agreed by both parties		0.19%
1	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Xiamen Zengmeining Biotech Co., Ltd.	3	Accounts receivable	1,666	As agreed by both parties		0.12%

Note 1: Business transactions between the parent company and its subsidiaries should be specified in the number column as follows:

(1) Indicated as "0" 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, 2023

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 Biotechnology co., Ltd.	Wisetech Corporation	Samoa	Overseas investment	\$ 353,766	\$ 363,893	11,890,234	100.00	\$ 11,307	(\$ 731)	(\$ 731)	Subsidiary
Jia Jie Biotechnology co., Ltd.	Jia Jie Investment Co., Ltd.	Taiwan	Investment	134,000	37,000	15,962,500	100.00	141,866	2,253	2,253	Subsidiary
Jia Jie Biotechnology co., Ltd.	Shi Zhang Bio-Technology Co., Ltd.	Taiwan	Wholesale and retail of cosmetics, foods and groceries	68,000	68,000	2,000,000	100.00	206	( 41)	( 42)	Subsidiary
Jia Jie Biotechnology co., Ltd.	Jia Jie Biotechnology co., Ltd.	Taiwan	Wholesale of foods, groceries and daily commodities, and retail sale of other products	100,000	50,000	10,000,000	100.00	35,384	( 51,661)	( 51,662)	Subsidiary
Wisetech Corporation	Sure Wise International Co.,Ltd.	Seychelles	Overseas investment	-	14,971	-	-	-	( 729)	-	Sub-subsidiary
Wisetech Corporation	Honor Peak Holdings Limited	Hong Kong	Overseas investment	267,833	267,833	-	100.00	10,764	( 211)	-	Sub-subsidiary
Jia Jie Investment Co., Ltd.	Fortune Chain Enterprise Co.,Ltd	Seychelles	Overseas investment	-	7,763	-	-	-	( 242)	-	Sub-subsidiary
Jia Jie Investment Co., Ltd.	Taiwan Ding Insurance Brokers Co., Ltd.	Taiwan	Personal insurance and property insurance broker	54,082	34,695	2,128,888	60.83	53,468	5,534	-	Sub-subsidiary
Jia Jie Investment Co., Ltd.	Mi Hsiang Food Co., Ltd.	Taiwan	Instant Meal Box Food Manufacturing	5,850	-	585,000	39.00	29,391	1,691	141	Equity method
Jia Jie Investment Co., Ltd.	Bai Chien Hui Food Co., Ltd.	Taiwan	Instant Meal Box Food Manufacturing	480	-	48,000	48.00	2,565	1,980	165	Equity method
Fortune Chain Enterprise Co.,Ltd	Sure Wise International Co.,Ltd.	Seychelles	Overseas investment	-	8,431	-	-	-	( 729)	-	Sub-subsidiary

Note 1: Except for the current profit and loss, which was translated at the average exchange rate of 31.155 between January 1 and December 31, 2023, the information related to the investees was translated at the exchange rate of 30.705 on December 31, 2023.

