

Jia Jie Biomedical Co., Ltd. and Subsidiaries
Consolidated Financial Report and Auditor's
Report
2023 and 2022
(Stock Code 4109)

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Jia Jie Biomedical Co., Ltd. and Subsidiaries

2023 and 2022 Consolidated Financial Report and Independent Auditor's Report

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Jia Jie Biomedical Co., Ltd.

Declaration for the Consolidated Financial Statements of Affiliates

The Company hereby declares that the companies that should be included in the consolidated financial statements of affiliates for 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	%	
Current assets						
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	Total current assets		<u>437,305</u>	<u>31</u>	<u>317,213</u>	<u>32</u>
Non-current assets						
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	Total non-current assets		<u>975,608</u>	<u>69</u>	<u>686,746</u>	<u>68</u>
1XXX	Total assets		<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	%	
Current liabilities						
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	Total current liabilities		<u>336,839</u>	<u>24</u>	<u>73,518</u>	<u>7</u>
Non-current liabilities						
2580	Lease liabilities - non-current	6(9)	938	-	1,087	-
2610	Long-term notes and accounts payables		4,704	-	5,181	1
2645	Deposits received		211	-	211	-
25XX	Total non-current liabilities		<u>5,853</u>	<u>-</u>	<u>6,479</u>	<u>1</u>
2XXX	Total liabilities		<u>342,692</u>	<u>24</u>	<u>79,997</u>	<u>8</u>
Equity						
Equity attributable to owners of the parent company						
	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 made up for)		138,735	10	(5,411)	(1)
	Other equity	6(18)				
3400	Other equity		(63,815)	(5)	(67,271)	(7)
31XX	Total equity attributable to owners of the parent company		<u>1,046,870</u>	<u>74</u>	<u>897,975</u>	<u>89</u>
36XX	Non-controlling interests	4(3)	<u>23,351</u>	<u>2</u>	<u>25,987</u>	<u>3</u>
3XXX	Total equity		<u>1,070,221</u>	<u>76</u>	<u>923,962</u>	<u>92</u>
	Significant subsequent events	11				
3X2X	Total liabilities and equity		<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 Net profit (loss) before tax		<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 Net profit (loss) for the period		<u>\$ 147,024</u>	<u>44</u>	<u>(\$ 6,443)</u>	<u>(2)</u>
Other comprehensive income					
Items not reclassified to profit or loss					
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)
Items that may be subsequently reclassified to profit or loss					
8361 Exchange difference on translation of the financial statements of foreign operations		(522)	-	1,238	1
8300 Other comprehensive income (net amount)		<u>\$ 3,816</u>	<u>1</u>	<u>(\$ 4,515)</u>	<u>(1)</u>
8500 Total current comprehensive income		<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)	-
		<u>\$ 147,024</u>	<u>44</u>	<u>(\$ 6,443)</u>	<u>(2)</u>
Total current comprehensive income 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

Note	Equity attributable to owners of the parent company											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	Total	Non-controlling interests	
<u>January 1 to December 31, 2022</u>												
	\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ -	\$ 23,054	\$ 1,226	(\$ 22,782)	(\$ 40,008)	\$ 907,867	\$ 27,053	\$ 934,920
	-	-	-	-	-	-	(5,470)	-	-	(5,470)	(973)	(6,443)
6 (4)(18)	-	-	-	-	-	-	-	1,238	(5,660)	(4,422)	(93)	(4,515)
	-	-	-	-	-	-	(5,470)	1,238	(5,660)	(9,892)	(1,066)	(10,958)
	-	-	-	-	123	-	(123)	-	-	-	-	-
	-	-	-	-	-	1,103	(1,103)	-	-	-	-	-
	-	-	-	-	-	-	59	-	(59)	-	-	-
	\$ 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>												
	\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ 123	\$ 24,157	(\$ 5,411)	(\$ 21,544)	(\$ 45,727)	\$ 897,975	\$ 25,987	\$ 923,962
	-	-	-	-	-	-	144,146	-	-	144,146	2,878	147,024
6 (4)(18)	-	-	-	-	-	-	-	(522)	3,978	3,456	360	3,816
	-	-	-	-	-	-	144,146	(522)	3,978	147,602	3,238	150,840
6 (28)	-	-	-	1,293	-	-	-	-	-	1,293	(1,487)	(194)
6 (28)	-	-	-	-	-	-	-	-	-	-	(4,387)	(4,387)
	\$ 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

