

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

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

Jia Jie Biomedical Co., Ltd.

2023 and 2022 Parent Company Only Financial Report and Independent Auditors'

Report

Table of Contents

Item	Page
I. Cover	1
II. Table of Contents	2
III. Independent Auditors' Report	3 ~ 7
IV. Parent Company Only Balance Sheet	8 ~ 9
V. Parent Company Only Statement of Comprehensive Income	10
VI. Parent Company Only Statement of Changes in Equity	11
VII. Parent Company Only Statement of Cash Flows	12 ~ 13
VIII. Notes to the Parent Company Only Financial Statements	13 ~ 56
(I) Company history	14
(II) The date and procedure for approving the financial report	14
(III) Application of new and amended standards and interpretations	14 ~ 15
(IV) Summary of important accounting policies	15 ~ 27
(V) Major sources of uncertainty in significant accounting judgments, estimates, and assumptions	27~28
(VI) Description of important accounting items	28 ~ 47
(VII) Transactions with related parties	48 ~ 50
(VIII) Pledged assets	50 ~ 51
(IX) Significant contingent liabilities and unrecognized contractual commitments	51
(X) Significant disaster losses	51
(XI) Significant subsequent events	51
(XII) Others	51 ~ 60
(XIII) Notes in disclosures	60 ~ 61
(XIV) Segment information	61
IX. Statements of Major Accounting Items	62

## Auditor's Report

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

To Jia Jie Biomedical Co., Ltd.:

### **Audit opinion**

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

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

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

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of Jia Jie Biomedical Co., Ltd.’s parent company only financial statements for 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

The key audit matters in Jia Jie Biomedical Co., Ltd.'s parent company only financial statements

for 2023 are as follows:

### **Correctness of commission calculations**

#### Description of matters

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

#### Audit procedures in response

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

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

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

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

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

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

## **only financial statements**

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

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

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

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

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

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

1. Identifying and assessing the risk of material misstatement of the parent company only financial statements due to fraud or error; designing and implementing appropriate measures responsive to the risks assessed; and obtaining sufficient and appropriate audit evidence to use it as the basis for our audit opinion. As fraud may involve collusion, forgery, intentional omission, fraudulent statement or

violation of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error.

2. Obtaining a necessary understanding of internal control relevant to the audit in order to design audit procedures appropriate for the current circumstances, provided that the purpose of the foregoing was not to express an opinion on the effectiveness of Jia Jie Biomedical Co., Ltd.'s internal control.
3. Assessing the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and disclosures made by the management.
4. Drawing a conclusion, based on the audit evidence obtained, about the appropriateness of the going concern basis of accounting adopted by the management and whether a material uncertainty exists in respect of events or conditions that may cast significant doubt on Jia Jie Biomedical Co., Ltd.'s ability to continue as a going concern. If we conclude that such a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the parent company only financial statements or, if such disclosures are inappropriate, to modify our audit opinion. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or conditions may cause Jia Jie Biomedical Co., Ltd. to cease to continue as a going concern.
5. Evaluating the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
6. Obtaining sufficient and appropriate audit evidence concerning the financial information of entities within Jia Jie Biomedical Co., Ltd. to express an opinion on the parent company only financial statements. We are responsible for directing, supervising and performing the audit of the parent company only financial statements and forming an audit opinion on the parent company only financial statements.

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

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

From the matters communicated with the governing body, we determined the key audit matters in the audit of Jia Jie Biomedical Co., Ltd.'s parent company only financial statements for 2023. We shall specify such matters in the audit report, except where public disclosure of certain matters is prohibited by laws or regulations or where, under very exceptional circumstances, we have decided not to communicate certain matters in the audit report due to the reasonable expectation that any negative consequences arising from such communication would be greater than the public interest enhanced.

PwC Taiwan

Liao, A-Shen (Signature and Stamp)

Auditor

Wang, Kuo-Hua (Signature and Stamp)

Former Financial Supervisory Commission, Executive Yuan

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

Former Securities and Futures Commission, Ministry of Finance

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

March 18, 2024

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

Unit: In Thousands of New Taiwan Dollars

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

(continued on next page)

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

Unit: In Thousands of New Taiwan Dollars

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

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

Chairman: Chen, He-Shun

Managerial Officer: Tseng Ming-Chuan

Accounting Supervisor: Lin Ching-Hung

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

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

	Item	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	6(18)	\$ 263,486	100	\$ 252,338	100
5000	Operating cost	6 (6) (24) (24) and 7	( 179,979)	( 68)	( 161,645)	( 64)
5900	Gross profit		<u>83,507</u>	<u>32</u>	<u>90,693</u>	<u>36</u>
	Operating expenses	6(24) (24) and 12 (2)				
6100	Sales and marketing expenses		( 44,261)	( 17)	( 35,573)	( 14)
6200	Administrative expense		( 47,881)	( 18)	( 43,257)	( 17)
6300	R&D expense		( 9,324)	( 4)	( 8,935)	( 4)
6450	Expected credit impairment (loss) gains		( 8)	-	4	-
6000	Total operating expenses		( 101,474)	( 39)	( 87,761)	( 35)
6900	Operating (loss) income		( 17,967)	( 7)	2,932	1
	Non-operating revenue and expenses					
7100	Interest revenue	6(19)	1,012	1	758	-
7010	Other revenue	6(20)	8,798	3	5,198	2
7020	Other gains and losses	6(21)	200,144	76	328	-
7050	Financial cost	6 (22)	( 302)	-	( 48)	-
7070	Share in the profit or loss of subsidiaries, associates, and joint ventures recognized under equity method	6(7)	( 50,182)	( 19)	( 13,449)	( 5)
7000	Total non-operating revenue and expenses		159,470	61	7,213	3
7900	<b>Net profit (loss) before tax</b>		141,503	54	( 4,281)	( 2)
7950	Income tax gains (expenses)	6 (25)	2,643	1	1,189	-
8200	<b>Net profit (loss) for the period</b>		<u>\$ 144,146</u>	<u>55</u>	<u>(\$ 5,470)</u>	<u>( 2)</u>
	<b>Other comprehensive income (net amount after tax)</b>					
	<b>Items not reclassified to profit or loss</b>					
8316	Unrealized valuation gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	6(4) and 12 (3)	\$ 3,978	1	(\$ 5,660)	( 2)
	<b>Total items that may be subsequently reclassified to profit or loss</b>					
8361	Exchange difference on translation of the financial statements of foreign operations	6(7)	( 522)	-	1,238	-
8300	<b>Other comprehensive income (net amount)</b>		<u>\$ 3,456</u>	<u>1</u>	<u>(\$ 4,422)</u>	<u>( 2)</u>
8500	<b>Total current comprehensive income</b>		<u>\$ 147,602</u>	<u>56</u>	<u>(\$ 9,892)</u>	<u>( 4)</u>
	Earnings (losses) per share	6(26)				
9750	Basic		\$ 1.62		(\$ 0.06)	
9850	Diluted		\$ 1.62		(\$ 0.06)	

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

Chairman: Chen, He-Shun

Managerial Officer: Tseng Ming-Chuan

Accounting Supervisor: Lin Ching-Hung

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

Note	Common stock capital	Capital surplus				Retained earnings			Other equity		Total	
		Issue premium	Difference between the price and the book value of the subsidiary's equity acquired or disposed of	Capital reserves - changes in ownership interests in subsidiaries recognized	Others	Legal reserves	Special reserves	(Losses to be made up for) Undistributed earnings	Exchange difference on translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income		
<u>2022</u>												
	Balance on January 1, 2022	\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ -	\$ -	\$ 23,054	\$ 1,226	(\$ 22,782)	(\$ 40,008)	\$ 907,867
	Current net loss	-	-	-	-	-	-	( 5,470 )	-	-	-	( 5,470 )
	Current other comprehensive income	6 (4)(7)(16)	-	-	-	-	-	-	-	1,238	( 5,660 )	( 4,422 )
	Total current comprehensive income	-	-	-	-	-	-	( 5,470 )	-	1,238	( 5,660 )	( 9,892 )
	Provision for legal reserves	-	-	-	-	123	-	( 123 )	-	-	-	-
	Provision for special reserves	-	-	-	-	-	1,103	( 1,103 )	-	-	-	-
	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	59	-	-	( 59 )	-
	Balance on December 31, 2022	\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ 123	\$ 24,157	(\$ 5,411)	(\$ 21,544)	(\$ 45,727)	\$ 897,975	
<u>2023</u>												
	Balance on January 1, 2023	\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ 123	\$ 24,157	(\$ 5,411)	(\$ 21,544)	(\$ 45,727)	\$ 897,975	
	Current net loss	-	-	-	-	-	-	144,146	-	-	-	144,146
	Current other comprehensive income	6 (4)(16)	-	-	-	-	-	-	( 522 )	3,978	3,456	
	Total current comprehensive income	-	-	-	-	-	-	144,146	( 522 )	3,978	147,602	
	Changes in ownership interests in subsidiaries recognized	6(15)	-	-	1,293	-	-	-	-	-	-	1,293
	Balance as of December 31, 2023	\$ 889,367	\$ 56,090	\$ 920	\$ 1,293	\$ 123	\$ 24,157	\$ 138,735	(\$ 22,066)	(\$ 41,749)	\$ 1,046,870	