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, 2023

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	Investment amount remitted or recovered in the current period		Accumulated investment amount	Current profit or loss of investee company	Direct or indirect investment	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 from Taiwan at the beginning of the current period	Remitted	Recovered	remitted from Taiwan at the end of the current period		shareholding percentage of the Company				
Harbin Shen-Shou Biotechnology Ltd.	Development of biological products	\$ 25,995	2	\$ 14,407	\$ -	\$ -	\$ 14,407	\$ -	48.98	\$ -	\$ -	\$ -	-
Harbin Dian Yi Technology Ltd.	Smart card application systems	240,944	2	-	-	-	-	-	49.00	-	-	-	-
Jing-Ding Murad Biomedical Technology Ltd.	Development of biological products	350,985	2	75,183	-	-	75,183	-	15.01	-	-	-	-
Shanghai Andy Pure-water Equipment Manufacturing Co., Ltd.	Production of water purification equipment and related parts	-	2	6,141	-	6,141	-	-	0.00	-	-	21,698	-
Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Development of aquatic product technology, and production and processing of softshell turtle powder and softshell turtle oil	91,001	2	43,294	-	-	43,294	( 59)	50.00	( 30)	( 1,463)	-	Note 2
Xiamen Zengmeining Biotech Co., Ltd.	Development of biological products	77,448	2	73,692	-	-	73,692	( 179)	100.00	( 179)	1,994	-	Note 2
Heilongjiang Shen Shou Pharmaceutical Co., Ltd.	Production, processing, and sale of Chinese herbal medicine	47,741	1	36,481	-	-	36,481	-	41.00	-	-	-	-
Dongguan Jia Jie Biotechnology Co., Ltd.	Retail	22,105	2	23,124	-	-	23,124	29	100.00	29	10,071	-	Note 2
Shuo Rong Tai Xing IoT Technology Co., Ltd.	Internet of Things	15,183	1	15,353	-	-	15,353	-	1.25	-	-	-	-
<u>Company name</u>	<u>Accumulated investment amount remitted from Taiwan to Mainland China by the end of the current period (Notes 4, 6)</u>	<u>Investment amount approved by the Investment Commission, MOEA (Notes 4, 6)</u>	<u>Limit on investment in Mainland China as specified by the Investment Commission, MOEA (Note 5)</u>										
Jia Jie Biotechnology co., Ltd.	\$ 274,472	\$ 302,853	\$ 642,132										

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 31.155 between January 1 and December 31, 2023, all figures were translated at the exchange rate of 30.705 on December 31, 2023.

Note 4: The Company indirectly invested US\$733 thousand in Shanghai Andy Pure-water Equipment Manufacturing Co., Ltd. in Mainland China through Sure Wise International Co., Ltd., of which US\$533 thousand was the investment with the loans endorsed/guaranteed by the Company for Sure Wise International Co., Ltd. rather than the investment amount directly remitted from Taiwan. This resulted in a difference between the aforementioned accumulated investment amount remitted from Taiwan to Mainland China by the end of the period and the investment amount approved by the Investment Commission, MOEA.

Note 5: Investment in Mainland China is limited to 60% of the net worth according to the regulations of the Investment Commission, MOEA.

Note 6: The Company indirectly invested US\$152 thousand in Shanghai Andy Pure-water Equipment Manufacturing Co., Ltd. in Mainland China through Sure Wise International Co., Ltd. instead of having the investment amount remitted directly from Taiwan, resulting in a difference between the aforementioned accumulated investment amount remitted from Taiwan to Mainland China by the end of the period and the investment amount approved by the Investment Commission, MOEA.

Jia Jie Biomedical Co., Ltd.  
Information on major shareholders  
December 31, 2023

Table 6

<u>Name of major shareholder</u>	<u>Shares</u>	<u>Shareholding percentage</u>
Bai-Jia-Yuan Investment Co., Ltd.:	20,000,000	22.48%
E-Top Metal Co., Ltd.	5,118,000	5.75%

VI. Any financial distress experienced by the Company or affiliated enterprise and impacts on the Company's financial position during the current fiscal year up to the date of publication of the annual report: No such situation.

Seven. Review and analysis of financial position and financial performance, and an assessment of risks

I. Financial position: The main reasons for the significant changes in assets, liabilities and equity in the most recent two years and their impact, and if the impact is significant, the future response plan

