



加捷生醫股份有限公司

JIA JIE Biomedical Co., LTD.

2022

Annual Report

Published on April 15, 2023

Website disclosing the annual report:

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

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

I. Spokesperson and acting spokesperson

Spokesperson: Lin, Ching-Hung
Title: Vice President of Sales Department
Contact No.: (07)976-1598
E-mail: angelin@jjajiebio.com

Acting Spokesperson: Shi, Mei-Hsiu
Title: Vice Manager of Sales Department
Contact No.: (07)976-1598#321
E-mail: candy@jjajiebio.com

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

1. Headquarters

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

2. Branches

(1) Kaohsiung Branch

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

(2) Tainan Branch

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

(3) Taichung Branch

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

(4) Taipei Branch

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

(5) Hualien Branch

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

(6) Taoyuan Branch

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

(7) Research and Training Center

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

3. Factory

(1) Kaohsiung Factory

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

(2) Meinong Factory

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

III. Share Administration Agency

Name: Yuanta Securities Co., Ltd (Shareholder Service Agency Department)
Address: B1, No. 210, Sec. 1, Chengde Rd., Datong Dist., Taipei City
Telephone:(02)2586-5859
Website: <http://www.yuanta.com.tw>

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

Attesting CPAs: Liao, A-Shen and Wang, Kuo-Hua
CPA's firm: PricewaterhouseCoopers, Taiwan (PwC Taiwan)
Address: 22F., No. 95, Minzu 2nd Rd., Xinxing Dist., Kaohsiung City

Telephone:(07)237-3116

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

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

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

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II. For private placement of marketable securities in the most recent year and the current year up to the date of publication of this Annual Report, the date and amount of approval by the shareholders' meeting or the Board of Directors, the basis and reasonableness of the price determination, the method of selecting specific person, the reasons for the private placement, the target of the private placement, the eligibility criteria, the number of subscriptions, relationship with the Company, participation in the operations of the Company, actual subscription (or exchange) price, difference between actual subscription (or exchange) price and reference price, effect of private placement on shareholders' equity, the use of funds from the private placement of marketable securities and the progress of implementation of the plan from the time the share price are fully paid until the completion of the plan, should be disclosed: None	281
III. Holding or disposal of the Company's shares by its subsidiaries in the most recent year and up to the publication date of the annual report: None.	281
IV. Other supplementary information: None.	281
Nine. Any of the circumstances listed in subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act, which may materially affect shareholders' interest or the price of the Company's securities, that have occurred in the most recent year and up to the publication date of the annual report shall be set out: None.	281

One. Letter to Shareholders

Dear Shareholders,

The post-pandemic era has finally arrived after being widely spread since 2021, causing significant impact on the global economy, severely affecting industrial operations. In this pandemic era, the global political and economic environment is changing rapidly, as well as business operations. In recent years, the acceleration of global digitalization has resulted in significant changes in consumers' purchasing behaviors, after the COVID-19 outbreak in particular. Companies around the world have accelerated their own digitization progress, and Taiwan is no exception. With the thriving development of the digital network era, the single marketing method familiar to consumers in the past will no longer work, but marketing strategies from multiple directions and channels.

The Company will continue to exert its core concept of a learning organization, flexibly adjust its strategic layout, and respond to operational policies, while optimizing the organizational structure, to further improve operational efficiency, and map out development trends. By doing this, the Company will be able to successfully meet its next growth target.

I. 2022 business results:

(I) Implementation achievements of the business plan

Unit: NT\$ Thousand; %

Item	Group		Increase (decrease) change	
	2022	2021	Amount	Proportion
Operating revenue	317,716	242,481	75,235	31
Operating cost	(201,208)	(158,711)	42,497	27
Gross profit	116,508	83,770	32,738	39
Operating expenses	(130,190)	(84,700)	45,490	(54)
Operating profit	(13,682)	(930)	(12,751)	1,371
Non-operating income and expenses	9,002	6,220	2,782	45

Net income before tax	(4,680)	5,290	(9,970)	(188)
Net profit after tax	(6,443)	5,099	(11,542)	(226)

(II) Budget execution: Not applicable as the Company did not prepare financial forecasts for 2022.

(III) Analysis of financial income and expenses and profitability

1. Analysis of financial income and expenses:

Unit: In Thousands of New Taiwan Dollars

Item		2022	2021
Financial income and expenses	Operating revenue	317,716	242,481
	Gross profit	116,508	83,770
	Net profit after tax	(6,443)	5,099

2. Analysis of profitability:

Unit: In New Taiwan Dollars; %

Item		2022	2021
Profitability	Return on assets	(0.63)	0.54
	Return on equity	(0.69)	0.58
	Pre-tax net profit as a percentage of paid-in capital	(0.53)	0.62
	Net profit margin	(2.03)	2.20
	Earnings per share (NTD)	(0.06)	0.06

(IV) Research and development

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

Unit: In Thousands of

New Taiwan Dollars

Item	Year	2022	2021
	R&D expenses		8,935	3,608

2. Future research and development plans:

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

- (4) Work with the new e-commerce marketing platform to develop diversified and daily health food.

II. Summary of the 2023 business plan:

(I) Business policy

- Continue to improve the efficiency of internal administration and organization
- Strengthen the brand and professional certification of main products, and expand product diversity to enhance competitiveness.
- Improve brand image management and strengthen brand belief
- Concentrate on our own business and improve operational performance

(II) Important production and sales policies

1. Sales strategy

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

2. Production policy

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

(III) Expected sales volume and basis

Not applicable as the Company did not announce its financial forecasts for 2022.

III. Future development strategies of the Company

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

The Company also continues to deepen organizational promotion, organizes career seminars and health seminars on a regular basis, and enhances the quality of operators

and market competitiveness. Through intensive education and training, the Company aims to create business opportunities in the health industry and quality lifestyles.

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

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

This year, the international economy was affected by the war between Russia and Ukraine, which caused the prices of energy, raw materials and grains to rise and global inflation to deteriorate. As a result, the Federal Reserve of the United States was forced to adopt a series of interest rate hike policies, which in turn affected the central banks of many countries as they had to follow suit. As for the domestic market, consumption performance was weaker than expected due to rising commodity prices, drastic corrections in the financial market, and the escalation of the pandemic situation in Taiwan.

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

In 2021, there were 347 MLM businesses, 33 more than in 2020. In terms of the number of distributors, at the end of 2021, there were 3,648,700 distributors, an increase of 159,600 distributors or 4.57% from the end of 2020. The total business scale of Taiwan's businesses was adjusted by the CPI to NT\$102.419 billion, which represented an increase of NT\$4.41 billion or 4.50% from NT\$98.009 billion in 2020.

From 2002 to 2021, the overall sales volume of the MLM businesses rose, with the first wave peaking in 2004 and 2005 at approximately NT\$68.3 billion, followed by a sharp decline, and then increased year by year since 2008, exceeding NT\$60 billion, NT\$70 billion, and NT\$80 billion in 2010, 2013, and 2015, respectively. Total revenue in 2016 grew by NT\$88.12 billion, or nearly 10%, followed by a slight growth of 0.57% in 2017 and a decline of 6.31% in 2018. Total revenue in 2019 grew by another 13% to exceed NT\$90 billion, while it grew slightly in 2020, and in 2021 total revenue exceeded NT\$100 billion for the first time.

Most of the research institutions and scholars have been "very pessimistic" about the global economy and Taiwan's economy from the fourth quarter of 2022 to next year. Taiwan certainly cannot stay away from the world's economic downturn. Under the pessimistic outlook of the overall economic environment, the only way to survive the adversity is to strengthen our competitiveness and improve the quality of our services. By working together hand in hand, we hope to overcome this challenge.

We hereby report

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

Jia Jie Biomedical Co., Ltd.

Chairman: Chen, He-Shun, Representative of Jin-Zhi-Hong Investment Co., Ltd.



Two. Company Profile

(I) Date of incorporation: May 6, 1995

(II) Company history

May 1995: The Company was approved for the incorporation registration, and obtained the permit from the MOEA, with the paid-in capital of NT\$16,000 thousand.

August 1996: The Kaohsiung and Tainan Offices were established.

January 1997: To extend the services to distributors in Taichung and Taipei areas, the Offices were established in Taichung and Taipei respectively at the beginning of the year.

October 1997: Won the “Taiwan Golden Product Award” from the “Enterprises Association of Economics and Trading, ROC.”

December 1997: Passed the certification of ISO 9002 International quality management standards.

March 1998: Won the “Golden Medal Award” in the evaluation organized by the Association of Consumers.

April 1998: Entered a contract officially with “Koyo Sha Co., Ltd.” famous for its “cold extraction health method,” and introduced the main product of “cold extraction health method” promoted in Japan for many years, Pine Hisens, and the product of softshell turtle egg, Remain Young, which created many health miracles, and sold the products in Taiwan.

May 1998: The Kaohsiung Factory entered the stage of completion, and committed to producing and packaging the main product, “Softshell Turtle Essence-P.”

November 1998: Conducted a capital increase in cash and the paid-in capital became NT\$76,000 thousand after the capital increase.

September 1999: Convened a shareholders’ meeting to resolve the capital decrease for NT\$18,240 thousand to compensate the losses from the previous years, and a capital increase in cash for NT\$72,620 thousand to repay the long-term loans for purchases of offices in Taipei, Taichung, and Tainan, while replenishing the working capital. The paid-in capital was NT\$130,380 thousand.

January 2000: Retroactive handling of public issuance, and the MOF and the Securities and Futures Management Commission approved the offering of common shares; the paid-in capital was NT\$130,380 thousand.

May 2000: Approved the capitalization of earnings for NT\$10,539 thousand, and the paid-in capital became NT\$140,919 thousand after the capital increase.

December 2000: Purchased the lands and buildings for Meinong Factory, as the

venue to produce products, and purchase of additional Tainan Office as the venue to sell goods.

March 2001: To process business faster, it was applied for the establishment of branches, and changed the names of Taipei, Taichung and Tainan Offices to Taipei, Taichung and Tainan Branches.

May 2001: The regular shareholders' meeting approved the capitalization of undistributed earnings for NT\$7,751 thousand, and the paid-in capital became NT\$148,670 thousand after the capital increase.

November 2001: The special shareholders' meeting approved a cash capital increase for NT\$43,725 thousand, and amended the Articles of Incorporation. The approved capital was NT\$250,000 thousand, and the paid-in capital was NT\$192,395 thousand.

January 2002: Approved to apply for listing as an emerging stock, and purchased the Hualien Office to establish the Hualien Branch.

April 2002: The shares were approved to be listed on Taipei Exchange, and the Hualien Branch was established.

June 2002: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$18,278 thousand, and the paid-in capital became NT\$211,256 thousand after the capital increase.

August 2002: The shares were officially listed on Taipei Exchange, under the biochemical and technology sector, the stock code was 4109.

September 2002: The Board decided to spend NT\$250 million to build the Jia Jie R&D and Training Center.

May 2003: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$49,050 thousand, and the paid-in capital became NT\$260,305 thousand after the capital increase.

July 2003: The secured convertible corporate bonds of NT\$200 million were issued, and approved to be listed on Taipei Exchange, code was 41091.

September 2003: Passed the certification of ISO 9001 International quality management system standards.

November 2003: The construction of Jia Jie R&D Training Center officially started.

May 2004: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$64,417 thousand, and the paid-in capital became NT\$359,244 thousand after the capital increase.

July 2004: Established the Wugu Branch.

September 2004: The board of directors resolved to repurchase the Company's shares, for a total of 480 thousand shares, and the change registration was completed in March 2005.

March 2005: The treasury shares of 480 thousand shares were cancelled, and the paid-in capital became NT\$385,146 thousand after the cancellation.

April 2005: The board of directors resolved to repurchase the Company's shares, for a total of 696 thousand shares, and the change registration was completed in October 2005.

June 2005: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$19,447 thousand, and distribution of cash dividends for NT\$38,893 thousand; the paid-in capital became NT\$410,673 thousand after the capital increase.

July 2005: The board of directors resolved to repurchase the Company's shares, for a total of 978 thousand shares, and the change registration was completed in October 2005.

October 2005: The treasury shares of 1,674 thousand shares were cancelled, and the paid-in capital became NT\$393,933 thousand after the cancellation.

November 2005: ISO 22000 and HACCP international food safety management system certification were obtained.

December 2005: Jia Jie R&D Training Center was completed.

March 2006: The main product, "Softshell Turtle Essence-P" obtained the GMP certification for food.

June 2006: The shareholders' meeting approved to distribute cash dividends for NT\$39,583 thousand.

June 2006: The board of directors resolved to repurchase the Company's shares, for a total of 844 thousand shares, and the change registration was completed in October 2006.

October 2006: The treasury shares of 844 thousand shares were cancelled, and the paid-in capital became NT\$401,962 thousand after the cancellation.

June 2007: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$52,954 thousand, and capitalization of capital reserve for NT\$15,011 thousand; the paid-in capital became NT\$436,901 thousand after the capital increase, and the change registration was completed in October 2007.

February 2008: Established the Hsinchu Branch.