	Note	2023	2022
<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		125,534	172,275
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>Name of subsidiary</u>	<u>Principal places of business</u>	<u>Non-controlling interests</u>		<u>Non-controlling interests</u>	
		<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>December 31, 2022</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	\$	<u>63,053</u>	\$	<u>42,526</u>

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	\$	<u>5,527</u>	(\$	<u>1,214)</u>
Comprehensive income attributable to non-controlling interests	\$	<u>2,901</u>	(\$	<u>788)</u>
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	\$ 29,742	\$ 128,214

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	182,100	-
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	(41,210)	(45,184)
	<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>\$ 355</u>	<u>\$ 333</u>
Accounts receivable	\$ 39,488	\$ 37,026
Less: Loss allowance	(27,407)	(26,698)
	<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	-	27,425	-	26,726
	<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.
- 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>\$</u>	<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:

<u>Company name</u>	<u>Principal places of business</u>	<u>Shareholding percentage</u>		<u>Nature of the relationship</u>	<u>Measurement method</u>
		<u>December 31, 2023</u>	<u>December 31, 2022</u>		
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>

Mi Hsiang Food Co., Ltd.

December 31, 2023 December 31, 2022

Share in net assets of affiliates	\$	8,157	\$	-
Goodwill		<u>21,234</u>		<u>-</u>
Book value of affiliates	\$	<u>29,391</u>	\$	<u>-</u>

Bai Chien Hui Food Co., Ltd.

December 31, 2023 December 31, 2022

Current assets	\$	6,848	\$	-
Non-current assets		2,465		-
Current liabilities	(	<u>5,272)</u>		<u>-</u>
Total net assets	\$	<u>4,041</u>	\$	<u>-</u>
Share in net assets of affiliates	\$	2,001	\$	-
Goodwill		<u>564</u>		<u>-</u>
Book value of affiliates	\$	<u>2,565</u>	\$	<u>-</u>

Income Statement:

Mi Hsiang Food Co., Ltd.

2023 2022

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

Bai Chien Hui Food Co., Ltd.

2023 2022

Revenue	\$	54,889	\$	-
Net profit from continuing operations for the period (i.e. total comprehensive income for the period)	\$	<u>1,980</u>	\$	<u>-</u>

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>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>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	<u>\$ 75,000</u>	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>\$</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

	<u>2023</u>	<u>2022</u>
The underestimates of income tax in prior years	32	536
Total current income tax	2,009	733
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>December 31</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

	<u>2023</u>		
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive net income</u>
			<u>December 31</u>
Investment loss recognized under the overseas equity method	27,746	-	27,746
Exchange difference from foreign operations	2,654	-	2,654
Others	357 (	143)	214
- Tax losses	<u>10,095</u>	<u>7,244</u>	<u>17,339</u>
	<u>47,451</u>	<u>2,484</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>\$ 49,935</u>

	<u>2022</u>		
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive net income</u>
			<u>December 31</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>10,095</u>
	<u>48,481</u> (	<u>1,030)</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>\$ 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

	<u>2023</u>	<u>2022</u>
Plus: Opening payables for equipment		
(stated as "other payables")	210	-
Less: Ending payables for equipment		
(stated as "other payables")	(182)	(210)
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

Name of related party
Chung Hsiang-Feng

Relationship with the Group
Representative the Company's corporate director (Note 1)