Unit: In Thousand New Taiwan Dollars; %

Item \ Year	2023	2022	Differences	
			Amount	Percentage
Current assets	437,305	317,213	120,092	38
Fixed assets	447,079	447,621	(542)	(0)
Other assets	528,529	239,125	289,404	121
Total assets	1,412,913	1,003,959	408,954	41
Current liabilities	336,839	73,518	263,321	358
Long-term liabilities	-	-	-	-
Other liabilities	5,853	6,479	(626)	(10)
Total liabilities	342,692	79,997	262,695	328
Share capital	889,367	889,367	-	-
Capital surplus	58,303	57,010	1,293	2
Retained earnings	163,015	18,869	144,146	764
Other equity	(63,815)	(67,271)	3,456	5
Total shareholders'	1,070,221	923,962	146,259	16
<p>Descriptions: 1. The increase in assets this year is mainly due to the increase in financial assets measured at fair value through profit and loss and the deposit of private placements.</p> <p>2. The increase in current liabilities this year is mainly due to the fact that the proceeds from private placement of shares do not conform to the image of private placement and needs to be refunded.</p> <p>3. The increase in retained earnings this year is mainly due to the profit made in the current year.</p>				

II. Financial performance: The main reasons for the significant changes in operating revenue, net operating profit and net profit before tax in the most recent two years and the expected sales volume and its basis, the possible impact on the Company's future financial and business matters and the corresponding plan

Unit: NT\$ Thousand; %

Item \ Year	2023	2022	Amount increased (decreased)	Change percentage (%)
Operating revenue	332,758	317,716	15,042	5
Operating cost	(215,123)	(201,208)	13,915	7
Gross profit	117,635	116,508	1,127	1
Operating expenses	(183,835)	(130,190)	53,645	41
Operating loss	(66,200)	(13,682)	52,518	384
Non-operating income and expense	212,749	9,002	203,747	2,263
Net profit before tax from continuing operations	146,549	(4,680)	151,229	3,231
Income tax expenses	475	(1,763)	2,238	127
Net profit after tax from continuing operations	147,024	(6,443)	153,467	2,382

1. Description of the analysis of changes:

- (1) The increase in operating expenses and loss from last year is mainly due to the increase in the Company's advertising expenses.
- (2) The increase in non-operating revenue and net profit after tax this year is mainly due to the increase in profit at fair value through profit or loss.

2. Changes in the Company's main business content: No significant changes yet.

3. Expected sales volume in the coming year and the main factors influencing the Company's expected sales volume to continue to grow or decline:

The key factors for the continued growth of the Company's sales are to improve operational performance, focus on the Company's core business and main products, inspire confidence in direct sellers, and attract new members to the marketing organization. In the face of fierce competition in the direct selling market, the Company will be able to satisfy the needs of direct sellers and strengthen the backing to distributors only with perfect logistical services, in order to achieve the goal of expanding the marketing organization to increase sales.

### III. Cash flow:

#### 1. Liquidity analysis for the most recent two years:

Unit: %

Item	Year	2023	2022	Increase (Decrease) percentage
Cash flow ratio		(1.33)	(11.65)	(89)
Cash flow adequacy ratio		6.45	184.30	(97)
Cash reinvestment ratio (%)		(0.58)	(0.95)	(39)
Descriptions: 1. The decrease in cash flow ratio in 2023 compared to 2022 is mainly due to the decrease in cash flow from operating activities . 2. The decrease in cash flow adequacy ratio in 2023 from 2022 is mainly due to the decrease in net cash flows from operating activities in the last five years compared to the previous period.				

#### 2. Cash flow analysis for the coming year

Unit: In Thousands of New Taiwan Dollars

Cash balance at the beginning of the period (1)	Estimated net cash flow from operating activities throughout the year (2)	Estimated cash outflow throughout the year (3)	Estimated cash surplus (deficit)	Remedial measures for estimated cash deficit	
			(1)+(2)-(3)	Investing plan	Financing plan
\$354,424	(5,028)	(123,240)	226,156	—	—
Explanation: 1. The analysis of changes in cash flows during the year: (1) Operating activities: Due to the net effect of changes in inventories, accounts receivable/payable and prepayments. (2) Investing activities: Mainly used to acquire fixed assets and long-term investments. (3) Financing activities: Mainly due to the expected increase in repayment of lease liabilities and short-term borrowings 2. Remedial measures for estimated cash deficit and liquidity analysis: None.					