June 2008: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$34,952 thousand, and capitalization of capital reserve for NT\$13,107 thousand; the paid-in capital became NT\$450,008 thousand after the capital increase, and the change registration was completed in September 2008.

September 2008: The board of directors resolved to repurchase the Company's shares, for a total of 659 thousand shares, and the change registration was completed in February 2009.

2008: Won the Golden Award of National Quality Assurance.

November 2008: The board of directors resolved to repurchase the Company's

shares, for a total of 326 thousand shares, and the change registration was completed in April 2009.

January 2009: The board of directors resolved to repurchase the Company's shares, for a total of 75 thousand shares, and the change registration was completed in April 2009.

February 2009: The treasury shares of 659 thousand shares were cancelled; the paid-in capital became NT\$443,418 thousand after the cancellation, and the change registration was completed in February 2009.

April 2009: The treasury shares of 401 thousand shares were cancelled; the paid-in capital became NT\$439,408 thousand after the cancellation, and the change registration was completed in April 2009.

June 2009: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$21,970 thousand, and capitalization of capital reserve for NT\$8,788 thousand; the paid-in capital became NT\$448,196 thousand after the capital increase, and the change registration was completed in October 2009.

June 2010: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$22,410 thousand, and capitalization of capital reserve for NT\$13,446 thousand; the paid-in capital became NT\$461,642 thousand after the capital increase, and the change registration was completed in October 2010.

December 2010: The secured convertible corporate bonds of NT\$210 million were issued, and approved to be listed on Taipei Exchange, code was 41092.

June 2011: The shareholders' meeting approved the capitalization of capital reserve for NT\$29,652 thousand; the paid-in capital became NT\$532,390 thousand after the capital increase, and the change registration was completed in October 2011.

November 2011: Won the "Golden Rudder Award" from the "Enterprise Management Association of National Cheng Kung University."

December 2011: The treasury shares of 2,460 thousand shares were cancelled, and the paid-in capital became NT\$507,790 thousand after the cancellation. The change registration was completed in January 2012.

June 2012: The shareholders' meeting approved the capitalization of capital reserve for NT\$40,623 thousand; the paid-in capital became NT\$548,413 thousand after the capital increase, and the change registration was completed in October 2012.

May 2013: Established the Zhonghe Branch.

June 2013: The shareholders' meeting approved the capitalization of capital reserve for NT\$21,937 thousand; the paid-in capital became NT\$573,715 thousand after the capital increase, and the change registration was

- completed in October 2013.
- October 2013: A private placement was conducted to issue new shares for NT\$50,000 thousand; the paid-in capital became NT\$623,715 thousand after the capital increase, and the change registration was completed in October 2013.
- November 2013: The special shareholders' meeting approved to rename the Company as "Murad Jia Jie Biotechnology Co., Ltd. The rename registration was completed at the end of the same month. In February 2014, the renamed shares were officially listed on Taipei Exchange; the shares' shortened name is Murad, and the stock code 4109 is maintained.
- March 2014: The abolishment registration of the Wugu Branch was completed in April 2014.
- April 2014: A private placement was conducted to issue new shares for NT\$18,000 thousand; the paid-in capital became NT\$679,980 thousand after the capital increase, and the change registration was completed in May 2014.
- June 2014: The shareholders' meeting approved the capitalization of capital reserve for NT\$26,479 thousand; the paid-in capital became NT\$706,459 thousand after the capital increase, and the change registration was completed in October 2014.
- August 2014: Won the "Quality Sustainability Award" from SGS.
- February 2015: The secured convertible corporate bonds of NT\$250 million were issued, and approved to be listed on Taipei Exchange, code was 41093.
- June 2015: The shareholders' meeting approved the capitalization of capital reserve for NT\$28,663 thousand; the paid-in capital became NT\$745,235 thousand after the capital increase, and the change registration was completed in October 2015.
- April 2016: The Taoyuan Branch, Hsinchu Mingzu Road Branch, Kaohsiung Jiuru Road Branch were established.
- May 2016: The Neihu Branch was established.
- June 2016: The shareholders' meeting approved the capitalization of undistributed earnings for NT\$22,313 thousand, and capitalization of capital reserve for NT\$14,875 thousand; the paid-in capital became NT\$787,535 thousand after the capital increase, and the change registration was completed in October 2016.
- April 2017: The Kaohsiung Jiuru Road Branch was renamed as Kaohsiung Branch.
- May 2017: The 5,671,910 common shares of the first private placement in 2013 were officially offered in Taipei Exchange on May 3, 2017.
- June 2017: The shareholders' meeting approved the capitalization of capital reserve

for NT\$31,238 thousand; the paid-in capital became NT\$818,773 thousand after the capital increase, and the change registration was completed in September 2017.

June 2018: The control of management was changed.

July 2018: The treasury shares of 500 thousand shares were cancelled, and the paid-in capital became NT\$813,773 thousand after the cancellation. The change registration was completed in August 2018.

October 2018: The abolishment registrations of Zhonghe Branch, Neihu Branch, and Hsinchu Mingzu Road Branch were completed in October 2018

November 2018: The treasury shares of 159 thousand shares were cancelled, and the paid-in capital became NT\$812,183 thousand after the cancellation. The change registration was completed in November 2018.

January 2019: The abolishment registration of the Hsinchu Branch was completed in January 2019.

February 2019: The capital decrease was conducted to compensate loss for 12,282 thousand shares, and the paid-in capital became NT\$689,367 thousand after the cancellation. The change registration was completed in February 2019.

June 2019: The shareholders' meeting approved to rename the Company as Jia Jie Biomedical Co., Ltd. The rename registration was completed in July 2019. In October 2019, the renamed shares were officially listed on Taipei Exchange; the shares' shortened name is Jia Jie Biotech, and the stock code 4109 is maintained.

May 2020: won two major awards, namely "Excellent Leaders of Industry Award," and "Excellent Biotech Brand from the Asia Pacific Health and

Biotechnology Award.

December 2018: A private placement was conducted to issue new shares for NT\$200,000 thousand; the paid-in capital became NT\$889,367 thousand after the capital increase, and the change registration was completed in January 2021.

April 2022: Five products, including Softshell Turtle Essence-P, Jia Yong Yong Caplets, Traditional Essence of Chinese Softshell Turtle, and Essence of Antrodia Cinnamomea, won the Silver Award of Monde Selection.

August 2022: Two products, namely Slim Stable Bitter Melon Peptide Compound Tablets and Essence of Antrodia Cinnamomea, won the national quality label, SNQ.

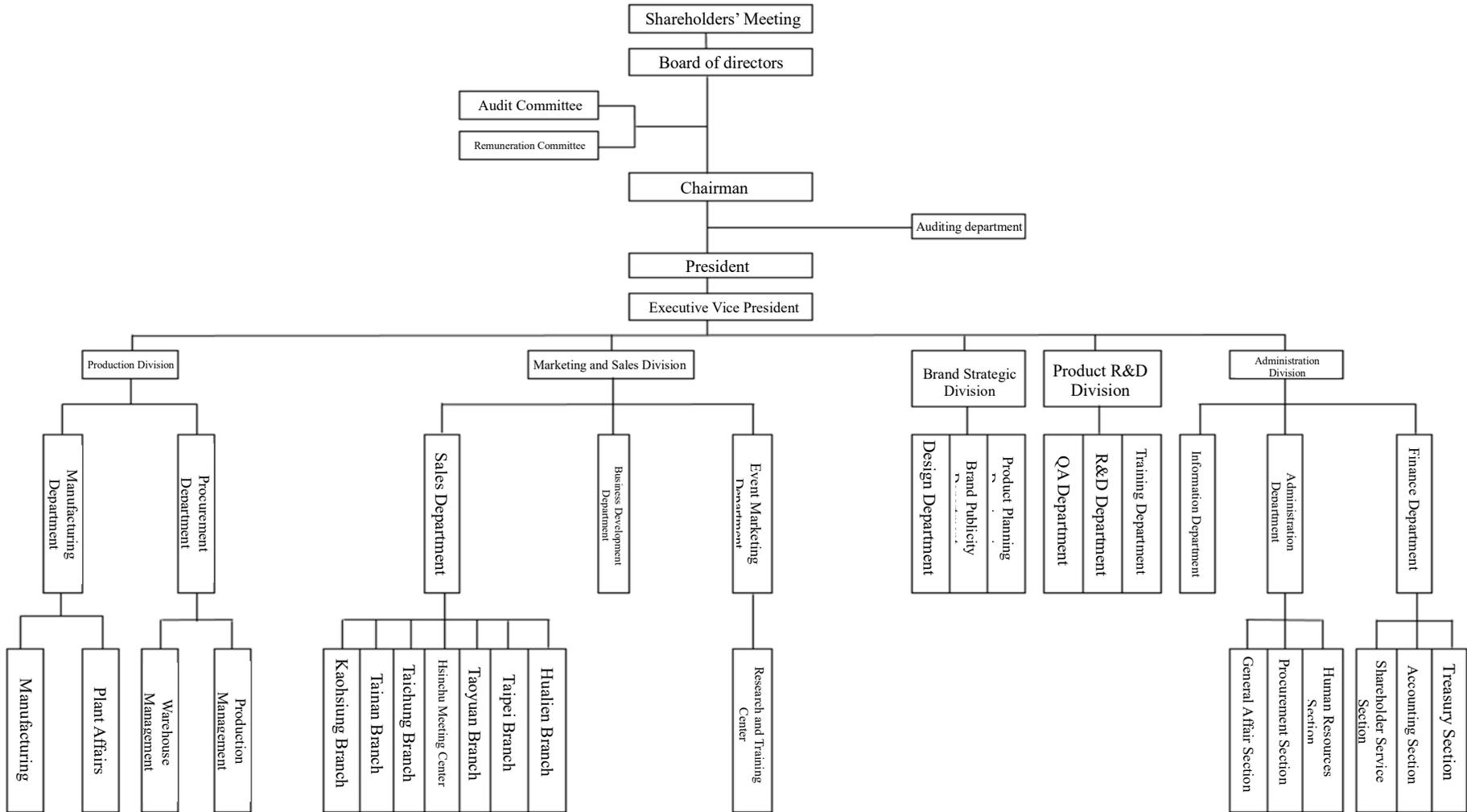
December 2022: Striving in the health industry for 27 years, Jia Jie Bio-medical was awarded with the Appraising Certificate of Long-Term Cultivation of Multilevel Marketing Industry

Three. Corporate Governance Report

I. Organization

1. Organizational structure

Organizational Chart of Jia Jie Biomedical Co., Ltd.



2. Scope of business of the major department

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

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

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

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

(I) Directors

(1) Directors

April 15, 2023 Unit: Share; %

Title	Nationality or place of registration	Name	Gender and age	Date elected	Term	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Major experience and education	Concurrent duties in the Company and other companies	Spouse or relatives of the second degree or closer acting as manager, director, or supervisor			Remarks
							Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship	
Chairman	The Republic of China	Jin-Zhi-Hong Investment Co., Ltd.	-	2020.05.11	3	2020.05.11	800,000	1.16	800,000	0.90	-	-	-	-	None	None	None	None	None	
		Chen, He-Shun	Male 71-80	-		-	-	-	-	-	-	-	-	-	-	Department of Chemical Engineering, Yung-Ta Institute of Technology	Corporate Representative as Chairman of the Company Chairman, Polyface Films co., Ltd. Chairman, Jia Jie Biotechnology Co., Ltd. Chairman, Xin-A-Po-Luo Energy Co., Ltd. Chairman, Daily Cosmetics Co., Ltd. Representative Chairman, Jia Jie Investment Co., Ltd. Representative Director, Tai-Ding Insurance Brokerage Co., Ltd. Director, Star Travel Corp. Director of TSG Hawks Baseball Co., Ltd.	None	None	None