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

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

Unit: In Thousands of New Taiwan Dollars

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

(continued on next page)

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

Unit: In Thousands of New Taiwan Dollars

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

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

Chairman: Chen, He-Shun

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

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

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

I. Company history

1. Jia Jie Biomedical Co., Ltd. (hereinafter referred to as the "Company") was established upon approval in May 1995. The Company is mainly engaged in the processing, sale, and trading of softshell turtle food, Manufacture of Dairy Products, miscellaneous food manufacturing (e.g. softshell turtle egg powder capsules, enzyme powder, tortoise jelly, softshell turtle oil, and powder capsules), the import, export of the aforementioned products, the distribution, bidding, quotation of aforementioned products for domestic and foreign manufacturers, Wholesale of Nonalcoholic Beverages, candy wholesale, baked food wholesale, supplementary food wholesale, cosmetics wholesale, and sports equipment wholesale.
2. The Company's shares have been traded on the TPEx since August 2002.
3. The Company's name was changed from "Mu La De Jia Jie Biotech Co., Ltd." to "Jia Jie Biomedical Co., Ltd." upon resolution of the shareholders' meeting on June 27, 2019.

II. The date and procedure for approving the financial report

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

III. Application of new and amended standards and interpretations

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

The following table sets forth the standards and interpretations of new releases, amendments, and amendments of the IFRS and IAS applicable in 2023 that were approved and promulgated by the FSC:

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

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

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

The following table sets forth the FSC endorsed IFRS and IAS, interpretations newly released, amended, revised and applicable in 2024:

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

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

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

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

<u>New/amended/revised standards and interpretations</u>	<u>Effective date as published by IASB</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
Amendments to IAS No. 21 "Lack of Exchangeability"	January 1, 2025

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

IV. Summary of important accounting policies

The major accounting policies adopted in the preparation of the parent company only financial report

are described below. Unless otherwise stated, these policies apply consistently to all reporting periods.

(I) Compliance statement

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

(II) Basis of preparation

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

(III) Translation of foreign currencies

Items included in the financial report of the Company are measured by the currency of the primary economic environment in which the Company operates (i.e. the functional currency). The parent company only financial report is presented in the Company's functional currency "NTD."

1. Foreign currency transactions and balances

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

## 2. Translation of foreign operations

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

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

1. Assets that meet one of the following conditions are classified as current assets:
  - (1) The asset is expected to be realized, sold or consumed in the ordinary course of operations.
  - (2) The asset is held mainly for the purpose of trading.
  - (3) The asset is expected to be realized within 12 months after the balance sheet date.
  - (4) The asset is cash or cash equivalents, except for those that are restricted from being exchanged or used to settle liabilities in at least 12 months after the balance sheet date.The Company classifies all assets not meeting the above conditions as non-current.
2. Liabilities that meet one of the following conditions are classified as current liabilities:
  - (1) The liability is expected to be settled in the ordinary course of operations.

(2) The asset is held mainly for the purpose of trading.

(3) The liability is expected to be settled within 12 months after the reporting period.

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

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

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

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

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

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

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

(VII) Financial assets measured at amortized cost

1. Such financial assets refer to those meeting the following conditions:
  - (1) The financial asset is held under the business model for the purpose of collecting contractual cash flows.
  - (2) The contractual terms of the financial asset generate cash flows on a specific date that are

solely payments of the principal and interest on the principal amount outstanding.

2. The Company uses trade date accounting for financial assets measured at amortized cost in conformity with trading practices.
3. The Company measures such financial assets at their fair value plus transaction costs at initial recognition. Subsequently, the effective interest method is adopted to recognize interest revenue in the period of circulation according to the amortization procedure and any impairment loss is recognized. The gain or loss is recognized in profit or loss at the time of derecognition.
4. The Company holds time deposits that are not cash equivalents. They are measured at the investment amount due to the short holding period and the insignificant impact of discounting.

(VIII) Accounts and notes receivable

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

(IX) Impairment of financial assets

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

(X) Derecognition of financial assets

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

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

(XI) Lessor's lease transactions - Operating leases

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

or loss.

(XII) Inventories

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

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

1. Subsidiaries refer to entities (including structured entities) controlled by the Company. When the Company is exposed to or is entitled to the variable returns from the involvement in the entities, and is able to influence the returns through the power over the entities, the Company controls the entities.
2. The unrealized gains or losses from the transactions between the Company and the subsidiaries were eliminated. Necessary adjustments have been made to the accounting policies of the subsidiaries to bring them into line with those adopted by the Company.
3. The Company recognizes the share in the profit or loss of subsidiaries after the acquisition as current profit and loss and recognizes the share in their other comprehensive income after the acquisition as other comprehensive income. If the share in the loss of a subsidiary recognized by the Company equals or exceeds the interest in the said subsidiary, the Company continues to recognize losses in proportion to the shareholding percentage.
4. Changes in the parent company's ownership interest in a subsidiary that do not result in the loss of control over the subsidiary (transactions with non-controlling interests) are treated as equity transactions, i.e., transactions with owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
5. When the Company loses control over a subsidiary, the Company's investment retained in the former subsidiary is remeasured at fair value and is regarded as the fair value of a financial asset at initial recognition or the cost of an investment in an associate or joint venture at initial recognition. The difference between the fair value and the book value is recognized in current profit or loss. For all amounts previously recognized in other comprehensive income related to the subsidiary, the accounting treatment is on the same

basis as that for the direct disposal of relevant assets or liabilities by the Company, which means that the gain or loss previously recognized in other comprehensive income will be reclassified as profit or loss when the relevant assets or liabilities are disposed of or from equity to profit or loss when the Company loses control of the subsidiary.

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

comprehensive income will be transferred out proportionally using the method described above.

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

(XIV) Property, plant, and equipment

1. Property, plant, and equipment are recorded at acquisition cost, and the relevant interest during their purchase or construction is capitalized.
2. Subsequent costs are included in the book value of assets or recognized as a separate asset only when the future economic benefits related to the item are likely to flow into the Company and the cost of the item can be measured reliably. The book value of the property, plant and equipment replaced shall be derecognized. All other maintenance expenses are recognized as current profit or loss.
3. Property, plant, and equipment are subsequently measured at cost. Except for land, which is not depreciated, all property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. If the components of property, plant and equipment are significant, they are depreciated separately.
4. The Company reviews the residual value, useful life and depreciation method of each asset at the end of each fiscal year. If the expected residual value and useful life are different than their estimates, or there has been a material change in the expected consumption pattern of the future economic benefits of the asset, such change shall be treated in accordance with the provisions of IAS 8 "Accounting Policies, Changes and Errors in Accounting Estimates" from the date of the occurrence of the change. The useful life of each asset is as follows:

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

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

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Company. When a lease contract is a short-term lease or a lease of a low-value underlying asset, the lease payment is recognized as an expense during the lease term using the straight-line method.
2. Lease liabilities are recognized at the present value of the lease payments that have not been made on the lease commencement date, which is discounted at the Company's incremental borrowing rate. The lease payments are fixed payments less any lease incentives receivable.

Subsequently, the lease liabilities are measured using the interest method based on the amortized cost method, and provision for interest expenses is made during the lease term. In the event of lease term or lease payment changes not resulting from contract modifications, the lease liabilities will be reassessed and the right-of-use assets will be re-measured and adjusted.

3. Right-of-use assets are recognized at cost on the lease commencement date, and the cost is the initially measured amount of lease liabilities.