IV. Effects of material capital expenditures on finance and business in the most recent year: No significant capital expenditures yet.

V. Policy on investments in other businesses for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year.  
No significant changes.

VI. For risk matters, the following matters in the most recent year and up to the printing date of the annual report shall be evaluated:

The organizational structure of the Company's risk management is as follows:

Responsible unit	Risk management
Board of directors	Risk assessment control and ultimate control unit Responsible for operational decisions to reduce strategic risks.
Auditing department	Responsible for revising and promoting the internal control system and strengthening the internal control function to ensure its continued effectiveness.
Finance Department	Responsible for financial adjustment and utilization; comply with government regulations and policies to reduce accounting risks; evaluate medium and long-term investment benefits and reduce investment risks.
Personnel Administration Section	Responsible for recruiting, training, and establishing personnel management system to reduce the risk of personnel behavior, ethics, and conduct.
Information Department	Maintain and manage computers and related peripherals, integrate applications, develop and maintain systems to reduce network and information security risks.
Sales Division	Responsible for crisis prevention and response to customer complaints in the sales business.

(I) Effects of changes in the interest rate and exchange rate and inflation on the Company's profit or loss:

Change in interest rates:

1. Assets:

- (1) The Company's investments in equity instruments are not interest-bearing and are therefore not exposed to cash flow risk from changes in interest rates.
- (2) Receivables: The Company's receivables are all due within one year and are therefore assessed to be free of significant cash flow risk from changes in interest rates.
- (3) Other financial assets: These include cash and other financial assets – current, which are assessed by the Company to be free of significant cash flow risk from changes in interest rates.

2. Liabilities:

- (1) Bonds payable: The Company's debt instruments are zero-interest bonds, and therefore there is no cash flow risk from changes in interest rates.
- (2) Other financial liabilities: These include various current liabilities, which are assessed by the Company to be free of significant cash flow risk from changes in interest rates.

Changes in foreign exchange rates: The Company mainly sells and purchases its products domestically, so it is not expected that changes in foreign

exchange rates will have a significant impact on the Company.

Inflation: The Company's main product is health food products. Inflation should have no impact on the Company's operations.

(II) Engagements in high-risk, high-leverage investments, lending funds to others, endorsement and guarantee and derivative transactions:

The Company has established the "Procedures for Acquisition and Disposal of Assets," "Procedures for Endorsement and Guarantee," and "Procedures for Lending of Funds to Others" to be followed by the Company and its subsidiaries in the related operations. As of the date of publication of this annual report, the Company and its subsidiaries had not been engaged in high-risk, high-leverage investments or derivative transactions with high risks. In addition, the Company has lending of funds with its subsidiaries for operating capital needs, all of which are handled in accordance with the "Procedures for Lending of Funds to Others."

(III) Future R&D plan and R&D expenses expected to be invested

1. Efficiently develop preventive health products in four major directions to promote human health by improving nutrition, gastrointestinal, moisture, temperature and environment:

A. Nutrition (JustBest series): With Softshell Turtle nutrition as the core ingredient, we develop "target" healthcare products for different age groups, focusing on all-round healthcare priorities for each life cycle, such as the five age groups of children before 12 years old, adolescents between 12 and 20 years old, youths between 20 and 65, and the elderly over 65 years old. In addition, continue to develop research and development on the combination of raw materials from various parts of Softshell Turtle with various food products, and upgrade them with the latest biotechnology processes to improve the nutritional value and help the cells in the body to function properly faster.

B. Gastrointestinal (JustSlim Series): Gastrointestinal health is the source of health, through the promotion of intestinal health to improve digestive function, promote metabolism (including weight control), regulation of immunity and other three basic healthcare priorities. JustSlim series will use plant-derived functional ingredients and probiotics to build a series for vegetarians to expand the healthcare market, and can also be used in conjunction with JustBest series for more complementary effects.