Director	The Republic of China	Shen Shou Health Co., Ltd. (Note 1)	-	2020.05.11	3	2019.06.27	442,641	0.64	220,641	0.25	-	-	-	-	None	None	None	None	None
		Representative: Chung, Hsiang-Feng	Male 70-80	2020.05.11		2001.05.10	83,509	0.12	2,509	0.00	856	-	220,641	0.25	EMBA, National Chiao Tung University	Chairman, Shen Shou Health Co., Ltd. Vice Chairman, Hangzhou Zhaolong Gonglaohan Biotechnology Co., Ltd. Director, Xiamen Zengmeinong Biotech Co., Ltd.	None	None	None
Director	The Republic of China	Hsieh, Chin-Kun	Male 61-70	2020.05.11	3	2019.06.27	1,441,000	2.09	1,437,000	1.62	205,000	0.23	-	-	Department of Agricultural Machinery, National Pingtung University of Science and Technology	Modern Plaza Hotel Chairman	None	None	None
Director	The Republic of China	Tai-Ben Investment Co., Ltd.	-	2020.05.11	3	2020.05.11	200,000	0.29	4,899,000	5.51	-	-	-	-	None	None	None	None	None
		Representative: Hsieh, Wen-Fang	Female 31-40	-		2021.10.07	-	-	-	-	-	-	-	-	Department of Information Management, National Sun Yat-Sen University	Executive Vice President of the Company Representative Director, Jia Jie Biotechnology Co., Ltd. Representative Director, Tai-Ding Insurance Brokerage Co., Ltd. Representative Director of TSG Hawks Baseball Co., Ltd. Representative director, TSG Sports Marketing Co., Ltd. Director of Bright Star Travel Corp. Representative	None	None	None

																director, UFC GYM Taiwan				
Director	The Republic of China	Green Summit Co., Ltd.	-	2020.05.11		2020.05.11	1,000	0.00	52,000	0.06	-	-	-	-	None	None	None	None	None	
		Lin, Ching-Hung	Male 41-50	2020.05.11	3	2018.6.19	-	-	-	-	-	-	-	-	Department of Accounting, National Chung Hsing University	Vice President of the Company Supervisor, Dongguan Jia Jie Biotechnology Co., Ltd. Corporate Representative Supervisor, Jia Jie Biotechnology Co., Ltd.	None	None	None	
Independent Director	The Republic of China	Lin, Yu-Chang	Male 61-70	2020.05.11	3	2020.05.11	-	-	-	-	-	-	-	National Yilan Senior Vocational School of Business	Independent Director, Cameo Communications Inc. Independent Director, Taiwan Styrene Monomer Corporation Chairman, UFOC Investment Co., Ltd. Chairman, Ottimo Connectech Inc. Chairman, Advanced Communication Technology & Solutions Corporation Independent Director, KAIMEI ELECTRONIC CORP. Chairman, United Fiber Optic Communication Inc.	None	None	None		
		Chen, Lien-Hsing	Male 51-60	2020.05.11	3	2020.05.11	-	-	-	-	-	-	-	Master of Financial Management, National	Chairman and President of Wau Yuan Property Appraisal Co., Ltd.	None	None	None		

(2) The corporate directors and supervisors

April 15, 2023

Corporate shareholder	Major shareholders of corporate shareholders
Jin-Zhi-Hong Investment Co., Ltd.	Yi Tung Yuan Investment Co., Ltd. (100%)
Tai-Ben Investment Co., Ltd.	Yi Tung Yuan Investment Co., Ltd. (36.23%); Huang, Chun-Jen (10.51%); Huang, Chun-I (9.78%); Huang, Shih-Chen (9.46%); Hsu, Hsin-Ken (4.71%); Hsu, Hsin-Yu (4.71%); Yen, Ming-Ling (4.71%); Chen, Chun-Wen (4.71%); Huan, Chun-Yen (4.71%); Lin, Fang-Ching (3.62%)
Green Summit Co., Ltd.	Hung, Yu-Sheng (17.86%); Hung, Hsiu-Huei (82.14%)

Major shareholders of major corporate shareholders:

Corporation	Major shareholders of corporate shareholders:
Yi Tung Yuan Investment Co., Ltd.	E-Sheng Steel Co., Ltd. (100%)

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

Criteria Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of concurrent duties as an independent director at a public company
Chen, He-Shun	Possessing work experience in commerce, law, finance, management administration, or corporate operations. Corporate Representative as Chairman of the Company Chairman, Polyface Films co., Ltd. Chairman, Jia Jie Biotechnology Co., Ltd. Chairman, Xin-A-Po-Luo Energy Co., Ltd. Chairman, Daily Cosmetics Co., Ltd. Representative Chairman, Jia Jie Investment Co., Ltd. Representative Director, Tai-Ding Insurance Brokerage Co., Ltd. Director, Star Travel Corp. Director of TSG Hawks Baseball Co., Ltd. None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.	Not an independent director and thus not applicable.	None
Hsieh, Chin-Kun	Possessing work experience in commerce, law, finance, management administration, or corporate operations. Chairman, Modern Plaza Hotel. None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.	Not an independent director and thus not applicable.	None
Hsieh, Wen-Fang	Possessing work experience in commerce, law, finance, management administration, or corporate operations. Executive Vice President of the Company. Corporate Representative Director, Jia Jie Biotechnology Co., Ltd. Representative Director, Tai-Ding Insurance Brokerage Co., Ltd. Representative Director of TSG Hawks Baseball Co., Ltd. Representative director, TSG Sports Marketing Co., Ltd. Director of Bright Star Travel Corp. Representative director, UFC GYM Taiwan None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.	Not an independent director and thus not applicable.	None
Lin, Ching-Hung	Possessing work experience in commerce, law, finance, management administration, or corporate operations. Vice President, Finance Department of the Company Supervisor, Dongguan Jia Jie Biotechnology Co., Ltd. Corporate Representative Supervisor, Jia Jie Biotechnology Co., Ltd. None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.	Not an independent director and thus not applicable.	None
Lin, Yu-Chang	Possessing work experience in commerce, law, finance, management administration, or corporate operations.	including but not limited to the following: They or their	Three companies

	<p>Independent Director, Cameo Communications Inc. Independent Director, Taiwan Styrene Monomer Corporation. Independent Director, KAIMEI ELECTRONIC CORP. Chairman, United Fiber Optic Communication Inc. Chairman, UFOC Investment Co., Ltd. Chairman, Ottimo Connectech Inc. Chairman, Advanced Communication Technology & Solutions Corporation None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.</p>	<p>spouse or any relative within the second degree not serving as a director, supervisor, or employee of the Company or any of its affiliates; not holding shares of the Company; not serving as a director, supervisor, or employee of any company having a specified relationship with the Company; not receiving any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate</p>	<p>(Taiwan Styrene Monomer Corporation, Cameo Communications, Inc., Kaimei Electronic Corp.)</p>
<p>Chen, Lien-Hsing</p>	<p>Possessing work experience in commerce, law, finance, management administration, or corporate operations. Chairman and President of Wau Yuan Property Appraisal Co., Ltd. None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.</p>	<p>including but not limited to the following: They or their spouse or any relative within the second degree not serving as a director, supervisor, or employee of the Company or any of its affiliates; not holding shares of the Company; not serving as a director, supervisor, or employee of any company having a specified relationship with the Company; not receiving any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate</p>	<p>None</p>
<p>Hsu, Yin-Chu</p>	<p>Possessing work experience in commerce, law, finance, management administration, or corporate operations. Director, PONTEX POLYBLEND CO., LTD None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.</p>	<p>including but not limited to the following: They or their spouse or any relative within the second degree not serving as a director, supervisor, or employee of the Company or any of its affiliates; not holding shares of the Company; not serving as a director, supervisor, or employee of any company having a specified relationship with the Company; not receiving any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate</p>	<p>None</p>

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance

background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did

they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

(4) Diversity and independence of the Board

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

Name of director	Basic composition						Core items of diversity										
	Nationality	Gender	Serving as an employee	Age				Term of office and seniority of Independent Director		Operational judgments	Accounting and financial analysis	Management administration	Crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions
				31-40 years old	41-50 years old	51-60 years old	61-70 years old	Under three years	6-9 years								
Chen, He-Shun	The Republic of China	Male	-	-	-	√	-	-	√	-	√	√	√	√	√	√	
Hsieh, Chin-Kun	The Republic of China	Male	-	-	-	√	-	-	√	-	√	√	√	√	√	√	
Hsieh, Wen-Fang	The Republic of China	Female	√	-	-	-	-	-	√	-	√	√	√	√	√	√	
Lin, Ching-Hung	The Republic of China	Male	√	√	-	-	-	-	√	√	√	√	√	√	√	√	
Lin, Yu-Chang	The Republic of China	Male	-	-	-	√	√	-	√	-	√	√	√	√	√	√	
Chen, Lien-Hsing	The Republic of China	Male	-	-	√	-	√	-	√	√	√	√	√	√	√	√	

Hsu, Yin-Chu	The Republic of China	Female	-	V	-	-	-	-	V	-	V	-	V	V	V	V	V	V
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(III) President, Vice Presidents, Assistant Vice Presidents, and directors of departments and branches

April 15, 2023 Unit: Share; %

Title	Nationality	Name	Gender	Date of Election (Take Office)	Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) experience	Concurrent positions in other companies	Spouse or relatives of the second degree or closer acting as managers			Remarks
					Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship	
President	The Republic of China	Tseng, Ming-Chuan	Female	2021/08/12	16,000	0.02	5,000	0.01	-	-	Institute of Business Administration, National Cheng Kung University	Chairman, Dongguan Jia Jie Biotechnology Co., Ltd. Chairman, Shi Zhang Bio-Technology Co., Ltd. Corporate Representative Director and President, Jia Jie Biotechnology Co., Ltd.	None	None	None	
Executive Vice President	The Republic of China	Hsieh, Wen-Fang	Female	2021/08/12	-	-	-	-	-	-	Institute of Information Management, National Sun Yat-Sen University	Corporate Representative Director and Executive Vice President, Jia Jie Biotechnology Co., Ltd. Representative Director, Tai-Ding Insurance Brokerage Co., Ltd. Representative Director of TSG Hawks Baseball Co., Ltd. Representative director, TSG Sports Marketing Co., Ltd. Director of Bright Star Travel Corp. Representative director, UFC GYM Taiwan	None	None	None	
Deputy General Manager	The Republic of China	Chiang, Chen-I	Male	2003/03/27	147,957	0.17	-	-	-	-	Department of Electric Engineering, Lunghwa Junior College of Engineering	None	None	None	None	
Deputy General Manager	The Republic of China	Chung, I-Chien	Female	2016/03/27	-	-	-	-	-	-	Department of Industrial Economics, Kun Shan University	None	None	None	None	
Deputy General Manager	The Republic of China	Lin, Ching-Hung	Male	2013/07/14	-	-	-	-	-	-	Department of Accounting, National Chung Hsing University	Supervisor, Dongguan Jia Jie Biotechnology Co., Ltd. Representative Supervisor, Jia Jie Biotechnology Co., Ltd.	None	None	None	
Deputy General Manager	The Republic of China	Hsieh, Hsiu-Ping	Female	2003/03/27	2,586	0.00	-	-	-	-	Department of Biotechnology, Chung Hwa College of Medical Technology	None	None	None	None	

Associate Vice President	The Republic of China	Wu, Bao-Tai	Male	2003/03/27	9,710	0.01	-	-	-	-	Department of Electronics, Asia Eastern Junior College of Engineering	None	None	None	None	
Associate Vice President	The Republic of China	Lin, Li-Feng (Note 1)	Female	2003/3/27	2	0.00	-	-	-	-	Department of Business Administration, National Kaohsiung University of Applied Sciences	None	None	None	None	

Note 1: Resigned on June 30, 2022.

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

1. Remuneration to Ordinary Directors and Independent Directors

Unit: Thousand NTD; Thousand Shares; %

Job title	Name	Directors' remuneration								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employ (Note 2)						Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company		
		Compensation (A)		Retirement pay and pensions (B)		Remuneration of Directors (C)		Expenses for business execution (D)				Salary, bonus, and special allowance (E)		Retirement pay pensions (F)		Remuneration of employees (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements			
Chairman	Chen, He-Shun	2400	2400	-	-	-	-	40	100	(44.61)	(38.80)	-	-	-	-	-	-	-	-	(44.61)	(38.80)	-
Director	Jin-Zhi-Hong Investment Co. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tai-Ben Investment Co. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Shen Shou Health Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Green Summit Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Chung Hsiang-Feng	-	-	-	-	-	-	20	20	(0.37)	(0.31)	-	-	-	-	-	-	-	-	(0.37)	(0.31)	-
	Hsieh, Chin-Kun	-	-	-	-	-	-	40	40	(0.73)	(0.62)	-	-	-	-	-	-	-	-	(0.73)	(0.62)	-
	Hsieh, Wen-Fang	-	-	-	-	-	-	40	100	(0.73)	(1.55)	1169	1169	-	-	-	-	-	-	(22.10)	(19.70)	-
Lin, Ching-Hung	-	-	-	-	-	-	40	40	(0.73)	(0.62)	1111	1111	-	-	-	-	-	-	(21.04)	(17.86)	-	

Job title	Name	Directors' remuneration								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employ (Note 2)								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Compensation (A)		Retirement pay and pensions (B)		Remuneration of Directors (C)		Expenses for business execution (D)				Salary, bonus, and special allowance (E)		Retirement pay pensions (F)		Remuneration of employees (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
																Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Independent Director	Lin, Yu-Chang	360	360	-	-	-	-	100	100	(8.41)	(7.14)	-	-	-	-	-	-	-	-	(8.41)	(7.14)	-
	Chen, Lien-Hsing	360	360	-	-	-	-	70	70	(7.86)	(6.67)	-	-	-	-	-	-	-	-	(7.86)	(6.67)	-
	Hsu, Yin-Chu	360	360	-	-	-	-	100	100	(8.41)	(7.59)	-	-	-	-	-	-	-	-	(8.41)	(7.59)	-