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

(XVI) Investment property

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

(XVII) Impairment of non-financial assets

On the balance sheet date, the Company estimates the recoverable amount of assets with signs of impairment. When the recoverable amount is less than the book value, an impairment loss is recognized. Recoverable amount is the fair value of an asset less its disposal cost or use value, whichever is higher. When the impairment of assets recognized in prior years does not exist or decreases, the impairment loss is reversed. However, the book value of the asset increased as a result of the reversal of the impairment loss shall not exceed the book value of the asset less depreciation or amortization under the assumption that no impairment loss was recognized.

(XVIII) Loans

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

(XIX) Accounts and notes payable

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

(XX) Derecognition of financial liabilities

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

(XXI) Offsetting of financial assets and liabilities

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

(XXII) Employee benefits

1. Short-term employee benefits

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

2. Pension

(1) Defined contribution plan

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

(2) Defined benefit plan

A. The net obligation under the defined benefit plan is calculated by discounting the amount of future benefits earned by employees for rendering services in the

current period or in the past, and the fair value of plan assets is deducted from the present value of the defined benefit obligations on the balance sheet date. Defined benefit obligations are calculated annually by actuaries using the projected unit credit method. The discount rate is based on the market yield rate of government bonds (on the balance sheet date) with the same currency and duration as the defined benefit plan on the balance sheet date.

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

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

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

## (XXIII) Income tax

1. Income tax expenses include current and deferred income tax. Income tax is recognized in profit or loss, except when it relates to items recognized in other comprehensive income or recognized directly in equity, in which case it is recognized in other comprehensive income or recognized directly in equity.
2. The Company calculates the current income tax according to the tax rate that has been enacted or has been substantively enacted on the balance sheet date. The management regularly assesses the income tax filing status in accordance with applicable income tax laws and regulations, and, if applicable, estimates income tax liabilities based on the taxes expected to be paid to taxation authorities. For the additional income tax levied on undistributed earnings pursuant to the Income Tax Act, an income tax expense for undistributed earnings will be recognized based on the actual distribution of earnings in the year following the year in which the earnings are generated after the proposal for earnings distribution is passed at the shareholders' meeting.
3. Deferred income tax is recognized based on the temporary difference generated between the tax bases of assets and liabilities and their book values in the parent company only balance sheet using the balance sheet method. The deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. If the

deferred income tax is derived from the initial recognition of assets or liabilities in transactions (excluding business combinations), and the deferred income tax liabilities do not affect either the accounting or the taxable income (tax losses), nor generating equivalent taxable tax and deductible temporary differences, the deferred income tax liabilities are not recognized. If the Company can control the time of reversal of any temporary difference generated from the investment in subsidiaries and the temporary difference is unlikely to be reversed in the foreseeable future, the temporary difference is not recognized. Deferred income tax is subject to the tax rate (and tax law) that has been enacted or substantively enacted on the balance sheet date and is expected to apply when the relevant deferred income tax assets are realized or the deferred income tax liabilities are settled.

4. Deferred income tax assets are recognized to the extent that any temporary difference is likely to be available to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.

(XXIV) Share capital

1. Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or stock warrants, net of income tax, are stated as a deduction from proceeds in equity.
2. When the Company buys back the issued shares, the consideration paid, including any directly attributable incremental cost, is recognized at the net amount after tax as a deduction from shareholders' equity. When the repurchased shares are subsequently reissued, any difference between the consideration received, net of any directly attributable incremental costs and the effect of income tax, and the book value is recognized as an adjustment to shareholders' equity.

(XXV) Dividend distribution

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

(XXVI) Recognition of revenue

- 1 The Company's revenue from the manufacturing and sale of processed softshell turtle food and other related products is recognized when the products are sold to customers. As the time interval between the transfer of the promised goods to the customer and the payment by the customer is less than one year, the Company does not adjust the transaction

price to reflect the time value of money.

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

(XXVII) Government grants

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

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

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

Inventory valuation

Since inventories must be priced at the lower of cost or net realizable value, the Company must use judgments and estimates to determine the net realizable value of the inventories on the balance sheet date. Due to the fierce market competition for related products, the Company assesses the amount of obsolete inventories and inventories without marketable value on the balance sheet date, and writes down the cost of the inventories to net realizable value. Such inventory valuation mainly uses the

demand for products in a specific future period as the estimation basis. Thus, it may undergo significant changes due to rapid changes in the industry.

As of December 31, 2023, the book value of the Company's inventories was \$24,682.

VI. Description of important accounting items

(I) Cash and cash equivalents

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

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

(II) Financial assets measured at amortized cost

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

1. Please refer to Note 6 (19) for the interest revenue from time deposits.
2. Without considering the collateral or other credit enhancements held, for the financial assets measured at amortized cost that best represent the Company, the maximum credit risk exposure as of December 31, 2023 and 2022 amounted to \$3,400 and \$92,470, respectively.
3. The credit quality of the financial institutions that the Company does business with is good, and thus, the probability of default is expected to be very low.

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

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
TWSE and TPEX listed shares - private placement	\$ 72,000	-
Valuation adjustment	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 Company subscribed 10,000 thousand shares of ENSURE GLOBAL CORP., LTD. through private placement, which was not transferable within three years.
3. The Company has not pledged financial assets measured at fair value through profit or loss as collateral.
4. Please refer to Note 12 (2) for the credit risk information of financial assets measured at fair value through profit or loss.

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

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

1. The Company chooses to classify strategic investments and equity instrument investments as financial assets measured at fair value through other comprehensive income. The fair value of such investments as of December 31, 2023 and 2022 was \$115,183 and \$111,202, respectively.
2. The financial assets measured at fair value through other comprehensive income recognized in profit or loss and comprehensive income are detailed as follows:

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

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

(V) Accounts receivable

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

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

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

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\$6,086.
- The Company does not hold any collateral.
- Without considering the collateral or other credit enhancements held, for the notes receivable that best represent the Company, the maximum credit risk exposure as of both December 31, 2022 and 2021 was \$0, respectively; for the accounts receivable that best represent the Company, the maximum credit risk exposure as of December 31, 2022 and 2021 amounted to \$4,577 and \$4,473, respectively.
- For information on the credit risk of relevant notes receivable and accounts receivable, please refer to the description in Note 12(2).

(VI) Inventory

1. The item includes the following:

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

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

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

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

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

(VII) Investments under the equity method

1. Current changes are as follows:

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

2. For information on the Company's subsidiaries, please refer to Note 4 (3) to the Company's

consolidated financial statements for 2023.

3. Part of the Company's investment adopting the equity method is valued based on the financial reports audited by other CPAs appointed by the companies.

(VIII) Property, plant, and equipment

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

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

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

(IX) Lease transactions - Lessee

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

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

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

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

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

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

(X) Investment property

	<u>2023</u>		<u>2022</u>
	<u>Land</u>	<u>Houses and buildings</u>	<u>Total</u>
January 1			
Cost	\$ 31,174	\$ 10,032	\$ 41,206

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

property that generates rental revenue  
in the current period

2. For information on the investment property provided as collateral, please refer to the description in Note 8.
3. As of December 31, 2023 and 2022, the fair value of the investment property held by the Company for generating rental revenue was \$82,441 and \$83,070, respectively. The fair value is derived based on the market transaction price of similar properties in nearby areas. Such valuation uses the market approach and the fair value is a Level 3 fair value.

(XI) Short-term borrowings

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

1. Please refer to the descriptions in Note 6(22) for the Company's interest expenses of bank borrowings recognized in profit and loss.
2. For the collateral for the above-mentioned short-term borrowings, please refer to the descriptions in Note 8.

(XII) Other payables

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

(XIII) Pension

1. Since July 1, 2005, the Company has established a defined contribution plan in accordance with the "Labor Pension Act," which is applicable to the employees of Taiwanese nationality. For employees choosing the labor pension system under the "Labor Pension Act," the Company contributes no less than 6% of their monthly salary to their personal accounts at the Labor Insurance Bureau. The employees may receive monthly pension payments or lump sum payments according to the amount of their pension in their personal pension accounts and the amount of accumulated gains.