C. Water: 70% of the human body is water. Drinking good water is an effective way to maintain a long and healthy life. Jia Jie Biomedical provides small molecule water machines and "Deep Ocean Water," which is a good medium for carrying nutrients and oxygen in the body.

D. Temperature and Environment (JustGood series): Jia Jie Biomedical provides the “Songsense” products imported from Japan can be used for bathing and foot bathing to improve the unhealthy low-temperature condition of the body and promote metabolism, and will continue to develop a series of products for the home environment to take care of overall health.

2. Estimated R&D expenses in 2024: Including the salaries of R&D personnel, R&D materials, and outsourced research, the estimated R&D expenses are approximately NT\$12,000 thousand.

(IV) Effect of changes in domestic and foreign policies and laws of significance on the finance and business of the Company and countermeasures:

The Company’s financial and business affairs are carried out in accordance with the relevant laws and regulations, and up to now, there is no significant impact on the Company.

(V). Effect of technological changes and industrial changes on the Company’s finance and business, and countermeasures: No significant impact.

(VI) Effect of changes in the corporate image on corporate crisis management and countermeasures:

The Company has been committed to maintaining its corporate image and complying with laws and regulations for many years, and if it faces any situation that affects its corporate image or violates laws and regulations, it will immediately formulate countermeasures. As of yet, the Company has not encountered any situation that may affect the Company’s corporate image.

(VII) Expected benefits and possible risks related to mergers and acquisitions, and countermeasures: No such situation.

(VIII) Expected benefits and possible risks related to plant expansion and countermeasures:

The Company’s current capacity is not yet fully utilized, so there is no possibility of additional plant expansion in the near future.

(IX) Risks of concentrations of purchases or sales and countermeasures:

None of the Company’s customers have more than 10% of the total sales, so there is no risk of concentration of customers. As for purchases, we have signed long-term supply contracts with all of the vendors that constitute high concentrations of purchases, so the source of supplies is quite stable, so the possible risk is minimized.

(X) Effects and risks of mass transfer or change in the equity held by directors, supervisors, or major shareholders with a shareholding over 10% of the Company and countermeasures:

There was no significant transfer of equity by the Company’s directors, supervisors or major shareholders with a shareholding over 10%

(XI) Effects and risks of changes in the right to management of the Company and countermeasures:

None.

(XII) During the most recent 2 years and the current year up to the date of publication of the annual report, for litigious and non-litigious disputes, the Company's Directors, supervisors, President, persons with actual responsibility for the Company, major shareholders holding a stake of greater than 10%, and subsidiaries that have been concluded by means of a final and unappealable judgment, or are still under litigation, where such a dispute could materially affect shareholders' equity or the prices of the Company's securities: None.

(XIII) Other important risks and countermeasures: None.