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

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

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Name of director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Below NT\$1,000,000	Shen Shou Health Co., Ltd., Ji Zhi-Hong Investment Co., Ltd., Tai-Ben Investment Co., Ltd., Green Summit Co., Ltd., Chung Hsiang-Feng, Hsieh, Chin-Kun, Hsieh, Wen-Fang, Lin, Ching-Hung, Lin, Yu-Chang, Chen, Lien-Hsing and Hsu, Yin-Chu	Shen Shou Health Co., Ltd., Jin-Zhi-Hong Investment Co., Ltd., Tai-Ben Investment Co., Ltd., Green Summit Co., Ltd., Chung Hsiang-Feng, Hsieh, Chin-Kun, Hsieh, Wen-Fang, Lin, Ching-Hung, Lin, Yu-Chang, Chen, Lien-Hsing and Hsu, Yin-Chu	Shen Shou Health Co., Ltd., Jin-Zhi-Hong Investment Co., Ltd., Tai-Ben Investment Co., Ltd., Green Summit Co., Ltd., Chung Hsiang-Feng, Hsieh, Chin-Kun, Hsieh, Wen-Fang, Lin, Ching-Hung, Lin, Yu-Chang, Chen, Lien-Hsing and Hsu, Yin-Chu	Shen Shou Health Co., Ltd., Jin-Zhi-Hong Investment Co., Ltd., Tai-Ben Investment Co., Ltd., Green Summit Co., Ltd., Chung Hsiang-Feng, Hsieh, Chin-Kun, Hsieh, Wen-Fang, Lin, Ching-Hung, Lin, Yu-Chang, Chen, Lien-Hsing and Hsu, Yin-Chu
NT\$1,000,000 (inclusive) – NT\$2,000,000 (non-inclusive)				
NT\$2,000,000 (inclusive) – NT\$3,500,000 (non-inclusive)	Chen, He-Shun	Chen, He-Shun	Chen, He-Shun	Chen, He-Shun
NT\$3,500,000 (inclusive) – NT\$5,000,000 (non-inclusive)				
NT\$5,000,000 (inclusive) – NT\$10,000,000 (non-inclusive)				
NT\$10,000,000 (inclusive) – NT\$15,000,000 (non-inclusive)				
NT\$15,000,000 (inclusive) – NT\$30,000,000 (non-inclusive)				
NT\$30,000,000 (inclusive) – NT\$50,000,000 (non-inclusive)				
NT\$50,000,000 (inclusive) – NT\$100,000,000 (non-inclusive)				
NT\$100,000,000 and above				
Total	12 people	12 people	12 people	12 people

2. Remuneration of President and Vice Presidents

Unit: NT\$ Thousand; %

Title	Name	Salary (A)		Retirement pay and pensions (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
President	Tseng, Ming-Chuan	6,962	6,962	410	410	523	523	-	-	-	-	(144.3%)	(122.5%)	-
Executive Vice President	Hsieh, Wen-Fang													
Deputy General Manager	Chiang, Chen-I													
Deputy General Manager	Chung, I-Chien													
Deputy General Manager	Lin, Ching-Hung													
Deputy General Manager	Hsieh, Hsiu-Ping													

Remuneration Range Table

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

Remuneration to the Five Highest Remunerated Management Personnel

Title	Name	Salary (A)		Retirement pay and pensions (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A, B, C, and D as a % of the net profit after tax		Compensation from the parent company or other business subsidiaries
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All consolidated entities		The Company	All companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
President	Tseng, Ming-Chuan	1,169	1,169	72	72	98	98	-	-	-	-	(24.5%)	(20.8%)	-
Executive Vice President	Hsieh, Wen-Fang	1,865	1,865	108	108	150	150	-	-	-	-	(38.8%)	(33.0%)	-
Vice President	Lin, Ching-Hung	1,111	1,111	66	66	82	82	-	-	-	-	(23.0%)	(19.5%)	-
Deputy General Manager	Chung, I-Chien	984	984	58	58	70	70	-	-	-	-	(20.3%)	(17.3%)	-
Deputy General Manager	Chiang, Chen-I	976	976	55	55	69	69	-	-	-	-	(20.1%)	(17.1%)	-

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

December 31, 2022
Unit: NT\$ Thousand; %

	Title	Name	Amount paid in shares	Amount in cash	Total	Total as a percentage of net profit after tax
	President	Tseng, Ming-Chuan	-	-	-	-
	Executive Vice President	Hsieh, Wen-Fang				
	Deputy General Manager	Chiang, Chen-I				
	Deputy General Manager	Chung, I-Chien				
	Deputy General Manager	Lin, Ching-Hung				
	Deputy General Manager	Hsieh, Hsiu-Ping				
	Associate Vice President	Lin, Li-Feng				
	Associate Vice President	Wu, Bao-Tai				

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

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

Unit: NT\$ Thousand; %

Item	Total remuneration			
	2021		2022	
	The Company	The Company	The Company	All companies included in the financial statements
Director	4,387	4,387	3,930	4,050
President and Vice Presidents	8,555	8,555	7,895	7,895
Percentage of the total remuneration to net income	(2.42)	(2.42)	(2.16)	(1.85)

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

- (1) Remuneration policies, standards and package

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

- (2) Procedures for establishing remunerations,

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

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

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

(3) Linkage to business performance and future risks

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

III. Corporate governance

(I) Operation of the Board

Four Board meetings were held in 2022, and the attendance (presence) of Directors is as follows:

Title	Name	No. of meetings attended in person	Number of proxy attendance	Attendance Rate (%)	Remarks
Representative of Jin-Zhi-Hong Investment Co., Ltd.	Chairman Chen, He-Shun	4	-	100	None
Representative of Tai-Ben Investment Co., Ltd.	Director Hsieh, Wen-Fang	4	-	100	Appointed on 2021/10/07
Representative of Shen Shou Health Co., Ltd.	Director Chung Hsiang-Feng	2	-	100	Resigned on 2022/7/17
Representative of Green Summit Co., Ltd.	Director Lin, Ching-Hung	4	-	100	None
Director	Hsieh, Chin-Kun	4	-	100	None
Independent Director	Lin, Yu-Chang	4	-	100	None
Independent Director	Chen, Lien-Hsing	3	1	75	None
Independent Director	Hsu, Yin-Chu	4	-	100	None

Other mandatory disclosures:

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

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

Board meetings	Motion	All Independent Directors' opinions and the Company's response to said opinions
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March 16, 2022 (the 1st meeting in 2022)	1. Proposal for the evaluation for the independence and competency of the attesting CPAs and its CPA firm for the Company's financial statements. 2. Proposal for removal of non-compete restriction on directors.	Approved by all attending independent directors.
August 9, 2022 (the 3rd meeting in 2022)	Change of the Company's acting spokesperson	Approved by all attending independent directors.
November 8, 2022 (the 4th meeting in 2022)	1. Proposal to amend the internal control system of the Company 2. Dissolution and liquidation of subsidiaries.	Approved by all attending independent directors.

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

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

Board of directors	Motion	Director was required to enter recusal	The reasons why the director was required to enter recusal
March 16, 2022 The 13th meeting of the 10th term	Proposal for removal of non-compete restriction on directors.	Chen, He-Shun Hsieh, Wen-Fang	Other than the directors recused themselves due to the conflicts of interest from discussion and poll, the chair requested all attending directors, and the proposal was approved as proposed without dissent.

III. State of implementation of the evaluation of the Board

Evaluation cycle	Evaluation period	Evaluation scope	Method of evaluation	Content of evaluation
Implemented once per year	Evaluation of the Board's performance between January 1, 2022 to December 31, 2022.	Board of directors, individual Board members, and functional committees	Questionnaire of internal self-evaluation of the Board Questionnaire of self-evaluation of board members	The self-evaluation of the Board's performance includes participation in the operation of the Company, improvement of the quality of the Board's decision-making, composition and structure of the Board, election and continuing education of the Directors, and

			<p>Questionnaire of self-evaluation of functional committee</p>	<p>internal control.</p> <p>The peer evaluation of board members includes the alignment of the goals and missions of the Company, awareness of the duties of Directors, participation in the operation of the Company, management of internal relationships and communication, and professionalism and continuing education of Directors.</p> <p>The self-evaluation of the functional committees' performance includes participation in the operation of the Company, awareness of the duties of the member, improvement of quality of decisions made by the functional committee, the makeup of the functional committee and election of its members, and internal control.</p>
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IV. Objectives for strengthening the functions of the board of directors in the current year and the most recent year (such as setting up an audit committee, improving information transparency) and the evaluation of its implementation:

1. The goal of strengthening the functions of the board of directors and implementing corporate governance with enhanced information transparency: The operation of the board of directors complies with the "Rules of Procedures for the Board of

Directors,” and the board meetings are held accordingly; the implementation is good.

2. Evaluation of implementation: The Company insists on the principle of transparent operation, and publishes important resolutions on the MOPS immediately after the board meetings to protect shareholders’ rights and interests.

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

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

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

- Financial statements.

The 2022 business report, financial statements, and statement of earnings distribution of the Company are hereby prepared by the Board of Directors. The financial statements have been audited by PwC Taiwan, with an audit report issued. The aforesaid business report, financial statements, and statement of earnings distribution have been audited by the Audit Committee and found no inconsistency.

- Evaluating the effectiveness of the internal control system

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

- Appoint the attesting CPAs

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

To ensure the independence of the accounting firm, the Audit Committee evaluates the independence, professionalism and competence of the CPAs, and evaluates whether the Company is related to each other, and has any relationship involving business or financial interests. On March 16, 2022, the 9th meeting of the 3rd Audit Committee and the 13th meeting of the 10th Board of Directors reviewed and approved Liao, Ah-Shen and Wang, Kuo-Hua, CPAs from PwC Taiwan that both of them comply with the criteria of independence and competent to serve as the Company's finance and taxation attesting CPAs.

(1) Operation of the Audit Committee.

Four Board meetings were held in 2022, and the attendance (presence) of independent directors is as follows:

Title	Name	No. of meetings attended in person	Number of proxy attendance	Attendance Rate (%)	Remarks
Independent Director (Convener of the 3rd term)	Lin, Yu-Chang	4	0	100	None
Independent Director	Chen, Lien-Hsing	3	1	75	None
Independent Director	Hsu, Yin-Chu	4	0	100	None

Other mandatory disclosures:

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

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

Audit Committee Date and session	Motion	The dissenting or qualified opinion or significant recommendation of the independent directors	The outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the

			audit committee
2022/3/16 The 9th meeting, the 3rd Audit Committee	1. The Company's 2021 settlement books and statements 2. Proposal for the 2022 internal control statement of the Company. 3. Proposal for the evaluation for the independence and competency of the attesting CPAs and its CPA firm for the Company's financial statements. 4. Proposal for removal of non-compete restriction on directors. 5. Proposal for the reappointment of the chief auditor of the Company 6. Proposal to amend the internal control system of the Company 7. Proposal to amend the "Procedures for Acquisition or Disposal of Assets" of the Company and subsidiaries.	None	Approved by all Independent Directors. Submitted to the 7th board meeting of the 10th Board for resolution and implemented accordingly.
2022/11/08 The 12th meeting, the 3rd Audit Committee	1. Proposal to amend the internal control system of the Company		Approved by all Independent Directors. Submitted to the 11th board meeting of the 10th Board for resolution and implemented accordingly.

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

II. For the execution status regarding the recusal of Independent Directors for proposals of conflict of interests, describe the name of the Independent Director, the content of the proposals, the reason for the recusal for conflict of interests, and voting status: None.

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

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

written or in person communication, and attend the Audit Committee meetings to provide relevant opinions.

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

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

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

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			Incorporation. In addition to evaluating the education, work experience, and qualifications of each director, the opinions of stakeholders are referred to, and the “Regulations Governing the Election of Directors and Independent Directors” and the “Corporate Governance Best-Practice Principles” are complied with to ensure the board members’ diversity and independence.	
			<p>2. Among the 10th board of directors, not only are two female members included, but the directors having expertise in operation management, business judgement, crisis management, knowledge of industry, leadership and decision-making include Chen, He-Shun, Hsieh, Wen-Fang, Hsieh, Chin-Kun, Lin, Yu-Chang, Chen, Lien-Hsing and Hsu, Yin-Chu; Director Lin, Chin-Hung has the expertise in accounting and finance.</p> <p>3. The Company has two directors who are also employees. The proportion of independent directors is 43%, and the proportion of female directors is 29%. The term of office of the three independent directors is less than 3 years; three directors are aged over 60 years old, and four are aged 37–59.</p> <p>4. The board of directors formulates a diversity policy on the composition of members and discloses it on the Company’s</p>	None

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			website and the MOPS.	
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with the law, has the Company voluntarily set up other functional committees?	V		The Company has established the Remuneration Committee and Audit Committee; other functional committees will be established based on the regulations and the requirements of the Company. The establishment will be made pursuant to the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the actual requirements of the Company.	None
(III) Has the Company established its Regulations for Performance Evaluation of the Board and the evaluation methods and conducted regular performance evaluations each year? Has the Company reported the results to the Board as the reference for individual Directors’ remuneration and nomination for re-appointment?	V		The Company has formulated the “Rules for Performance Evaluation of Board of Directors.” At the end of each year, the Board shall conduct at least one internal performance evaluation of the Board. The results of self-evaluation of the Board in 2022 and self-evaluation of board members are expected to be submitted to the Board in the second quarter of 2023, and furnish suggestions for improvement to strengthen the effectiveness of the Board. The Company’s directors’ remuneration complies with the Company’s Articles of Incorporation, while considering the Company’s operating results and their contribution to the Company’s performance, to give them a reasonable remuneration.	None