<u>Name of related party</u>	<u>Relationship with the Group</u>
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
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")	corporate 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 COMMUNICATION 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>\$</u>	<u>7,810</u>	<u>\$</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>\$</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>\$</u>	686	<u>\$</u>	<u>-</u>

4. Accounts receivable

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

(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	<u>406</u>	<u>410</u>
	<u>\$ 12,658</u>	<u>\$ 12,018</u>

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	<u>40,290</u>	<u>40,472</u>	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
	<u>\$ 519,943</u>	<u>\$ 383,018</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	\$ -
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
	<u>\$ 172,468</u>	<u>\$ 72,794</u>
Lease liabilities	<u>\$ 1,749</u>	<u>\$ 3,615</u>

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				Total
	Account age Within 90 days	Account age 91-180 days	Account age 181-365 days	Account age More than 366 days	
<u>December 31,</u> <u>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,</u> <u>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>2022</u>
	<u>Accounts</u>	<u>Accounts</u>
	<u>receivable</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	<u>\$ 66,961</u>	<u>\$ -</u>	<u>\$ 45,869</u>	<u>\$ 112,830</u>

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

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

Shares of TWSE (TPEX) listed

Market quotation companies
Closing price

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

4. There were no transfers between Level 1 and Level 2 in 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</u>	<u>Relationship (weighted between input average) 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 higher the fair value.
	<u>December 31, 2022</u>		<u>Significant unobservable input</u>	<u>Range</u>	<u>Relationship (weighted between input average) and fair value</u>
	<u>Fair value</u>	<u>Valuation technique</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:

	<u>2023</u>				<u>Consolidated</u>
	<u>Nutritional</u>	<u>Insurance</u>	<u>Others</u>	<u>Adjustments</u>	
	<u>health products</u>	<u>brokerage</u>		<u>and write-</u>	
				<u>offs (Note)</u>	
External revenue	\$ 259,901	\$ 62,875	\$ 9,982	\$ -	\$ 332,758
Internal segment revenue	<u>3,780</u>	<u>-</u>	<u>-</u>	<u>(3,780)</u>	<u>-</u>
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

	<u>2023</u>				<u>Consolidated</u>
	<u>Nutritional</u>	<u>Insurance</u>	<u>Others</u>	<u>Adjustments</u>	
	<u>health products</u>	<u>brokerage</u>		<u>and write-</u>	
				<u>offs (Note)</u>	
Other revenue					10,628
Other gains and losses					200,341
Interest expense					(348)
Investment losses under equity method					306
Net profit or loss before tax from continuing operations					<u>\$ 146,549</u>
Segment assets	<u>\$ 493,681</u>	<u>\$ 15,498</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 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>Consolidated</u>
	<u>Nutritional health</u>	<u>Insurance</u>	<u>Others</u>		
	<u>products</u>	<u>brokerage</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

	<u>2022</u>				<u>Consolidated</u>
	<u>Nutritional health products</u>	<u>Insurance brokerage</u>	<u>Others</u>		
Other gains and losses					134
Interest expense					(113)
Net profit or loss before tax from continuing operations					(\$ 4,680)
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 China		400		179
	<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>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.</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 Zengmeinong 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-subsiary
Wisetech Corporation	Honor Peak Holdings Limited	Hong Kong	Overseas investment	267,833	267,833	-	100.00	10,764	(211)	-	Sub-subsiary
Jia Jie Investment Co., Ltd.	Fortune Chain Enterprise Co.,Ltd	Seychelles	Overseas investment	-	7,763	-	-	-	(242)	-	Sub-subsiary
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-subsiary
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-subsiary

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

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

Table 5

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 percentage of the Company	Investment gain or loss recognized in the current period (Note 2)	Book value of investment at end of period	Investment gain repatriated by the end of the current period	Remarks
				remitted from Taiwan at the beginning of the current period	Remitted	Recovered	remitted from Taiwan at the end of the current period						
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	-	-	-	-
				<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>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%