VII. Other important matters: None.

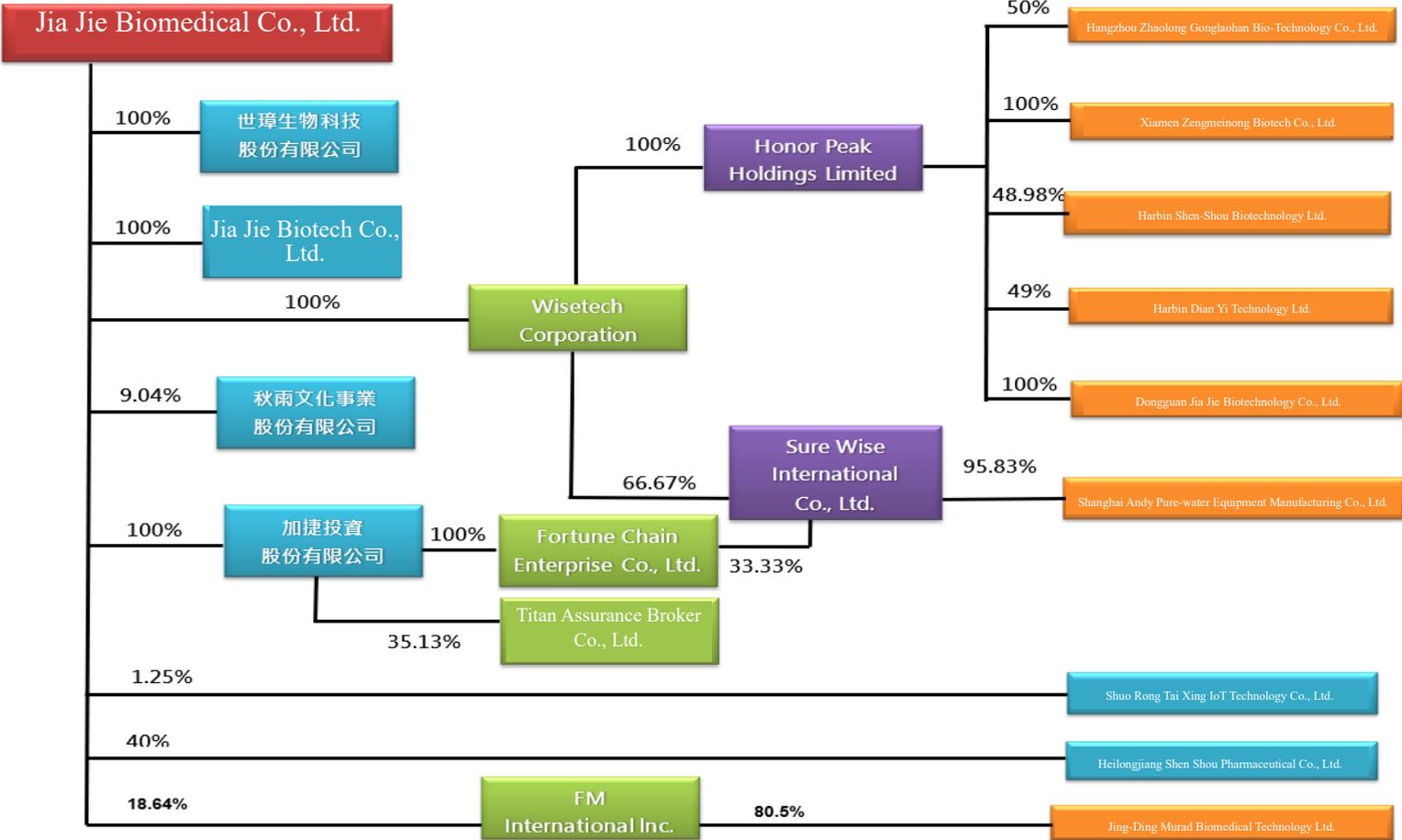
Eight. Special Disclosure

I. Information related to the company’s affiliates

(I) Overview of affiliates

1. Organizational structure of affiliates

(1) Organizational chart of affiliates



(2) Any affiliate presumed to be in a controlling and subordinate relationship under Article 369-3 of the Company Act:

None.

(3) Any subordinate company directly or indirectly controlled by the Company for personnel, finance and business operations in accordance with Paragraph 2, Article 369-2 of the Company Act:

<u>Affiliated enterprises</u>	<u>Relationship</u>
Jia Jie Investment Co., Ltd.	A subsidiary in which the Company directly owns more than 50% of the common stock.
Shi Zhang Bio-Technology Co., Ltd.	A subsidiary in which the Company directly owns more than 50% of the common stock.
Jia Jie Biotechnology co., Ltd.	A subsidiary in which the Company directly owns more than 50% of the common stock.
Wisetech Corporation	A subsidiary in which the Company directly owns more than 50% of the common stock.