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies									
	Yes	No	Summary										
(IV) Are external auditors' independence assessed regularly?	V		<p>The Company evaluates the independence and competence of the CPAs at least once a year, and requests the CPAs and their firms to provide relevant information and statements for the evaluation by the Finance Department. The evaluations of the last two years were submitted on March 16, 2022 and on March 21, 2023, to the Audit Committee for deliberation and to the Board for approval. The results of the 2023 evaluation are as follows:</p> <table border="1"> <thead> <tr> <th>Assess criteria</th> <th>Assessment results</th> <th>Whether the requirements of independence are met</th> </tr> </thead> <tbody> <tr> <td>The CPAs themselves, their spouses, and minor children have no investment or financial interest sharing relationship with the Company.</td> <td>Yes</td> <td>Yes</td> </tr> <tr> <td>The CPAs themselves, their spouse, and minor children have no loans borrowed from</td> <td>Yes</td> <td>Yes</td> </tr> </tbody> </table>	Assess criteria	Assessment results	Whether the requirements of independence are met	The CPAs themselves, their spouses, and minor children have no investment or financial interest sharing relationship with the Company.	Yes	Yes	The CPAs themselves, their spouse, and minor children have no loans borrowed from	Yes	Yes	None
Assess criteria	Assessment results	Whether the requirements of independence are met											
The CPAs themselves, their spouses, and minor children have no investment or financial interest sharing relationship with the Company.	Yes	Yes											
The CPAs themselves, their spouse, and minor children have no loans borrowed from	Yes	Yes											

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			or lent to the Company. However, this restriction does not apply if the principal is a financial institution and the dealings are normal business transactions.	
			The accounting firm has not presented the assurance service report on the effective operation of the financial information system designed or assisted for implementation.	Yes
			The CPAs or any member of the audit team have not been a director, managerial officer, or any position of the Company who may exert significant influence over the audit engagement within the most recent two years.	Yes
			The non-audit services provided to the Company are not critical to the audit cases.	Yes
			The CPAs or any member of	Yes

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

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			left the position within one year have not served as directors or managerial officers of the Company or have any position that has a significant influence on the audit case.	
			The CPAs or members of the audit service team have not received gifts of great value or special favors from the Company or directors, managerial officers or major shareholders.	Yes
			The CPAs are not currently employed by principals or auditees to perform regular work, receive fixed salaries, or act as directors or supervisors.	Yes
			The CPAs have not provided audit services to the Company for seven consecutive years.	Yes
			Do the CPAs recuse themselves from undertaking an entrusted matter that has a	Yes

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

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

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

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

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
measurement standards, implementation of customer policies, the Company's purchase of liability insurance for Directors and supervisors)?			<p>Every year, regular health examination for employees and health examination for special operations are implemented, and family members are also allowed to participate in general health examination.</p> <p>(III) Investor relations The Company insists on the principle of creating maximum benefits for the investing public, increasing the return on shareholders' equity, and providing sufficient information for investors' reference.</p> <p>(IV) Rights of suppliers and stakeholders To ensure that the suppliers perform the contracts stably, the Company regularly assesses the suppliers.</p> <p>(V) Rights of stakeholders A. Responsibility to customers: The Company provides safe and high-quality products, values customers' opinions, and immediately takes measures to handle customers' complaints to meet customer needs. B. Responsibilities to shareholders: The goal of the Company is to fully protect the rights and interests of shareholders.</p> <p>(VI) Implementation of risk management policies and risk measurement standards The Company has established various internal control</p>	

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>regulations for risks such as finance, raw materials, human resources, engineering, information security, and work safety, with critical insurance purchased relevant to reasonably manage and control the Company's overall operating risks.</p> <p>(VII) Implementation of customer policy The Company adjusts its product mixes according to customers' needs, and is committed to product safety and quality maintenance to provide customers with the best products and services.</p> <p>(VIII) Continuing education of directors and supervisors: please refer to page 49 of the annual report. The directors of the Company comply with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies," where any proposal in a board meeting involving of the circumstances requiring recusal of certain director(s) and specifying that conflict of interest may be harmful to the Company's interests, the director shall recuse him/herself, not participate in voting, and shall not exercise voting rights on behalf of other directors.</p> <p>(IX) The liability insurance the Company purchased for directors and supervisors: The Company has purchased</p>	

Assess criteria	Implementation status			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			liability insurance for directors and key staff every year since December 19, 2017. (X) The Company also has dedicated personnel to regularly and irregularly update the important financial and business information on the Company website, and follow the internal control system.	
<p>IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified.</p> <p>Improved: enhancement of information disclosure on the Company's website</p> <p>Enhancement for rectification: 1. Upload the meeting handbook and supplementary Shareholders' meeting materials 30 days prior to the meeting, and the annual report 18 days prior to the meeting.</p> <p>2. Directors and supervisors are arranged to complete the continuing education hours as required in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies."</p>				

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

(1) Members of the Remuneration Committee

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

Capacity (Note 1)	Name	Professional qualifications and experience (Note 2)	Independence analysis (Note 3)	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director (convener)	Lin, Yu-Chang	Possessing work experience in commerce, law, finance, management administration, or corporate operations. Independent directors of Taiwan Styrene Monomer Corporation, Cameo Communications, INC., and Kaimei Electronic Corp.	including but not limited to the following: They or their spouse or any relative within the second degree not serving as a director, supervisor, or employee of the Company or any of its affiliates; not holding shares of the Company; not serving as a director, supervisor, or employee of any company having a specified relationship with the Company; not receiving any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate	Three companies (Taiwan Styrene Monomer Corporation, Cameo Communications, Inc.) and Kaimei Electronic Corp.
Independent Director	Chen, Lien-Hsing	Possessing work experience in commerce, law, finance, management administration, or corporate operations. Chairman and President of Wau Yuan Property Appraisal Co., Ltd.	including but not limited to the following: They or their spouse or any relative within the second degree not serving as a director, supervisor, or employee of the Company or any of its affiliates; not holding shares of the Company; not serving as a director, supervisor, or employee of any company having a specified relationship with the Company; not receiving any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate	0
Independent Director	Hsu, Yin-Chu	Possessing work experience in commerce, law, finance, management administration, or corporate operations. Director, PONTEX POLYBLEND CO., LTD None of circumstance specified in subparagraphs of Article 30 of the Company Act do not exist.	including but not limited to the following: They or their spouse or any relative within the second degree not serving as a director, supervisor, or employee of the Company or any of its affiliates; not holding shares of the Company; not serving as a director, supervisor, or employee of any company having a specified relationship with the Company; not receiving any pay for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate	0

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

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of

individual members of the Remuneration Committee.

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

(2) Operation of the Remuneration Committee

1. The Company’s remuneration committee has a total of three members.
2. The term of the current members is from August 12, 2020 to May 10, 2023. The number of remuneration committee meetings held in 2022 was: two (A). The attendance by the members was as follows:

Title	Name	No. of meetings attended in person	Number of proxy attendance	Attendance Rate (%)	Remarks
Convener (the 5th term)	Lin, Yu-Chang	2	-	100	Two attendances were expected
Member	Chen, Lien-Hsing	2	1	50	Two attendances were expected
Member	Hsu, Yin-Chu	2	-	100	Two attendances were expected

Other mandatory disclosures:

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

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

not applicable

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

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

<p>the characteristics of its industry?</p>			<p>meeting the requirements of laws and regulations as well as the Company's environmental policy, while pursuing continuous improvement,</p>	
<p>(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?</p>	✓		<p>(II) the core business of environmental protection is integrated with the trust of customers, to continuously implement waste reduction work. For the general industrial waste generated by operations, in addition to strengthening promotion to employees to perform well in garbage classification and resource recycling, the external professional waste disposal companies are also requested to assist in disposal.</p>	
<p>(III) Has the Company evaluated the potential risks and opportunities of climate change to the Company at present and in the future and taken countermeasures for climate-related issues?</p>	✓		<p>(III) The Company has evaluated the potential risks and opportunities of climate change and include such in the risk management.</p>	
<p>(IV) Has the Company made statistics on GHG emissions, water consumption, and the total weight of waste for the most recent two years and formulated policies for energy-saving and carbon dioxide reduction, GHG emissions reduction, water consumption reduction, or</p>	✓		<p>(IV) The company is not in a high-polluting industry. Formulating energy-saving, carbon reduction and greenhouse gas reduction strategies as follows: 1. Encourage employees to take public</p>	

other waste management?			transportation, and take more stairs but fewer elevators. 2. Use energy-saving lamps and ask colleagues to turn off the lights.	
<p>IV. Social issues</p> <p>(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p> <p>(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or</p>	<p>✓</p> <p>✓</p>		<p>(I) The Company has established the work rules and personnel regulations in accordance with government laws and regulations. In addition to establishing the Employee Welfare Committee and implementing a pension system in accordance with laws and regulations, the Company also purchases employee group insurance. There is no illegal employment of child labor or forced labor. All employees are subject to and protected by the Labor Standards Act. Since the establishment of the Company, there have been no labor disputes, corruption, bribery or discrimination.</p> <p>(II) The Company has provided numerous welfare policies for employees. In addition to the labor insurance, national health</p>	None

<p>results appropriately reflected in employee salary/compensation?</p>			<p>insurance, retirement pension and parental leave stipulated by laws and regulations, the Welfare Committee handles numerous activities and other welfare measures. In addition, employee bonuses are granted to employees based on their performance appraisal to promote labor and management harmony.</p>	
<p>(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?</p>	<p>✓</p>		<p>(III) Our production plant has passed ISO 22000 and HACCP certification, so we have achieved a certain level of hygiene and cleanliness in our working environment. In addition, we regularly carry out firefighting and sanitation equipment inspection and repair, and hold general labor safety and health education and training courses to provide a safe and healthy working environment for our employees. In addition to the required labor insurance and annual health checkup benefits, we also provide group accident insurance for our employees to enhance the protection of their personal and</p>	

<p>(IV) Has the Company established effective career development training programs for employees?</p>	<p>✓</p>		<p>work safety.</p> <p>(IV) The Company provides relevant external professional education training from time to time to help employees develop their professional skills in the workplace. We also encourage employees to assess their interests, skills, values and goals and to communicate their career intentions to their managers in order to plan their future career plans.</p>	
<p>(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?</p>	<p>✓</p>		<p>(V) The Company believes in promoting preventive healthcare and improving physical health. We implement strict quality control policies for all products, set up quality control and customer complaint handling operations in our internal control system, and follow them to establish a smooth channel to receive external customer complaints and provide good service and solve problems to continuously improve and refine the quality of our services in order to achieve the goal of protecting consumers' rights and interests.</p>	

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

Note 1: If the "Yes" box is checked for the implementation status, please specify the important policies, strategies, measures and implementation status; if the "No" box is checked for the implementation status, please explain the differences and reasons in the "Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor" column, and explain the plans for future implementation of relevant policies, strategies and measures. However, with regard to the promotion items 1 and 2, listed companies should describe the governance and supervisory framework for sustainable development, including but not limited to the management guidelines, strategies and goal setting, and review measures. Please also describe the Company's risk management policies or strategies on environmental, social and corporate governance issues related to its operations, and the evaluation thereof.

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

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

(VI) Implementation of ethical corporate management and differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

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

Assess criteria	Implementation status (Note)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
<p>Principles for TWSE/GTSM Listed Companies”?</p> <p>(III) Has the Company clearly specified operating procedures, guidelines for conduct, and a violation punishment and complaint system in the unethical conduct prevention plan and duly implemented them? Does the Company regularly review and revise said plan?</p>	✓		(III) The Company has established “Operating Procedures for Ethical Management and Guidelines for Conduct” to provide a basis for the code of conduct for directors, management and employees with clear guidelines in the event of non-compliance, and to monitor the implementation of the guidelines and internal controls in accordance with the guidelines.	
<p>II. Enforcement of business integrity</p> <p>(I) Does the Company assess the ethics records of whom it has business relationships and include business conduct and ethics-related clauses in the business contracts?</p> <p>(II) Has the Company set up a dedicated department that is subordinated to the Board to promote ethical corporate management, and does it regularly (at least once a year) report to the Board on its ethical corporate management policy and unethical conduct prevention program and monitor their</p>	✓		<p>(I) If the Company discovers any unethical conduct in business dealings or cooperation with customers or suppliers, the Company shall immediately cease business dealings with them and list them as rejected business partners in order to implement the Company’s ethical corporate management beliefs.</p> <p>(II) The Company’s “Operating Procedures for Ethical Management and Guidelines for Conduct” designates the General Management Division as the dedicated unit and intends to report to the Board of Directors on a regular basis to further implement the ethical corporate management policy.</p>	None.