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

(XIV) Share capital

1. As of December 31, 2023, the total authorized capital of the Company was \$1,600,000, divided into 160,000 thousand shares (including 24,000 thousand shares reserved for warrants, preferred shares with warrants, or subscription options for corporate bonds with warrants to be exercised). The paid-in capital amounted to \$889,367, with a par value of NT\$10 per share. The payment for the issued shares of the Company has been received. The opening and closing numbers of the Company's outstanding common shares in 2023 and 2022 were the same.
2. With regard to the Company's rights and obligations for privately placed common shares, the Company is subject to the restrictions on the negotiation and transfer of the common shares under the Securities and Exchange Act and may apply for the OTC listing of the common shares after 3 years have elapsed from the delivery date and a supplemental public offering is conducted. All other rights and obligations are the same as those for the other issued common shares. As of December 31, 2023, the Company has privately placed 21,800 thousand shares (including 1,800 thousand shares issued in 2014 and 20,000 thousand shares issued in 2020), for which a supplemental public offering has not been conducted.
3. The Company's board of directors resolved on September 28, 2023 to conduct a cash capital increase by private placement. The purpose of the cash capital increase is to replenish the working capital, repay bank borrowings, and respond to the Company's future development needs. The maximum number of shares privately was 15,000 thousand shares. However, as of January 16, 2024, due to the inconsistency between the eligibility of 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.

(XV) Capital surplus

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

(XVI) Retained earnings

1. If the Company has earnings after finalizing the accounts each year, the Company shall first appropriate 10% of the earnings as legal reserves after paying the profit-seeking enterprise income tax and making up for losses from prior years, unless the legal reserves have reached the amount of the total capital. In addition, after the appropriation or reversal of special reserves according to laws and regulations, the remaining earnings and the undistributed earnings at the beginning of the period are used as the accumulated earnings distributable to shareholders. The Board of Directors drafts a motion for distribution of the earnings and submits it to the shareholders' meeting for resolution. The total amount of shareholders' dividends and bonuses shall be at least 50% of the accumulated distributable earnings, and the cash dividend shall not be less than 10% of the shareholders' dividends and bonuses distributed.
2. Legal reserves shall not be used except for the purpose of making up for the Company's losses and being distributed in new shares or cash to shareholders in proportion to their shareholding, in which case, however, the portion of the legal reserves distributed shall be limited to the legal reserves net of 25% of the paid-in capital.
3. The Company may distribute earnings only after a special reserve is set aside based on the debit balance of other equity items on the balance date in the current year in accordance with laws and regulations. Subsequently, when the debit balance of other equity items is reversed, the amount of the reversal may be included in distributable earnings.
4. The proposal for distributing earnings and making up for losses for 2022 and 2021 was resolved by the shareholders' meetings on June 13, 2023 and June 7, 2022, respectively.
5. The Board of Directors resolved to distribute a dividend of NT\$0.5 per common share on 2023 earnings, for a total dividend of NT\$49,368 (taking into account the capital increase of 9,800 thousand shares by private placement in January 2024), as resolved by the Board of Directors on March 12, 2024.

(XVII) Other equity items

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

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

(XVIII) Operating revenue

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

1. Breakdown of revenue from customer contracts

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

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

2. Contract liabilities

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

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

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	\$ 18	\$ 524

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

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

(XIX) Interest revenue

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

(XX) Other revenue

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

(XXI) Other gains and losses

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

(XXII) Financial cost

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

(XXIII) Additional information on the nature of expenses

	<u>2023</u>		<u>2022</u>
Employee benefit expenses	\$ 55,982		\$ 48,823
Depreciation expense of property, plant and equipment	9,481		10,198
Depreciation expense of investment property, plant and equipment	182		181
Depreciation expense of right-of-use assets	1,770		1,771
Other non-current assets - other amortization expenses	1,888		2,358
	<u>\$ 69,303</u>		<u>\$ 63,331</u>

(XXIV) Employee benefit expenses

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

1. The Company shall distribute 1%-10% of the profit in the current year as the employees' remuneration and no more than 5% as the directors' remuneration, based on the profit performance in the current year. However, if the Company has accumulated losses, such losses should be made up for.
2. The Company estimated the 2023 employees' remuneration for NT\$4,445; and NT\$2,223 for the directors' remuneration, and the aforementioned amounts were accounted as salary expense. A loss before tax was recorded in 2022. Therefore, the remuneration to employees, directors and supervisors was not estimated.

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

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

(XXV) Income tax

1. Income tax (gains) expenses

Components of income tax (gains) expenses

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

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

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

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

	<u>2023</u>		<u>Recognized in other comprehensive income</u>	<u>December 31</u>
	<u>January 1</u>	<u>Recognized in profit or loss</u>		
Deferred income tax assets:				
- Temporary differences:				
Allowance for bad debts	\$ 434	\$ -	\$ -	\$ 434
Inventory valuation loss	5,458	(4,617)	-	841
Investment loss recognized under the overseas equity method	27,746	-	-	27,746
Exchange difference from foreign operations	2,654	-	-	2,654
Others	469	(143)	-	326
- Tax losses	<u>9,936</u>	<u>7,403</u>	<u>-</u>	<u>17,339</u>
	<u>\$ 46,697</u>	<u>\$ 2,643</u>	<u>\$ -</u>	<u>\$ 49,340</u>

	<u>2022</u>		<u>Recognized in other comprehensive income</u>	
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>December 31</u>	<u>December 31</u>
Deferred income tax assets:				
- Temporary differences:				
Allowance for bad debts	\$ 434	\$ -	\$ -	\$ 434
Inventory valuation loss	5,901	( 443)	-	5,458
Investment loss recognized under the overseas equity method	27,746	-	-	27,746
Exchange difference from foreign operations	2,654	-	-	2,654
Others	472	( 3)	-	469
- Tax losses	<u>10,679</u>	<u>( 743)</u>	<u>-</u>	<u>9,936</u>
	<u>\$ 47,886</u>	<u>(\$ 1,189)</u>	<u>\$ -</u>	<u>\$ 46,697</u>

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

<u>December 31, 2023</u>				
<u>Year of occurrence</u>	<u>Amount reported/approved</u>	<u>Amount</u>	<u>Amount yet to be offset</u>	<u>Amount not recognized as deferred income tax assets</u>
2018	Amount approved	\$ 8,155	\$ 3,721	\$ -
2019	Amount approved	1,520	1,520	-
2020	Amount approved	17,294	17,294	-
2021	Amount approved	27,887	27,887	-
2023	Estimated amount reported	<u>37,176</u>	<u>37,176</u>	<u>-</u>
		<u>\$ 92,032</u>	<u>\$ 87,598</u>	<u>\$ -</u>
<u>December 31, 2022</u>				
<u>Year of occurrence</u>	<u>Amount reported/approved</u>	<u>Amount</u>	<u>Amount yet to be offset</u>	<u>Amount not recognized as deferred income tax assets</u>
2018	Amount approved	\$ 8,155	\$ 3,721	\$ -
2019	Amount approved	1,520	1,520	-
2020	Amount approved	17,294	17,294	-
2021	Amount reported	<u>27,143</u>	<u>27,143</u>	<u>-</u>
		<u>\$ 54,112</u>	<u>\$ 49,678</u>	<u>\$ -</u>

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

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

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

(XXVI) Earnings (losses) per share

	<u>2023</u>		
	<u>Amount</u>	<u>Weighted average</u>	<u>Loss per</u>
	<u>after tax</u>	<u>number of outstanding</u>	<u>share (NTD)</u>
		<u>shares (thousand</u>	
		<u>shares)</u>	
<u>Basic earnings per share</u>			
Attributable to the Company's common share holders	<u>\$ 144,146</u>	<u>88,936</u>	<u>\$ 1.62</u>
<u>Diluted earnings per share</u>			
Current net profit attributable to the Company's common stock shareholders	144,146	88,936	
Effect of potentially dilutive common shares on employee's remuneration	<u>-</u>	<u>258</u>	
Current net profit attributable to the Company's common stock shareholders	<u>\$ 144,146</u>	<u>89,194</u>	<u>\$ 1.62</u>

2022

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

(XXVII) Supplementary information on cash flows

1. Investing activities partially involving cash collections and payments:

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

2. Investing activities not affecting cash flows:

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

(XXVIII) Changes in liabilities from financing activities

	<u>January 1, 2023</u>	<u>Changes in cash</u> <u>flow from</u>	<u>Other non-cash</u>	<u>December 31,</u>
	<u>\$ -</u>	<u>financing</u>	<u>changes (Note)</u>	<u>2023</u>
Short-term borrowings	-	\$ 75,000	-	\$ 75,000
Other payables - related parties	-	162,449	-	162,449
Lease liabilities	<u>1,785</u>	<u>( 1,785)</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,785</u>	<u>\$ 235,664</u>	<u>\$ -</u>	<u>\$ 237,449</u>
	<u>January 1, 2022</u>	<u>Cash from</u> <u>financing</u>	<u>Other non-cash</u>	<u>December 31,</u>
	<u>\$ -</u>	<u>Changes in</u>	<u>Change in</u>	<u>2022</u>
	<u>\$ -</u>	<u>flow</u>	<u>(Note)</u>	<u>\$ 1,785</u>
Lease liabilities	<u>\$ -</u>	<u>(\$ 1,756)</u>	<u>\$ 3,541</u>	<u>\$ 1,785</u>

Note: Mainly current additions and lease modifications.