(II) Basic information on affiliates

Unit: In Thousands of New Taiwan Dollars

Company name	Date of incorporation	Address	Paid-in capital	Main business activities or products
Jia Jie Investment Co., Ltd.	2003.08.20	3F., No. 61, Jiuru 1st Road, Sanmin District, Kaohsiung City	\$154,625	Investment
Shi Zhang Bio-Technology Co., Ltd.	2011.05.05	3F., No. 61, Jiuru 1st Road, Sanmin District, Kaohsiung City	\$20,000	Wholesale and retail of cosmetics, foods and groceries
Jia Jie Biotechnology co., Ltd.	2021.08.16	2F., No. 61, Jiuru 1st Road, Sanmin District, Kaohsiung City	\$100,000	Wholesale of foods, groceries and wholesale of daily commodities, and retail sale of other products
Wisetech Corporation (Note)	2003.08.18	Offshore Chambers, PO Box 217, Apia, Samoa	\$353,766	Overseas investment

Note: Converted to NTD based on the exchange rate of 31.155 on the balance sheet date (December 31, 2023).

(III) Information on the common shareholder of affiliates presumed to be in a controlling or subordinate relationship: No such situation.

(IV) Industries covered by the operations of all affiliates

The Company and its affiliates operate in the following businesses: Processing, sale, and trading of Softshell Turtle powder, Softshell Turtle eggs, Softshell Turtle oil and other Softshell Turtle food, 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 products for domestic and foreign manufacturers, wholesale of nonalcoholic beverages, wholesale of sugar confectionery, wholesale of bakery product, wholesale of assist food products, wholesale of cosmetics, wholesale of sporting goods, wholesale of medical devices, and overseas investments.

(V) Information on directors, supervisors, and presidents of affiliates

Unit: shares; %

Company name	Title	Name or name of legal representative	Current shareholding	
			Shares	Shareholding percentage
Jia Jie Investment Co., Ltd.	Chairman	Jia Jie Biotechnology co., Ltd. Representative: Chen, He-Shun	15,462,500	100.00
Shi Zhang Bio-Technology Co., Ltd.	Chairman	Jia Jie Biotechnology co., Ltd. Representative: Tseng, Ming-Chuan	2,000,000	100.00
Jia Jie Biotechnology co., Ltd.	Chairman	Jia Jie Biotechnology co., Ltd. Representative: Chen, He-Shun	10,000,000	100.00
Wisetech Corporation	Director	Jia Jie Biotechnology co., Ltd. Representative: Chen, He-Shun	11,890,234	100.00

(VI) Business overview of affiliates

The financial position and results of operations of each affiliate:

Unit: In Thousands of New Taiwan Dollars

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Gains or losses for the period (after tax)	Earnings per share (NTD) (after tax)
Jia Jie Investment Co., Ltd.	154,625	187,279	20,780	166,499	62,875	3,988	2,253	0.15
Shi Zhang Bio-Technology Co., Ltd.	20,000	206	0	206	-	(42)	(41)	(0.02)
Jia Jie Biotechnology co., Ltd.	100,000	40,031	4,143	35,888	10,178	(51,883)	(51,661)	(5.17)
Wisetech Corporation (Note)	353,766	11,911	2,067	9,844	-	(677)	(731)	(0.02)

Note: Converted to NTD based on the exchange rate of 30.705 on the balance sheet date (December 31, 2023).

II. Private placement securities during the current fiscal year up to the date of publication of the annual report  
Report on the implementation of capital increase in cash by private placement of common shares for 2023.