Assess criteria	Implementation status (Note)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
<p>implementation?</p> <p>(III) Has the Company established policies to prevent conflict of interests, provide appropriate communication and complaint channels, and implement such policies properly?</p> <p>(IV) Has the Company established effective accounting and internal control systems in place for the implementation of ethical corporate management? Has the internal audit department formulated relevant audit plans based on the assessment results of unethical conduct risk to perform audits on compliance with the unethical conduct prevention program or engage CPAs to perform such audits?</p> <p>(V) Does the Company provide internal and external ethical corporate management training programs on a regular basis?</p>	<p>✓</p> <p>✓</p>		<p>(III) The Company establishes a conflict of interest prevention policy and provides appropriate representations on the operation of the pipeline. Employees may report violations and grievances to the personnel unit or directly to the Board of Directors' audit unit.</p> <p>(IV) In order to ensure the implementation of ethical corporate management, the Company has established an effective accounting system and internal control system. Internal auditors regularly check the compliance of the former system in accordance with the audit plan and prepare audit reports to the Board of Directors.</p> <p>(V) The Company will hold promotional meetings from time to time so that employees can clearly understand ethical corporate management concepts and regulations. We will promote ethical corporate management to our vendors before signing any contract.</p>	
<p>III. Whistleblowing system</p> <p>(I) Has the Company established specific whistleblowing</p>	<p>✓</p>		<p>(I) Relevant provisions are included in the</p>	<p>None.</p>

Assess criteria	Implementation status (Note)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
<p>and reward procedures, set up conveniently accessible whistleblowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?</p> <p>(II) Has the Company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>(III) Has the Company adopted proper measures to protect whistleblowers from retaliation for filing complaints?</p>	<p>✓</p> <p>✓</p>		<p>Company's "Operating Procedures for Ethical Management and Guidelines for Conduct."</p> <p>(II) Relevant provisions are included in the Company's "Operating Procedures for Ethical Management and Guidelines for Conduct."</p> <p>(III) Relevant provisions are included in the Company's "Operating Procedures for Ethical Management and Guidelines for Conduct."</p>	
<p>IV. Enhanced information disclosure</p> <p>Has the Company disclosed its Corporate Management Best-Practice Principles and the results of their implementation on its website and the MOPS?</p>	<p>✓</p>		<p>The Company has disclosed its corporate governance rules and regulations on its website in order to make corporate governance information transparent, and regularly enhances the dissemination of information and keeps the reporting channels open.</p>	<p>None.</p>
<p>V. If the Company has adopted its own Ethical Corporate Management Best-Practice Principles based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies," please describe any differences from the principles in the Company's operations:</p> <p>The Company has formulated the Corporate Governance Best-Practice Principles, which are included in the internal control system and various</p>				

Assess criteria	Implementation status (Note)			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
management practices in accordance with the spirit of corporate governance, and has been implemented in practice with sound control functions				
<p>VI. Other important information to facilitate a better understanding of the Company's implementation of ethical corporate management (i.e. the examination and modification to the Ethical Corporate Management Best-Practice Principles established by the Company):</p> <ol style="list-style-type: none"> 1. The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the regulations related to TPEX listing and other laws and regulations related to business practices as a fundamental part of the implementation of ethical corporate management. 2. The Company has established the "Procedures for Handling Material Inside Information," which stipulates that directors, managerial officers and employees shall not disclose material inside information known to them to others and shall not inquire or collect unpublished material inside information of the Company that is not related to their personal duties, and shall not disclose unpublished material inside information of the Company to others that is available to them other than in the performance of their businesses. 				

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

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

1. Corporate governance-related rules and regulations and background introduction
 - (1) The Company is committed to the implementation of corporate governance operations and has established the corporate governance best-practice principles and related regulations.
 - (2) In accordance with the Company's Articles of Incorporation and the Regulations Governing the Election of Directors, the Company adopts the registered cumulative voting system.
2. The full text of these regulations is available on the "Market Observation Post System" (<http://newmops.twse.com.tw/>) or the Company's website (<http://www.jiajiebio.com/>).

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

1. Training for directors

Title	Name	Organizer	Name of the course	Training hours
Independent Director	Lin, Yu-Chang	Taiwan Institute of Directors	2022 Annual Meeting of the Taiwan Institute of Directors – Exploring the Core Competencies of the Next Generation in an Era of Drastic Change	3.0
Independent Director	Lin, Yu-Chang	Taiwan Corporate Governance Association	Seminar on Financial Misrepresentation and Directors' Responsibilities	3.0
Independent Director	Hsu, Yin-Chu	Institute for Sustainable Energy	Taishin 30 Sustainable Net Zero Summit Forum – Serious Net Zero for Sustainable 2030	3.0
Independent Director	Hsu, Yin-Chu	Taipei Exchange	Sustainable Development Pathway Industry Promotion Meeting	2.0
Independent Director	Hsu, Yin-Chu	Taipei Exchange	Briefing for Insiders on Stock Ownership of TPEX or Emerging Board Listed Companies	3.0
Independent Director	Hsu, Yin-Chu	Taipei Exchange	2022 TPEX Listed Company – Independent Directors and Audit Committee Reference Guide Release and Dong Promotion Meeting	3.0
Independent Director	Chen, Lien-Hsing	Taipei Exchange	2022 TPEX Listed Company – Independent Directors and Audit Committee Reference Guide Release and Dong Promotion Meeting	3.0
Director	Lin, Ching-Hung	Accounting Research and Development Foundation	Accounting Officer Continuing Education Course for Issuers, Securities Dealers and Securities Exchange (Accounting, Corporate Governance, and Professional Ethics)	12.0

2. Discussion of Corporate Governance: In order to make the Company's information transparent, the Company is committed to improving the content of

disclosure, pursuing true and complete presentation, and reducing the occurrence of information asymmetry.

3. Acquisition of related licenses by the Company's finance, accounting or audit related personnel: two employees from the Finance Department obtained stock affairs related licenses.

(IX) Implementation of the internal control system:

1. Internal control statement:

Jia Jie Biomedical Co., Ltd.
Statement of Internal Control System

Date: March 21, 2023

Based on the results of a self-assessment, the Company states the following with regard to its internal control system during the year 2022:

- I. The Company acknowledges and understands that establishing, operating and maintaining an internal control system are the responsibilities of its Board of Directors and management, and such a system has been established. Internal control is a process designed to provide reasonable assurance that the following objectives are achieved: The effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets); reliability, timeliness, transparency, and regulatory compliance of reporting; and compliance with applicable laws, regulations, and by-laws.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes in the environment or circumstances. However, the internal control system of the Company features a self-monitoring mechanism that enables immediate rectification of deficiencies upon discovery.
- III. The Company assesses the design and operating effectiveness of its internal control system based on the criteria set forth in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the “Regulations”). The criteria adopted by the Regulations identify five key components of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each element further encompasses several sub-elements. Please refer to “The Governing Principles” for details.
- IV. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- V. Based on the results of the assessment, the Company believes that, as of December 31, 2022, its internal control system (including the supervision and management of its subsidiaries) was effective to provide reasonable assurance that the control objectives were achieved, including the effectiveness and efficiency of operations; reliability, timeliness, transparency, and regulatory compliance of reporting; and compliance with applicable laws, regulations, and by-laws.
- VI. This Statement is an integral part of the annual report and prospectus of the Company and will be released to the public. Any illegal misrepresentation or omission in the public statement above is subject to the legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been passed by the Board of Directors Meeting of the Company held on March 21, 2023, where zero of the seven attending Directors expressed dissenting opinions, and the remainder all affirmed the content

of this Statement.

Jia Jie Bio-medical Co., Ltd.



Chairman: Chen, He-Shun



President: Tseng, Ming-Chuan



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

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

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

(1). Important resolutions of shareholders' meetings

Date	Important resolution
2022.6.7 Shareholders' Meeting	<ol style="list-style-type: none"> 1. Adoption of the 2022 financial statements of the Company. 2. Adoption of the Company's 2021 earning distribution proposal. 3. Approval of the proposal for the intended amendments to certain provisions of the "Articles of Incorporation" of the Company. 4. Approval of the amendments to certain provisions of the "Procedures for Acquisition or Disposal of Assets" of the Company. 5. Approval of the amendments to certain provisions of the "Rules of Procedure of Shareholders' Meetings" of the Company. 6. Approval of the proposal for removal of non-compete restriction on new directors.

(2). Important resolutions of Board meetings

Date	Important resolution
2022.03.16 10th term 13th meeting	<ol style="list-style-type: none"> 1) Approval of the 2022 financial statements of the Company. 2) Approval of the Company's profit-sharing remuneration for employees and profit-sharing remuneration for directors for 2021. 3) Approval of the Company's 2021 earning distribution proposal. 4) Approval of the 2022 internal control statement of the Company. 5) Approval of the evaluation of the independence and competency of the attesting CPAs and its CPA firm for the Company's financial statements. 6) Proposal for removal of non-compete restriction on directors. 7) Approval of the removal of non-compete restriction on the Company's managerial officers. 8) Approval of the change of the chief auditor of the Company 9) Approval of the amendments to the internal control system forms of the Company 10) Approval of the proposal for the intended amendments to certain provisions of the "Articles of Incorporation" of the Company. 11) Approval of the amendments to certain provisions of the "Procedures for Acquisition or Disposal of Assets" of the Company. 12) Approval of the amendments to certain provisions of the "Rules of Procedure of Shareholders' Meetings" of the Company. 13) Approval of the matters related to the Company 2022 regular shareholders' meeting.
2022.08.09	(1) Change of the Company's acting spokesperson

Date	Important resolution
10th term 15th meeting	
2022.11.08 10th term 16th meeting	<ol style="list-style-type: none"> 1) Formulation of the Company's 2023 business plan 2) The Company's 2023 audit plan 3) Description of the Company's ability to prepare financial statements on its own 4) Amendments to the internal control system of the Company 5) Amendments to certain provisions of the "Rules of Procedure of Board of Directors' Meetings" of the Company. 6) Amendments to certain provisions of the "Procedures for Handling Material Inside Information" of the Company. 7) Dissolution and liquidation of subsidiaries. 8) Submission of the Company's "Greenhouse Gas Inventory and Verification Timeline." 9) The Company's 2022 annual bonus
2023.03.21 10th term 18th meeting	<ol style="list-style-type: none"> 1) The Company's 2022 financial statements. 2) The Company's 2022 losses make-up proposal 3) The 2022 internal control statement of the Company. 4) Full re-election of directors. 5) Proposal for removal of non-compete restriction on new directors. 6) Removal of non-compete restriction on the Company's managerial officers. 7) Establishment of the Company's "Sustainable Development Best-Practice Principles." 8) Amendment to the "Corporate Governance Best-Practice Principles" of the Company. 9) Submission of the Company's "Greenhouse Gas Inventory and Verification Timeline." 10) The Company's plan to increase capital of and investment in subsidiaries. 11) Approval of the matters related to the Company 2023 regular shareholders' meeting. 12) Acceptance of list of nominations of candidates for directors and independent directors from shareholders.

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

Resolutions of regular shareholders' meetings	Resolution results	Execution
June 7, 2022		
Adoption of the 2022 financial statements of the Company.	The voting results of this proposal: 51,600,456 votes in favor, accounting for 99.69% of the total voting rights, 11,672 votes against, 0 invalid votes, 148,613 abstentions/failure to vote, and the proposal was adopted as submitted.	Implemented in accordance with the results of the resolution.
Adoption of the Company's 2021 earning distribution	The voting results of this proposal: 51,600,425 votes in favor, accounting for 99.69% of the total voting rights, 11,706 votes against, 0 invalid votes, 148,610 abstentions/failure to vote, and the proposal was adopted	Implemented in accordance with the results of the

Resolutions of regular shareholders' meetings June 7, 2022	Resolution results	Execution
proposal.	as submitted.	resolution.
Approval of the proposal for the intended amendments to certain provisions of the "Articles of Incorporation" of the Company.	The voting results of this proposal: 51,600,388 votes in favor, accounting for 99.69% of the total voting rights, 11,745 votes against, 0 invalid votes, 148,608 abstentions/failure to vote, and the proposal was adopted as submitted.	The relevant operations have been carried out in accordance with the revised regulations and announced on the Company's website.
Approval of the amendments to certain provisions of the "Procedures for Acquisition or Disposal of Assets" of the Company.	The voting results of this proposal: 51,600,380 votes in favor, accounting for 99.69% of the total voting rights, 11,751 votes against, 0 invalid votes, 148,608 abstentions/failure to vote, and the proposal was adopted as submitted.	The relevant operations have been carried out in accordance with the revised regulations and announced on the Company's website.
Approval of the amendments to certain provisions of the "Rules of Procedure of Shareholders' Meetings" of the Company.	The voting results of this proposal: 51,599,381 votes in favor, accounting for 99.68% of the total voting rights, 12,754 votes against, 0 invalid votes, 148,606 abstentions/failure to vote, and the proposal was adopted as submitted.	The relevant operations have been carried out in accordance with the revised regulations and announced on the Company's website.
Approval of the proposal for removal of non-compete restriction on new directors.	The voting results of this proposal: 51,583,965 votes in favor, accounting for 99.65% of the total voting rights, 31,228 votes against, 0 invalid votes, 145,548 abstentions/failure to vote, and the proposal was adopted as submitted.	Implemented in accordance with the results of the resolution.