## VII. Transactions with related parties

### (I) Name and relationship of related party

<u>Name of related party</u>	<u>Relationship with the Company</u>
Wisetech Corporation (hereinafter referred to as "Wisetech")	Subsidiary of the Company
Shi Zhang Bio-Technology Co., Ltd.	Subsidiary of the Company
Jia Jie Investment Co., Ltd. (hereinafter referred to as "Jia Jie Investment")	Subsidiary of the Company
Jia Jie Biotech Co., Ltd. (hereinafter referred to as "Jia Jie Biotechnology")	Subsidiary of the Company
Honor Peak Holdings Limited (hereinafter referred to as "Honor")	Subsidiary of Wisetech
Titan Assurance Broker Co., Ltd. (hereinafter referred to as "Titan Insurance")	Subsidiary of Jia Jie Investment
Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Subsidiary of Honor
Xiamen Zengmeinong Biotech Co., Ltd.	Subsidiary of Honor
Dongguan Jia Jie Biotechnology Co., Ltd.	Subsidiary of Honor
Chung Hsiang-Feng	Representative the Company's corporate director (Note 1)
MAW YANG TECHNOLOGY CO., LTD. (hereinafter referred to as "MAW YANG")	The person in charge of the company is a relative within second degree of kinship of a representative the Company's corporate director (Note 1)
NewSoft Technology Corporation (hereinafter referred to as "NewSoft")	The chairman of the company is the Chairman of the Company
OFCO Industrial Corporation (hereinafter referred to as "OFCO")	The chairman of the company is the representative the Company's corporate director
CAMEO COMMUNICATIONS, INC. (hereinafter referred to as "Cameo")	A director of the company is the representative the Company's corporate director
Youshun Investment Co., Ltd. (hereinafter referred to as "Youshun")	A supervisor of the company is the representative the Company's corporate director
Name of related party	Relationship with the Company
Taiwan Steel Group Aerospace Technology Corporation (hereinafter referred to as "TSG Aerospace")	A supervisor of the company is the representative the Company's corporate director
Director of TSG Hawks Baseball Co., Ltd. (hereinafter referred to as "TSG Hawks")	A director of the company is the chairman of the Company

<u>Name of related party</u>	<u>Relationship with the Company</u>
TSG Sports Marketing Co., Ltd. (hereinafter referred to as "TSG Sports")	A director of the company is the representative the Company's corporate director
TSG Transportation Corporation (hereinafter referred to as "TSG Transportation")	A director 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
Chun Yu Works & Co., Ltd. (hereinafter referred to as "Chun Yu Works")	A corporate director of the company is the corporate director of the Company
YUNG FU CO., LTD (hereinafter referred to as "Yung Fu")	A director of the company is the representative the Company's corporate director
E-Top Metal Co., Ltd. (hereinafter referred to as "E-Top Metal")	Substantive related party
TSG Star Travel Corp. (hereinafter referred to as "TSG Star Travel")	A director of the company is the representative the Company's corporate director
UNITED FIBER OPTIC COMMUNICATION INC. (hereinafter referred to as "United Fiber Optic")	A director of the company is an independent director of the Company (Note 2)

Note 1: The corporate director resigned from the Company's director position on July 19, 2022.

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

(II) Significant transactions with related parties

1. Operating revenue

	<u>2023</u>	<u>2022</u>
Sale of goods:		
— Jia Jie Biotechnology	\$ 3,780	\$ 1,289
- NewSoft	1,000	-
- E-Sheng Steel	815	-
- Chun Yu Works	2,277	-
- E-Top Metal	413	-
- United Fiber Optic	1,040	-
- OFCO	703	-
— Others	1,603	-
	<u>\$ 11,631</u>	<u>\$ 1,289</u>

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

## 2. Purchase of goods and services

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

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

## 3. Rental revenue

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

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

## 4. Accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
— Jia Jie Biotechnology	\$ 21	\$ -
- Yung Fu	100	-
	<u>\$ 121</u>	<u>\$ -</u>

## 5. Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
- E-Sheng Steel	108,300	-
- E-Top Metal	54,149	-
	<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	\$ 12,154	\$ 11,608
Post-employment benefits	406	410
	<u>\$ 12,560</u>	<u>\$ 12,018</u>

## VIII. Pledged assets

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

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

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

IX. Significant contingent liabilities and unrecognized contractual commitments

(1) Contingencies

None.

(2) Commitments

None.

X. Significant disaster losses

None.

XI. Significant subsequent events

Please refer to Note 6 (14) for the description regarding the cash capital increase by the Company through private placement.

XII. Others

(I) Capital management

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

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total liabilities	\$ 315,726	\$ 58,223
Total assets	\$ 1,362,596	\$ 956,198
Liabilities to assets ratio	23	6

(II) Financial instruments

1. Types of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 254,100	\$ -
Financial assets measured at fair value through other comprehensive income		
Investment in designated equity instruments	115,183	111,202
Financial assets measured at amortized cost		
Cash and cash equivalents	238,000	72,294
Financial assets measured at amortized cost	-	92,470
Accounts receivable	4,577	4,473
Other receivables	37	13
Refundable deposits	1,222	597
	<u>\$ 613,119</u>	<u>\$ 281,049</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term borrowings	\$ 75,000	\$ -
Accounts payable	11,089	9,969
Other payables (including related parties)	226,239	44,416
Deposits received	211	211
	<u>\$ 312,539</u>	<u>\$ 54,596</u>
Lease liabilities	<u>\$ -</u>	<u>\$ 1,785</u>

## 2. Risk management policies

- (1) The daily operations of the Company are subject to multiple financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.
- (2) For risk management, the Finance Department of the Company is responsible for identifying, assessing and avoiding financial risks through close cooperation with operating units within the Company in accordance with the approved policies. The Company's Finance Department has written principles for the overall risk management and also provides written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-

derivative financial instruments, and investment of residual liquid funds.

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

#### (1) Market risk

##### Exchange rate risk

- A. As the Company operates multinationally, the Company is exposed to the exchange rate risk arising from transactions with currencies (USD in particular) different from the functional currency of the Company. The related exchange rate risk mainly comes from future business transactions and recognized assets and liabilities.
- B. The management of the Company has formulated the policy to manage the exchange rate risk relative to the functional currency and hedge the Company's exposure to the risk.
- C. The Company's business involves several non-functional currencies (the functional currency of the Company is NTD), and thus, is subject to exchange rate fluctuations. Information on the foreign currency assets and liabilities subject to significant exchange rate fluctuations is as follows:

<u>Financial assets</u>	<u>December 31, 2023</u>		
<u>Investments under the equity method</u>	<u>Foreign currency (thousand)</u>	<u>Exchange rate</u>	<u>Book value (NT\$)</u>
USD:NTD	\$ 368	30.71	\$ 11,307

<u>Financial assets</u>	<u>December 31, 2022</u>		
<u>Investments under the equity method</u>	<u>Foreign currency (thousand)</u>	<u>Exchange rate</u>	<u>Book value (NT\$)</u>
USD:NTD	\$ 756	30.71	\$ 23,211

- D. Due to the significant impact of exchange rate fluctuations on the monetary items of the Company in 2023 and 2022, the total amount of exchange gains (losses) (including realized and unrealized) was \$96 and 328, respectively.

##### Price risk

- A. The Company's equity instruments exposed to price risk are financial assets measured at fair value through other comprehensive income.

B. The Company mainly invests in the domestic TWSE/TPEX listed and non-TWSE/TPEX listed shares. The price of these equity instruments is subject to the uncertainty of the future value of the underlying investments. If the price of these equity instruments rose or fell by 1%, with all other factors remaining unchanged, the other comprehensive income in 2023 and 2022, would have been increased or decreased by \$2,541 and \$0, respectively, due to the gains or losses from the equity instruments at FVTPL; for the the other comprehensive income would have been increased or decreased by \$1,152 and \$1,112 due to the rise or fall classified as a gain or loss on equity investments measured at fair value through other comprehensive income.