Item	The 2nd private placement in 2023
Types of securities for the private placement	Common shares
Date of approval by the shareholders' meeting and the amount	On November 29, 2023 15,000,000 shares
The basis and reasonableness of the price:	<p>The issue price of the private placement of common shares shall not be less than 80% of the higher of the following two benchmarks on the pricing date. The actual price date and actual private placement price are authorized to the Board of Directors for determination based on the consultation with certain offerees and prevailing market conditions as well as the following pricing principles in the future.</p> <p>(1) The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.</p> <p>(2) The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.</p> <p>The basis for the aforesaid private placement price to be set is in compliance with the provisions of the "Directions for Public Companies Conducting Private Placements of Securities", so the price should be reasonable.</p> <p>(3) If the private placement price is likely to be lower than the face value of the shares, the reason for the private placement price lower than the face value, the rationality of the pricing method, and the impact on shareholders' equity:</p> <p>A. Reasons and reasonableness of the private placement price lower than the par value: According to the current laws and regulations and the aforementioned pricing method, the private placement price may be lower than the par value. In addition to the private placement, there is a restriction on free transfer within three years as set forth in Article 43-8 of the Securities and Exchange Act. Therefore, it is reasonable for the private placement price to be lower than the face value.</p> <p>B. Method of setting the issue price Due to the impact of the general environment, the Company's stock price may also fall below the par value. In order to successfully obtain funds to improve the financial structure and increase investors' willingness to subscribe, it is necessary for the Company to issue new shares at a discounted price. The price of common shares per share of the capital increase by private placement shall not be lower than 80% of the reference price. In addition to complying with Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities", the impact of the issuance of new shares at a discounted price on the original shareholders' equity has also been considered, and the pricing is deemed reasonable.</p> <p>C. Impact on shareholders' equity if the private placement price is lower than the par value: The difference between the actual private placement price and the par value will result in cumulative losses, which will be eliminated depending on the Company's future operating conditions.</p>
Method of selecting specific persons:	The subjects of this private placement of common shares are limited to specified persons in compliance with Article 43-6 of the Securities and Exchange Act and Letter Tai-Cai-Zheng-Yi-Zi No. 0910003455 dated June

	13, 2002 (91) issued by the Financial Supervisory Commission, Executive Yuan.				
Necessary reasons for conducting the private placement:	The Company evaluated the market conditions, timeliness and feasibility of raising capital, issuance costs, and the mobility and flexibility of raising capital through private placement as compared to public offering. The private placement will help the Company's future operation and development. Therefore, instead of public offering, the Company has conducted a private placement in accordance with the Securities and Exchange Act and other relevant regulations.				
Date when payment completed	January 30, 2024				
Information of the placee	Targets of private placement	Qualification requirements	Number subscribed (thousand shares)	Relationship with the Company	Participation in the Company's operations
	Jinzhifu Asset Management Co., Ltd.	Compliant with Subparagraph 2, Paragraph 1, Article 43-6 of the Securities and Exchange Act	9,800	Specific person, insider or related party	None
Actual subscription (or conversion) price (NT\$)	13.34				
Difference between the actual subscription (or conversion) price and the reference price (NT\$)	The reference price was NT\$16.67 per share, different from the actual price of NT\$13.34 per share. Therefore, the difference between the actual subscription price and the reference price was NT\$3.33 per share.				
The impact of private placement on shareholders' equity (e.g. increasing cumulative losses...)	The implementation of the plan strengthens the financial structure, improves operational efficiency, strengthen industry position, and enhances long-term competitiveness, which will be of positive benefit to shareholders' equity.				
Utilization of funds from private placement and progress of plan implementation	For the purpose of replenishing working capital and repaying bank borrowings, as of April 2024, the accumulative actual amount drawn was NT\$ 130,732,000, 100% of which has been executed.				
Benefits of private placement demonstrated	Bank borrowings repaid, interest expenses reduced, and the financial structure improved.				

III. Holding or disposal of the Company's shares by its subsidiaries in the most recent year and up to the publication date of the annual report: None.

IV. Other supplementary information: None.

Nine. Any of the circumstances listed in subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act, which may materially affect shareholders' interest or the price of the Company's securities, that have occurred in the most recent year and up to the publication date of the annual report shall be set out: None.

Jia Jie Biomedical Co., Ltd.



Chairman: Chen, He-Shun