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

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

IV. Information on the professional fees of the attesting CPAs

Name of accounting firm	Name of CPA		Audit period	Remark
PwC Taiwan	Liao A-Shen	Wang Guo-Hua	2022/1/1-12/31	

Range of CPA professional fees

Unit: Thousand NTD

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

Information on CPA professional fees

Unit: Thousand NTD

Name of accounting firm	Name of CPA	CPA audit period	Audit fees	Non-audit fees (Note)	Total	Remarks
PwC Taiwan	Liao A-Shen Wang Guo-Hua	2022/1/1-12/31	2,910	320	3,230	

Note: Tax return audit and printing fees

- (I) If the non-audit fees paid to the attesting CPA, the CPA firm and its affiliates account for at least one-fourth of the audit fees: None
- (II) If the Company changes its CPA's firm and the audit fees paid for the year in which such change took place are lower than those for the preceding year: None.
- (III) When the audit fees paid for the current year are lower than those for the preceding year by 10% or more, the reduction in the amount of audit fees,

reduction percentage, and reasons shall be disclosed: None.

V. Information on replacement of CPAs

(I) About the predecessor CPAs

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

(II) About the successor CPAs

CPA's firm	PwC Taiwan
Name of CPA	CPAs Liao, A-Shen and Wang, Kuo-
Date of appointment	N/A
Opinions that may be issued, consultation matters, and results for the particular accounting methods or accounting principles, and financial statements before the appointment	N/A

Written opinion of the succession CPAs on matters different from the former CPAs	N/A
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(III) Response letter of the former CPAs regarding matters stated in item 1 and item 2-3, subparagraph 6, Article 10 of the Regulations: None.

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

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

1. Changes in shareholding of Directors, managers, and major shareholders

Title	Name	Unit: shares			
		2022		As of April 15, 2023	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Jin-Zhi-Hong Investment Co., Ltd.	-	-	-	-
Corporate representative of director	Chen, He-Shun	-	-	-	-
Director	Shen Shou Health Co., Ltd. (Note 2)	-	-	-	-
Corporate representative of director	Chung, Hsiang-Feng (Note 2)	-	-	-	-
Director	Hsieh, Chin-Kun	-	-	-	-
Director	Tai-Ben Investment Co., Ltd. (Note 1)	4,699,000	-	-	-
Corporate representative of director and executive vice president of the Company	Hsieh, Wen-Fang (Note 1)	-	-	-	-
Director	Green Summit Co., Ltd.	-	-	-	-
Corporate representative of director and vice president of the Company	Lin, Ching-Hung	-	-	-	-
Independent Director	Lin, Yu-Chang	-	-	-	-
Independent Director	Chen, Lien-Hsing	-	-	-	-

Independent Director	Hsu, Yin-Chu	-	-	-	-
President	Tseng, Ming-Chuan	-	-	-	-
Deputy General Manager	Chiang, Chen-I	-	-	-	-
Deputy General Manager	Chung, I-Chien	-	-	-	-
Deputy General Manager	Hsieh, Hsiu-Ping	-	-	-	-
Deputy General Manager	Wu, Ming-Chieh (Note 3)				
Associate Vice President	Wu, Bao-Tai	-	-	-	-
Associate Vice President	Lin, Li-Feng (Note 4)	-	-	-	-
Associate Vice President	Li, Yuan-Hui (Note 5)	-	-	-	-

- Note: 1. Sun, Cheng-Chiang, representative of the corporate director Tai-Ben Investment Co., Ltd., was relieved of duty on October 07, 2021, and the representative was reassigned to Hsieh, Wen-Fang
2. Chung Hsiang-Feng, representative of the corporate director Shen Shou Health Co., Ltd. was relieved of duty on July 19, 2022.
3. Took office on February 1, 2023, resigned on April 30, 2023
4. Left the Company on June 30, 2023.
5. Took office on January 7, 2023.

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

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

April 15, 2023
Unit: shares; %

Name	Shares held in own name		Shareholding of spouse and underage children		Shareholding under the title of a third party		Name and relationship of the top ten shareholders who are related parties, spouses, or relatives within the second degree of kinship.		Remarks
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Name	Relationship	
Bai-Jia-Yuan Investment Co., Ltd.:	20,000,000	22.49	-	-	-	-	None	None	-
Bai-Jia-Yuan Investment Co., Ltd.: Chi-Tai Chen	-	-	-	-	-	-	Bai-Jia-Yuan Investment Co., Ltd.:	Chairman	-
Tai-Ben Investment Co., Ltd.	4,899,000	5.51	-	-	-	-	None	None	-
Tai-Ben Investment Co., Ltd.: Huang, Shih-Chen	-	-	-	-	-	-	Tai-Ben Investment Co., Ltd.	Chairman	-
Fuan De Bao Investment Co., Ltd.	3,495,000	3.93	-	-	-	-	None	None	-
Fuan De Bao Investment Co., Ltd. Representative: Lin, Chun-Chang	-	-	-	-	-	-	Fuan De Bao Investment Co., Ltd.	Chairman	-
Wang, Chih-Feng	1,763,000	1.98	-	-	-	-	None	None	-
Lu, Chien-Yu	1,645,000	1.85	-	-	-	-	None	None	-
Hsieh, Chin-Kun	1,437,000	1.62	205,000	0.23	-	-	None	None	-
OFCO Industrial Corporation	1,244,000	1.40	-	-	-	-	None	None	-
OFCO Industrial Corporation: Sun, Cheng-Chiang	-	-	-	-	-	-	OFCO Industrial Corporation	Chairman	-
Chang, Yu-Mei	1,000,158	1.12	-	-	-	-	None	None	-
An Hou Investment Co., Ltd.	1,000,000	1.12	-	-	-	-	None	None	-
An Hou Investment Co., Ltd. Representative:	-	-	-	-	-	-	An Hou Investment Co., Ltd.	Chairman	-

Lin, Chun-Chang									
Shi You Investment Co., Ltd.	910,220	1.01	-	-	-	-	None	None	-
Shi You Investment Co., Ltd.: Huang, Wei-Hsiang	-	-	-	-	-	-	Shi You Investment Co., Ltd.	Chairman	-

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

December 31, 2022
Unit: Thousand shares; %

Investee (Note)	Held by the Company		Investment of Directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company		Aggregate ownership	
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage
Wisetech Corporation	11,890	100	-	-	11,890	100
Jia Jie Investment Co., Ltd.	5,763	100	-	-	5,763	100
Shi Zhang Bio-Technology Co., Ltd.	2,000	100	-	-	2,000	100
Jia Jie Biotechnology co., Ltd.	5,000	100	-	-	5,000	100
Heilongjiang Shen Shou Pharmaceutical Co., Ltd.	-	41	-	-	-	41

Four. Capital Raising

I. Capital and shares

(I) Sources of share capital

1. Sources of share capital

Unit: Thousand NTD; Thousand Shares

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

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

Year/Month	Issue price (NTD)	Authorized capital		Paid-up capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of share capital	Paid in properties other than cash	Others
2007.10	10	69,500	695,000	43,690	436,901	Capital increase from the capital reserve 15,011	None	Jin-Guan-Zheng-I-Zi No. 0960044428 Gao-Shi-Fu-Jian-II-Gong-Zi No. 09600693250
2008.09	10	69,500	695,000	45,001	450,008	Capital increase from the capital reserve 13,107	None	Jin-Guan-Zheng-I-Zi No. 0970038794 Gao-Shi-Fu-Jian-II-Gong-Zi No. 09700685310
2009.02	10	69,500	695,000	44,342	443,418	Retirement of treasury shares 6,590	None	Jin-Guan-Zheng-III-Zi No. 0970063032 Gao-Shi-Fu-Jing-II-Gong-Zi No. 09800432950
2009.04	10	69,500	695,000	43,941	439,408	Retirement of treasury shares 4,010	None	Jin-Guan-Zheng-III-Zi No. 0980002163 Jin-Guan-Zheng-III-Zi No. 0980011763 Gao-Shi-Fu-Jing-II-Gong-Zi No. 09800499810
2009.10	10	69,500	695,000	44,820	448,196	Capital increase from capital surplus 8,788	None	Jin-Guan-Zheng-Fa-Zi No. 0980037976 Gao-Shi-Fu-Jing-II-Gong-Zi No. 09800682490
2010.10	10	69,500	695,000	46,164	461,642	Capital increase from the capital reserve 13,446	None	Jin-Guan-Zheng-Fa-Zi No. 0990041945 Gao-Shi-Fu-Jing-II-Gong-Zi No. 09900673200
2011.04	10	69,500	695,000	49,214	492,142	Conversion of corporate bonds to new shares 30,500	None	Jin-Guan-Zheng-Fa-Zi No. 0990057157 Gao-Shi-Fu-Si-Wei-Jing-Shang-Gong-Zi No. 10001146590
2011.07	10	69,500	695,000	50,274	502,738	Conversion of corporate bonds to new shares 10,596	None	Jin-Guan-Zheng-Fa-Zi No. 0990057157 Jing-Shou-Shang-Zi No. 10001170200
2011.10	10	100,000	1,000,000	53,239	532,390	Capital increase from the capital reserve 29,652	None	Jin-Guan-Zheng-Fa-Zi No. 1000037190 Jing-Shou-Shang-Zi No. 10001246050
2012.01	10	100,000	1,000,000	50,779	507,790	Retirement of treasury shares 24,600	None	Jin-Guan-Zheng-Jiao-Zi No. 1000049575 Jin-Guan-Zheng-Jiao-Zi No. 1000062340 Jing-Shou-Shang-Zi No. 10101009950
2012.10	10	100,000	1,000,000	54,841	548,413	Capital increase from the capital reserve 40,623	None	Jin-Guan-Zheng-Fa-Zi No. 1010035057 Jing-Shou-Shang-Zi No. 10101214730
2013.09	10	100,000	1,000,000	55,178	551,778	Conversion of corporate bonds to new shares 3,365	None	Jing-Shou-Shang-Zi No. 10201183310

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

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

April 15, 2023
Unit: shares

Share category	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common stocks	88,936,681	71,063,319	160,000,000	TPEX listed stocks: 67,134,240 shares Privately placed stocks: 21,802,441 shares

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

(II) Shareholder structure:

April 15, 2023
Unit: number of

shareholders; shares; %

Number of shareholder structure:	Government agency	Financial institution	Corporation	Individual	Foreign institution and foreigner	Total
Number	-	-	162	24,382	16	24,560
Shareholding	-	-	35,291,171	53,404,177	241,333	88,936,681
Shareholding percentage	-	-	39.68	60.05	0.27	100.00

(III) Equity dispersion:

1. Equity dispersion

April 15, 2023;
Unit: number of shareholders; shares; %

Shareholding range	Shareholder count	Shareholding	Shareholding
1 to 999	20,418	1,010,648	1.14
1,000 to 5,000	2,774	6,161,200	6.93
5,001 to 10,000	601	4,498,159	5.06
10,001 to 15,000	240	2,954,598	3.32
15,001 to 20,000	127	2,317,786	2.61
20,001 to 30,000	132	3,329,215	3.74
30,001 to 40,000	65	2,271,431	2.55
40,001 to 50,000	31	1,424,275	1.60
50,001 to 100,000	83	5,696,386	6.40
100,001 to 200,000	40	5,492,531	6.18
200,001 to 400,000	18	5,118,949	5.76
400,001 to 600,000	15	6,949,125	7.81
600,001 to 800,000	6	4,328,000	4.87
800,001 to 1,000,000	2	1,901,220	2.14
More than 1,000,001	8	35,483,158	39.89
Total	24,560	88,936,681	100.00

2. Preferred stocks: None

(IV) List of major shareholders:

April 15, 2023
Unit: shares; %

Name of major shareholder	Shares Shareholding	Shareholding percentage
Bai-Jia-Yuan Investment Co., Ltd.:	20,000,000	22.49%
Tai-Ben Investment Co., Ltd.	4,899,000	5.51%
Fuan De Bao Investment Co., Ltd.	3,495,000	3.93%
Wang, Chih-Feng	1,763,000	1.98%
Lu, Chien-Yu	1,645,000	1.85%
Hsieh, Chin-Kun	1,437,000	1.62%
OFCO Industrial Corporation	1,244,000	1.40%
Chang, Yu-Mei	1,000,158	1.12%
An Hou Investment Co., Ltd.	1,000,000	1.12%
Shi You Investment Co., Ltd.	901,220	1.01%

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

Unit: Thousand NTD; Thousand shares; %

Item		Year	2022	2021
Market price per share	High		16.00	18.30
	Low		12.35	12.60
	Average		14.22	15.25
Net worth per share	Before dividend		10.10	10.21
	After dividend		10.10	10.21
Earnings per share	Weighted average number of shares		88,936	88,936
	Earnings per share	Before adjustments	(0.06)	0.06
		After adjustments	(0.06)	0.06
Dividends per share	Cash dividends		-	-
	Stock grants	Share dividends from earnings	-	-
		Capital surplus	-	-
	Cumulative undistributed		-	-

	dividends		
Analysis of investment returns	Price to earnings ratio	183.75	254.17
	Price to dividends ratio	-	-
	Cash dividend yield	-	-

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

1. Dividend policy

In accordance with the Company Act amended on May 20, 2015, and Article 21-1 of the amended Articles of Incorporation of the Company, the industry environment of the Company is changeable, and the enterprise life cycle is entering the stable growth stage. Considering the Company's future capital demand, long-term financial planning, and satisfaction of shareholders' needs for cash inflow, the Company's dividend policy is to adopt a residual dividend policy. If there is earnings after finalizing accounts each year, after paying the income tax for profit-seeking enterprises and making up losses from previous years, an amount of 10% of the legal reserve shall be set aside first, except when the legal reserve has reached the total capital. In addition, after the special reserve is set aside or reversed as required by law, the undistributed earnings at the beginning of the period shall be combined into the shareholders' accumulated distributable earnings, and the Board of Directors shall propose a motion for the distribution thereof and submit to the shareholders' meeting for resolution and distribution. The total amount of shareholders' dividends and bonuses shall be at least 50% of the accumulated distributable earnings, and the cash dividend shall not be less than 10% of the shareholders' dividends and bonuses distributed.