(2) Credit risk

- A. The credit risk of the Company is the risk of financial losses incurred by the Company due to the failure of customers or counterparties of financial instrument transactions to fulfill their contractual obligations, which mainly comes from the inability of the counterparties to settle the accounts receivable paid according to payment terms.
- B. Only creditworthy banks are accepted as counterparties for transactions. According to the internal credit policy, the Company must manage each new customer and analyze them for credit risk before proposing terms and conditions for payment and delivery with them. Internal risk control is to evaluate the credit quality of customers by considering their financial status, past experience and other factors. The risk limit for individual customers is set by the Board of Directors according to the internal or external rating. The use of their credit limits is also monitored regularly.
- C. The premise/assumption made by the Company based on IFRS 9 is that when a contract payment is more than 90 days overdue pursuant to the agreed payment terms, a default is considered to have occurred.
- D. The Company groups accounts receivable from customers according to the characteristics of trade credit risk and estimates the expected credit losses based on a provision matrix using the simplified method. The Company assesses the credit risk of other receivables individually.
- E. The Company's forward-looking considerations for adjusting the loss rate based on historical and current information in a specific period, to estimate the loss allowance for notes and accounts receivable, the provision matrix for December 31, 2023 and 2022 is as follows:

	Account				Total
	Account age	age	Account age	Account age	
	Within 90 days	91-180 days	181-365 days	More than 366 days	
<u>December 31, 2023</u>					
Expected loss rate	0.1%	1.0%	5.0%	100.0%	
Total book value	\$ 4,598	\$ -	\$ -	\$ -	\$ 4,598
Loss allowance	\$ 21	\$ -	\$ -	\$ -	\$ 21
	Account				Total
	Account age	age	Account age	Account age	
	Within 90 days	91-180 days	181-365 days	More than 366 days	
<u>December 31, 2022</u>					
Expected loss rate	0.1%	1%	5%	100%	
Total book value	\$ 4,486	\$ -	\$ -	\$ -	\$ 4,486
Loss allowance	\$ 13	\$ -	\$ -	\$ -	\$ 13

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

	<u>2023</u>		<u>2022</u>
January 1	\$	13	\$ 17
Provision for impairment loss		8	-
Reversal impairment loss		-	(4)
December 31	<u>\$</u>	<u>21</u>	<u>\$ 13</u>

Out of the loss provided in 2023 and 2022, the impairment gain recognized for receivables arising from customers contracts was \$8 and \$(4), respectively.

### (3) Liquidity risk

- A. The Finance Department of the Company monitors the forecast of the Company's need for liquid funds to ensure that the Company has sufficient funds to meet operating needs and maintain sufficient undrawn loan commitments at all times to prevent the Company from breaching relevant loan limits or covenants. The forecast takes into account the Company's debt financing plan, compliance with debt terms, and achievement of the financial ratio targets on the internal balance sheet.
- B. The Company's Finance Department invests the remaining funds in interest-bearing demand deposits, time deposits, and marketable securities with appropriate due dates or sufficient liquidity to respond to the forecast above and provide adequate liquid resources. As of December 31, 2023 and 2022, the Company's money market positions amounted to \$237,597 and \$71,836, respectively, which were expected to generate cash flows immediately for the

management of liquidity risk.

C. The following table shows the Company's non-derivative financial liabilities and derivative financial liabilities settled on a net basis. They are grouped by relevant maturity dates. The non-derivative financial liabilities are analyzed based on the residual period from the balance sheet date to the contract maturity date, and the derivative financial liabilities are analyzed based on the residual period from the balance sheet date to the expected maturity date. The contractual cash flows disclosed in the table below are the undiscounted amounts.

December 31, 2023				
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities:</u>	<u>Less than 1 year</u>	<u>1~2 years</u>	<u>More than 2 years</u>	<u>Total</u>
Short-term borrowings	\$ 75,127	\$ -	\$ -	\$ 75,127
Accounts payable	11,089	-	-	11,089
Other payables (including related parties)	226,239	-	-	226,239
Deposits received	211	-	-	211
December 31, 2022				
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities:</u>	<u>Less than 1 year</u>	<u>1~2 years</u>	<u>More than 2 years</u>	<u>Total</u>
Accounts payable (including related parties)	\$ 9,969	\$ -	\$ -	\$ 9,969
Other payables	44,416	-	-	44,416
Lease liabilities (including those due within one year)	1,800	-	-	1,800
Deposits received	211	-	-	211

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

(III) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities accessible to the entity on the measurement date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than the quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability. The Company's investment in the private placement of TPEx-listed shares (24.82% at liquidity discount) is within the category.

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

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

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

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

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ -	\$ 254,100	\$ -	\$ 254,100
Financial assets measured at fair value through other comprehensive income				
Equity securities	<u>76,231</u>	<u>-</u>	<u>38,952</u>	<u>115,183</u>
	<u>\$ 76,231</u>	<u>\$ 254,100</u>	<u>\$ 38,952</u>	<u>\$ 369,283</u>

December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through other comprehensive income				
Equity securities	<u>\$ 65,333</u>	<u>\$ -</u>	<u>\$ 45,869</u>	<u>\$ 111,202</u>

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

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

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

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

4. There were no transfers between Level 1 and Level 2 in 2023 and 2022.

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

	<u>2023</u>		<u>2022</u>	
	<u>Derivatives</u>	<u>Equity instruments</u>	<u>Derivatives</u>	<u>Equity instruments</u>
January 1	\$ -	\$ 45,869	\$ -	\$ 47,590
Recognized in other comprehensive income	-	( 6,917)	-	( 1,721)
December 31	<u>\$ -</u>	<u>\$ 38,952</u>	<u>\$ -</u>	<u>\$ 45,869</u>
Changes in unrealized gains or losses from assets and liabilities held at end of period included	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

in profit or loss

6. There was no transfer in or out from Level 3 in 2023 and 2022.
7. The quantitative information of the significant unobservable inputs in the valuation model used for Level 3 fair value measurements and the sensitivity analysis of significant unobservable input changes are as follows:

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

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

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

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

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

### XIII. Notes in disclosures

#### (I) Information on significant transactions

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

#### (II) Information on investees

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

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

1. Basic information: Please refer to Table 5.
2. Significant transactions with investee companies in Mainland China directly or indirectly

through businesses in a third region: None.

(IV) Information on major shareholders

Information on major shareholders: Please refer to Table 6.

XIV. Segment information

Disclosure is not necessary.

Jia Jie Biomedical Co., Ltd.  
Statement of Cash and Cash Equivalents  
December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount
Cash on hand and working capital		\$ 348
Checkable deposits		55
Demand deposits	NTD deposits	234,522
	Deposits in foreign currencies (USD89 thousand, exchange rate 30.705)	2,814
	(JPY1,191 thousand, exchange rate 0.2172)	261
		<u>\$ 238,000</u>

Jia Jie Biomedical Co., Ltd.  
Statement of Financial Assets at FVTPL - Non-current  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Name	Opening		Increase in the current period		Decrease in the current period		Valuation adjustment for the period	Closing		Provision as collateral or pledge	Remarks
	Shares in thousands	Fair value	Shares in thousands	Amount	Shares in thousands	Amount		Shares in thousands	Fair value		
TWSE and TPEx listed shares - private placement	-										
ENSURE INTERNATIONAL CO., LTD.	-	\$ -	10,000	\$ 72,000	-	\$ -	\$ 182,100	10,000	\$ 254,100	None	

Note: Please refer to Note 6 (2) for the description of financial assets measured at FVTPL - non-current.

Jia Jie Biomedical Co., Ltd.  
Statement of Financial Assets Measured at Fair Value through Comprehensive Income - Non-current  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

<u>Name</u>	<u>Opening</u>		<u>Increase in the current period</u>		<u>Decrease in the current period</u>		<u>Closing</u>		<u>Provision as collateral or pledge</u>	<u>Remarks</u>
	<u>Shares in thousands</u>	<u>Book value</u>	<u>Shares in thousands</u>	<u>Book value</u>	<u>Shares in thousands</u>	<u>Book value</u>	<u>Shares in thousands</u>	<u>Book value</u>		
Choice Publishing Co., Ltd.	300	\$ -	-	\$ -	-	\$ -	300	\$ -	None	
AlfaPlus Semiconductor Inc.	264	-	-	-	-	-	264	-	None	
FM International Inc.	2,449	45,869	-	-	-	(6,917)	2,449	38,952	None	
Shuo Rong Tai Xing IoT Technology Co., Ltd.	500	-	-	-	-	-	500	-	None	
TAIWAN JUIJANG BIOTECHNOLOGY CO., LTD.	20	-	-	-	-	-	20	-	None	
Taiwan Styrene Monomer Corporation	435	5,873	-	935	-	-	435	6,808	None	
OFCO Industrial Corporation	1,000	24,750	-	1,150	-	-	1,000	25,900	None	
TMP Steel Corporation	1,546	34,710	-	8,813	-	-	1,546	43,523	None	
		<u>\$ 111,202</u>		<u>\$ 10,898</u>		<u>(\$ 6,917)</u>		<u>\$ 115,183</u>		

Jia Jie Biomedical Co., Ltd.  
Statement of Changes in Investments under the Equity Method  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Name	Opening balance		Increase in the current period		Decrease for the current period (Note)		Closing balance		Shareholding percentage	Market price or net equity value		Provision as collateral or pledge
	Shares in thousands	Amount	Shares in thousands	Amount	Shares in thousands	Amount	Shares in thousands	Amount		Unit price	Total price	
Wisetech Corporation	11,890	\$ 23,211	-	\$ -	-	(\$ 11,904)	11,890	-	\$ 11,307	0.95	\$ 11,307	None
Jia Jie Investment Co., Ltd.	5,763	41,269	9,700	100,597	-	-	15,463	-	141,866	9.17	141,866	None
Shi Zhang Bio-Technology Co., Ltd.	2,000	2,358	-	-	-	( 2,152)	2,000	-	206	0.10	206	None
Jia Jie Biotechnology co., Ltd.	5,000	37,158	5,000	50,000	-	( 51,774)	10,000	-	35,384	3.54	35,384	None
		<u>\$ 103,996</u>		<u>\$ 150,597</u>		<u>(\$ 65,830)</u>			<u>\$ 188,763</u>		<u>\$188,763</u>	

Note: The decrease in the current period was due to the investment loss recognized and cumulative translation adjustments.

Jia Jie Biomedical Co., Ltd.  
Statement of Changes in the Cost of Property, Plant and Equipment  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Opening balance</u>	<u>Increase in the current period</u>	<u>Decrease in the current period</u>	<u>Transfer in in the current period</u>	<u>Closing balance</u>	<u>Provision as collateral or pledge</u>	<u>Remarks</u>
Land	\$ 171,759	\$ 357	\$ -	\$ -	\$ 172,116		Note
Houses and buildings	377,586	1,921	-	-	379,507		Note
Machinery and equipment	19,206	120	-	-	19,326		None
Transportation equipment	2,917	-	-	-	2,917		None
Office equipment	25,594	675	( 15,174 )	624	11,719		None
Other equipment	26,722	5,294	( 5,723 )	-	26,293		None
	<u>\$ 623,784</u>	<u>\$ 8,367</u>	<u>(\$ 20,897)</u>	<u>\$ 624</u>	<u>\$ 611,878</u>		

Note: Please refer to Note 8 - Pledged assets.

Jia Jie Biomedical Co., Ltd.  
Statement of Changes in Accumulated Depreciation of Property, Plant and Equipment  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Opening balance	Increase in the current period	Decrease in the current period	Transfer in the current period	Closing balance	Remarks
Houses and buildings	\$ 124,018	\$ 6,251	\$ -	\$ -	\$ 130,269	Note
Machinery and equipment	17,101	596	-	-	17,697	Note
Transportation equipment	889	393	-	-	1,282	Note
Office equipment	21,729	984	(15,028)	-	7,685	Note
Other equipment	22,709	1,257	(5,708)	-	18,258	Note
	<u>\$ 186,446</u>	<u>\$ 9,481</u>	<u>(\$ 20,736)</u>	<u>\$ -</u>	<u>\$ 175,191</u>	

Note: For the depreciation method and useful lives, please refer to the description in Note 4(14).

Jia Jie Biomedical Co., Ltd.  
Statement of short-term borrowings  
December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Type of loan	Term of contract	Interest rate range	Financing limit	Closing balance	Pledged or secured
Secured bank borrowings	December 29, 2023 - January 29, 2024	2.19%	\$ 100,000	\$ 40,000	Note
Secured bank borrowings	December 29, 2023 - January 29, 2024	2.06%	60,000	35,000	Note
				<u>\$ 75,000</u>	

Note: Please refer to Note 8 - Pledged assets.

Jia Jie Biomedical Co., Ltd.  
Statement of Operating Revenue  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Quantity	Amount	Remarks
Sales revenue			
Softshell Turtle Essence	52,808 bottles	\$ 145,072	
Remain Young	40,696 bottles	67,196	
Terrapin Capsules	23,181 bottles	9,944	
Jia Xian Lactic Acid Bacteria with Spores	13,659 boxes	6,089	
Jia Yong Yong Caplets	6,753 bottles	11,910	
Others	Note	36,152	
		276,363	
Other operating revenue		467	
Sales allowances and returns		( 4)	13,34
Net sales		<u>\$</u> <u>263,486</u>	

Note: Not disclosed due to different units of measurement.

Jia Jie Biomedical Co., Ltd.  
Statement of Operating Costs  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Amount	Remarks
Raw materials, opening	\$ 5,728	
Plus: Materials purchased in the current period	30,552	
Less: Sale of raw materials	( 794)	
Gains on raw material inventory	( 84)	
Raw materials, closing	( 7,545)	
Raw material consumption in the current period	27,857	
Direct labor	2,428	
Manufacturing overhead	9,563	
Manufacturing cost	39,848	
Work in process, opening	1,290	
Plus: Picked goods put into process	( 230)	
Less: Transferred to expense	( 20)	
Work in process, closing	( 3,482)	
Cost of finished goods	37,406	
Finished goods, opening	7,037	
Plus: Commission cost	74,246	
Less: Transferred to expense	( 6,683)	
Finished good inventory loss	20	
Finished goods, closing	( 5,799)	
Cost of production and sales	106,227	
Goods, opening	39,863	
Plus: Current purchase	24,598	
Commission cost	28,364	
Less: Goods, closing	( 12,066)	
Transferred to expense	( 2,728)	
Cost of purchase and sales	78,031	
Cost of sales	184,258	
Gain on inventory value recovery	( 23,083)	
Inventory gain/loss	( 16)	
Other operating costs	18,820	
Operating cost	<u>\$ 179,979</u>	

Jia Jie Biomedical Co., Ltd.  
Statement of Sales and Marketing Expenses  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Remarks
Salary expense	Including salaries, overtime and pensions	\$ 14,035	
Handling fee		2,840	
Depreciation		8,365	
Advertising expense		5,564	
Utility bill		2,322	
Others		11,135	The balance of each account does not exceed 5% of the amount of the account
		<u>\$ 44,261</u>	

Jia Jie Biomedical Co., Ltd.  
Statement of Administrative Expenses  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Remarks
Salary expense	Including salaries, overtime and pensions	\$ 24,262	
Service expense		4,657	
Other expenses		-	
Others		18,962	The balance of each account does not exceed 5% of the amount of the account
		<u>\$ 47,881</u>	

Jia Jie Biomedical Co., Ltd.  
Statement of R&D Expenses  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount	Remarks
Salary expense	Including salaries, overtime and pensions	\$ 4,555	
Amortizations		1,044	
Others		3,725	The balance of each account does not exceed 5% of the amount of the account
		<u>\$ 9,324</u>	

Jia Jie Biomedical Co., Ltd.  
Schedule of Employee Benefits, Depreciation, Depletion and Amortization Expenses Incurred in the Current Period, by Function  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Nature	Function	2023			2022			
		Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total	
Employee benefit expenses								
Salary expense		\$ 7,851	\$ 40,306	\$ 48,157	\$ 8,055	\$ 33,490	\$ 41,545	
Labor and health insurance expenses		970	3,380	4,350	944	3,316	4,260	
Pension expense		453	1,656	2,109	443	1,639	2,082	
Directors' remuneration		-	890	890	-	450	450	
Other employee benefit expenses		124	352	476	123	363	486	
Depreciation expense		1,571	9,862	11,433	1,698	10,452	12,150	
Amortization expense		4	1,884	1,888	8	2,350	2,358	
Total		\$ 10,973	\$ 58,330	\$ 69,303	\$ 11,271	\$ 52,060	\$ 63,331	

Note:

1. The number of employees in the current year and the previous year was 64 and 65 , respectively, and the number of directors who were not employees was 7 and 5.
- 2.(1) The average employee benefit expense in the current year was \$967; the average employee benefit expense in the previous year was \$806.

Jia Jie Biomedical Co., Ltd.  
Schedule of Employee Benefits, Depreciation, Depletion and Amortization Expenses Incurred in the Current Period, by Function  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

- (2) The average employee salary expense in the current year was \$845; the average employee salary expense in the previous year was \$693.
- (3) Adjustment and change in the average employee salary expense was 22%.
- (4) The remuneration of supervisors in both the current year and the previous year was 0. The reason was that the Company established the Audit Committee and did not pay the supervisors' remuneration.

Jia Jie Biomedical Co., Ltd.

Statement of Employee Benefits, Depreciation, Depletion and Amortization Expenses Incurred in the Current Period, by Function (continued)  
January 1, to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

(5) The remuneration policy of the Company (for directors, managerial officers, and employees) is described as follows:

A. Directors' remuneration:

- (A) Fixed remuneration: Based on the resolution of the Remuneration Committee/Board of Directors of the Company, an independent director may receive a travel allowance of NT\$10,000 for each attendance at the Company's board meeting or Audit Committee meeting or for each attendance at the Company's shareholders' meeting as a non-voting participant;
- (B) Non-fixed remuneration: Pursuant to Article 21 of the Company's Articles of Incorporation, the Company shall distribute no more than 5% of the profit in the current year as the directors' remuneration based on the profit performance in the year. However, the Company shall make up for any accumulated losses.

B. Managerial officers and employees' remuneration:

- (A) Fixed remuneration: The Company's current remuneration to managerial officers and employees is equal to 12 months of salary;
- (B) Variable remuneration: According to the Company's principle of year-end bonuses to managerial officers, as resolved by the Remuneration Committee/Board of Directors of the Company, and with reference to the operating conditions of the year, the operations and profits of each units (for the pre-provision of bonus each month), and the positions taken and responsibility assumed by each managerial officers (including directors who are concurrent managerial officers), the amounts are adjusted.

According to Article 21 of the Company's Articles of Incorporation, the Company shall distribute 1% to 10% of the profit in the current year as the employees' remuneration based on the profit performance in the year. However, the Company shall make up for any accumulated losses.

Jia Jie Biomedical Co., Ltd.

Loaning of Funds to Others

January 1 to December 31, 2023

Table 1

Unit: In Thousands of New Taiwan Dollars

(unless otherwise stated)

<u>No.</u>	<u>Lending company</u>	<u>Borrower</u>	<u>Account</u>	<u>Related party</u>	<u>Current maximum</u>		<u>Amount used</u>	<u>Interest rate range</u>	<u>Nature of loaning of funds</u>	<u>Amount of business transactions</u>	<u>Reasons for the need for short-term financing</u>	<u>Amount of allowance for bad debts</u>		<u>Collateral</u>		<u>Limit on funds loaned</u>		<u>Remarks</u>
					<u>amount</u>	<u>Closing balance</u>						<u>Name</u>	<u>Value</u>	<u>to individual borrowers</u>	<u>Limit on total funds loaned</u>			
0	Jia Jie Biomedical Co., Ltd.	Taiwan Juijang Biotechnology Co., Ltd.	Other receivables	No	\$ 1,769	\$ -	\$ -	-	Business dealings	\$ 6,233	-	\$ -	None	\$ -	\$ 90,928	\$ 181,856	-	
1	Dongguan Jia Jie Biotechnology Co., Ltd.	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Other receivables	Yes	\$ 4,757	\$ 4,757	2,741	-	Short-term financing	-	Operating turnover	-	None	-	\$ 10,071	\$ 10,071	-	

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

(1) 0 is reserved for the issuer.

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

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

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

Note 4: Translated into NTD at the CNY-NTD exchange rate of 4.32 on the financial statement date.

Jia Jie Biomedical Co., Ltd.

Marketable Securities Held at the End of the Period (excluding investments in subsidiaries, associates, and jointly controlled companies)

December 31, 2023

Table 2

Unit: In Thousands of New Taiwan Dollars

(unless otherwise stated)

<u>Holding company</u>	<u>Type and name of marketable securities</u>	<u>Relationship with the issuer of marketable securities</u>	<u>Account</u>	<u>Shares</u>	<u>Book value</u>	<u>Closing</u>		<u>Remarks</u>
						<u>Shareholding percentage</u>	<u>Fair value</u>	
Jia Jie Biotechnology co., Ltd.	AlfaPlus Semiconductor Inc. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	263,529	\$ -	0.76	\$ -	
Jia Jie Biotechnology co., Ltd.	Choice Publishing Co., Ltd. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	300,000	-	9.04	-	
Jia Jie Biotechnology co., Ltd.	FM International Inc.(stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	2,448,572	38,952	18.64	38,952	
Jia Jie Biotechnology co., Ltd.	Shuo Rong Tai Xing IoT Technology Co., Ltd. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	500,000	-	1.25	-	
Jia Jie Biotechnology co., Ltd.	TAIWAN JUIJANG BIOTECHNOLOGY CO., LTD. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	20,000	-	4.82	-	
Jia Jie Biotechnology co., Ltd.	Taiwan Styrene Monomer Corporation (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	435,000	6,808	0.08	6,808	
Jia Jie Biotechnology co., Ltd.	OFCO Industrial Corp. (stock)	The chairman of the company is the representative the Company's corporate director	Financial assets measured at fair value through other comprehensive income - non-current	1,000,000	25,900	1.01	25,900	
Jia Jie Biotechnology co., Ltd.	TMP Steel Corporation (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	1,546,108	43,523	2.25	43,523	
Jia Jie Biotechnology co., Ltd.	ENSURE GLOBAL CORP., LTD. (stock)	None	Non-current financial assets at fair value through profit or loss	10,000,000	254,100	6.32	254,100	
Taiwan Ding Insurance Brokers Co., Ltd.	Hua Nan Financial Holdings Co., Ltd. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	72,504	1,619	0.29	1,619	

Jia Jie Biomedical Co., Ltd.

Business Relationship, Important Transactions and Transaction Amounts between the Parent Company and Its Subsidiaries and between the Subsidiaries

January 1 to December 31, 2023

Unit: In Thousands of New Taiwan Dollars

Table 3  
Transactions between the parent company and its subsidiaries and between the subsidiaries with an amount of NT\$1 million or more are as follows:

(unless otherwise stated)

<u>No. (Note 1)</u>	<u>Name of trader</u>	<u>Counterparty</u>	<u>Relationship with the counterparty (Note 2)</u>	<u>Account</u>	<u>Amount</u>	<u>Transaction</u>		<u>As a percentage of total consolidated revenue or total consolidated assets (Note 3)</u>
						<u>Transaction terms</u>		
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, if the parent company has disclosed the transactions with its subsidiaries, the subsidiaries are not required to repeat the disclosure; if a subsidiary has disclosed the transactions with another subsidiary, the latter is not required to repeat the disclosure):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

Jia Jie Biomedical Co., Ltd.

Name, Location and Other Information of Investee Companies (excluding those in Mainland China)

January 1 to December 31, 2023

Table 4

Unit: In Thousands of New Taiwan Dollars

(unless otherwise stated)

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

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

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

Jia Jie Biomedical Co., Ltd.  
Information on Investment in Mainland China - Basic Information  
January 1 to December 31, 2023

Table 5

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

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

Company name	Accumulated investment amount remitted from Taiwan to Mainland China by the end of the current period (Notes 4, 6)	Investment amount approved by the Investment Commission. MOEA (Notes 4, 6)	Limit on investment in Mainland China as specified by the Investment Commission. MOEA (Note 5)
--------------	--	--	--

Jia Jie Biotechnology co., Ltd.                    \$    274,472        \$    302,853        \$    642,132

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

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

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

Note 3: Relevant figures in this table should be stated in NTD. Except for the current profit and loss, which was translated at the average exchange rate of 31.155 between January 1 and December 31, 2023, all figures were translated at the exchange rate of 30.705 on December 31, 2023.

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

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

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

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

Table 6

<u>Name of major shareholder</u>	<u>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%