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

2. Dividends distribution as proposed at the shareholders' meeting: The Company has no retained earnings for 2022 as concluded by the year-end accounting close, and the Board of Directors resolved on March 21, 2023 that no dividends be distributed for the year 2022.

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

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

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

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

meeting certain criteria. The aforesaid “current year’s profit” refers to the profit before deducting the distribution of the remunerations to employees, directors, and supervisors from the profit before tax of the same year. The allocation of remuneration to employees and directors/supervisors shall be resolved and approved by a majority of the directors present at a directors’ meeting attended by more than two-thirds of the whole directors, and reported to a shareholders’ meeting.

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

2. Basis for estimation of the employee bonuses and profit-sharing remuneration for directors, and supervisors during the period, the basis for the calculation basis of the number of shares for bonuses distributed in shares, and the accounting treatment if the distribution amount is different from the estimated amount: No distribution was proposed.
3. Distribution of employee bonuses approved by the Board of Directors and other information: No distribution was proposed.
4. Distribution of remuneration of employees, Directors and supervisors in the preceding year (including the number of shares, amount, and stock price of the distribution); if there is any difference with the remuneration of employees, Directors and supervisors recognized, the difference, reason, and measures adopted shall be described:
 - (1) Proposed cash bonuses for employees (profit-sharing remuneration) for 2021 (to be distributed in 2022): NT\$0; profit-sharing remuneration for employees: NT\$0; profit-sharing remuneration for directors and supervisors: NT\$247,442.
 - A. Proposed employee bonuses (profit-sharing remuneration)NT\$0 and estimated amount NT\$0 for 2021, difference NT\$0.
 - B. The difference between the proposed distribution of profit-sharing remuneration for directors of NT\$247,442 and the estimated amount of NT\$247,442 for 2021 is NT\$0.
 - C. The reason for the difference between the estimated amount of employee bonuses (profit-sharing remuneration) and profit-sharing remuneration for directors and supervisors: None.
 - D. The treatment for the difference between the estimated amount of employee bonuses (profit-sharing remuneration) and profit-sharing remuneration for directors and supervisors: None.
 - (2) Amount of proposed stock bonus (profit-sharing remuneration) and its proportion to the total net profit after tax and total employee bonus on the parent company only financial statements for the period: 0
 - (3) Pro forma earnings per share after considering the proposed profit-sharing remuneration and profit-sharing remuneration for directors: (\$0.06)

(IX) Share repurchases by the Company: None

II. Corporate bonds: None.

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Employee stock options:

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

VI. Restricted stock awards:

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

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

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

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

Five. Operational Highlights

I. Business activities

(I) Scope of business

1. Major scope of business

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

2. Sales percentage of main products for 2022

Unit: NT\$ Thousand; %

Business item	Year	2022	
		Operating revenue	Sales percentage
Nutrition and health care		239,044	75
Insurance brokerage		64,703	20
Others		13,969	5
Total		317,716	100

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

- (1) JustBest Series (Softshell Turtle Essence-P, Remain Young Capsules, Softshell Turtle Koo Elite Bright Capsules, Kamimori High Calcium Capsules, Sesame Spike EX Capsules, Jia Yong Yong Caplets, Jia Water Fair Skin Tablets, Yuet You Powerful Plus Capsules, Round Fish Essence, Yi Yue Kang Caplets and other products.
- (2) JustSlim Series (Shiso Oil Soft Capsules, Probiotic Powdered Food, Jia Xian Lactic Acid Bacteria with Spores, Nutritional Drink Powdered Food (three flavors), Slender Stability Bitter Melon Peptide Compound Tablets, Slender Evacuation Enzyme Jelly) and other products.
- (3) JustGood Series (Small Molecule π Flowing Water Machine, Hawaiian Deep Ocean Water, and Songsense) and other products.
- (4) Antrodia cinnamomea series (Antromax antrodia cinnamomea mycelium capsule, Ben antrodia cinnamomea mycelium essence) and other products
- (5) SOSO series (367 Speedy Slender Jelly, 088 Pink Latte Brewed Beverage)
- (6) Softshell Turtle Chuan Pei Series (Softshell Turtle Chuan Pei All Round Vitamins Capsule Food)
- (7) Anti-epidemic series (Nano Silver All Purpose Spray, Pets Fresh Antibacterial Spray, Silver Ion and Tea Tree Essential Oil Refill, Silver Ion and Lavender Essential Oil Refill) and other products.

4. New products to be developed

- (1) Develop products with different life cycles for different marketing platforms and targets.
- (2) Efficiently develop preventive health products in three major directions to promote human health by improving nutrition, gastrointestinal, moisture, temperature and environment:
 - A. Nutrition (JustBest series): With Softshell Turtle nutrition as the core ingredient, we develop “target” healthcare products for different age groups, focusing on all-round healthcare priorities

for each life cycle, such as the five age groups of children before 12 years old, adolescents between 12 and 20 years old, youths between 20 and 65, and the elderly over 65 years old.

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

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

(II) Industry overview

1. Current status and development of the industry

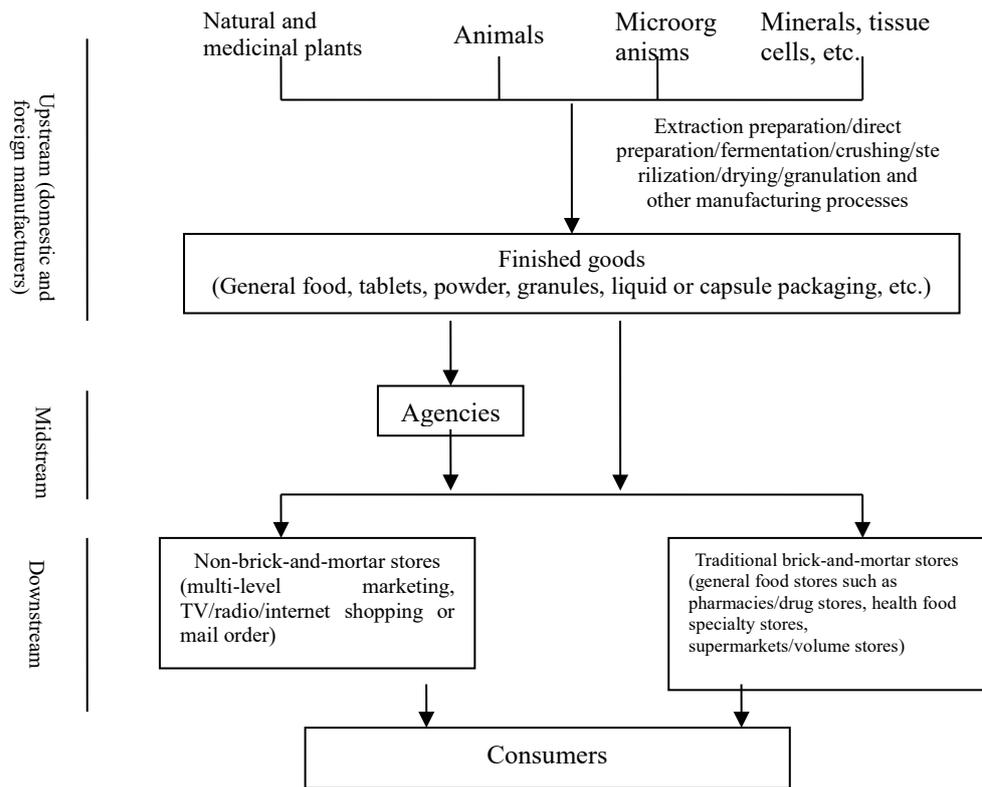
The biotechnology industry started in the U.S. in the 1970s and has flourished in recent years to become a highly anticipated star industry. Taiwanese government has attached great importance to biotechnology as far back as the 1980s. In 1982, biotechnology was listed as one of the eight key technologies,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

The Ministry of Economic Affairs (MOEA) has announced to amend the “Act for the Development of Biotech and New Pharmaceutical Industry,” and the draft article will be amended to “Act for the Development of Biotech and Pharmaceutical Industry,” which is expected to be sent to the Legislative Yuan for the third reading in the second half of 2021. The “Act for the Development of Biotech and Pharmaceutical Industry” will be seamlessly applied in 2022 and is expected to be implemented until the end of 2031. In addition to increasing the number of applicable items in response to the international trend of advanced development of biotechnology

industry, and attracting capital investment and retaining outstanding talents through tax incentives, the overall international competitiveness of the industry is expected to be enhanced

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

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



3. Development trends of products

The 21st century is a harbinger of a new era for the health food industry. While the upstream international perception of functional ingredients and health food materials is rising and international demand is high, the downstream health food and organic food are emerging. According to the report of the Biotechnology Industry Development Strategy and Measures for Manufacturing Industry, the priority areas for the future development of biotechnology industry in Taiwan include the fermentation industry, health food industry, agricultural biotechnology and environmental protection biotechnology. In addition, the Executive Yuan also announced during the biotechnology strategy meeting that Taiwan will do its best to promote the development of the biotechnology industry, indicating that the continuous growth of the health food market should be expected in the future. With the improvement of the Flowing Water standard of the people's livelihood, the food supply is safe and the nutrition intake is easy. However, changes in work style and eating habits have led to excessive or unbalanced nutritional intake and the risk of high blood pressure, high blood fat and high blood sugar. People need to rely on health food to supplement their nutritional requirements or to keep their high blood pressure, high blood fat and high blood sugar within the standard values. In addition, the traditional custom of taking food to build up the body has led to the rapid development of the domestic health food market as people purchase health food products in liquid or granular form, which were originally boiled and produced in a standardized manner, and consider them to have the same effect. In addition, as the social problems of aging and fewer children continue to occur, a healthy body will become a common target for future citizens to avoid becoming a burden. We will continue our efforts in healthcare products to develop products that meet the needs of all age groups and ethnic groups, and to create more employment opportunities through direct selling and e-commerce, whether part-time or full-time, so that businessmen can use their strengths to serve society and reduce the burden on society.

4. Market competition:

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

The government has been promoting the development of biotechnology industry, which has led to the booming of the biotechnology industry in Taiwan, and it is only natural that there are many competitors. On the one hand, the Company is strengthening its internal operation and linkage to enhance its operational strength, and on the other hand, it is strengthening its R&D and quality control to

build up a barrier of products and services to keep its competitors at bay, which is believed to limit the impact to a minimum.

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

(III) Technology and R&D overview

1. Technology Level

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

Recently, we have been actively cooperating with various sectors to research and develop better products with academics and experts, and at the same time, we are participating in the certification of domestic and international quality marks to enhance our competitiveness and strengthen our marketing and operation, hoping to gradually emerge in the competitive market.

2. R&D

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

Over the years, we have conducted the following research:

- (1) Conducted research on immune function, hypolipidemic function and product stability of Softshell Turtle Essence-P in collaboration with the Biotechnology Section of the Incubation Center of National Taiwan Ocean University and the Department of Nutritional Foods of Fu Jen Catholic University.
- (2) Cooperated with the Department of Biotechnology, National Chiao Tung University to conduct further research on the health functions of round fish liver powder products.
- (3) Cooperated with National Pingtung University of Science and Technology to conduct further research on the effectiveness of Softshell Turtle Essence in inhibiting atherosclerosis.
- (4) With the development of Softshell Turtle intestine and Softshell Turtle liver powder, based on the study of the liver health function of Softshell Turtle liver powder, we learned that Softshell Turtle liver powder products have a significant health function of reducing chemically induced liver damage, and its processing method can be used as a basis for the manufacture of Softshell

Turtle liver health products.

- (5) Developed enzyme products, which are substances found in all animals and plants and are necessary for maintaining normal body functions, digesting food, and repairing tissues, etc., and which are made of protein and participate in almost all bodily activities. Therefore, when the enzymes required for normal metabolism are insufficient, they need to be supplemented externally.
- (6) To avoid the problem of adulteration of softshell turtle ingredients, which occurred for many products in the society, which affects the quality of products and damages the rights of consumers, we provided a method to identify the adulteration of Softshell Turtle oil and powder. Therefore, we cooperated with National Pingtung University of Science and Technology to detect Softshell Turtle in food products by using the chain reaction method of polymeric enzymes.
- (7) Developed the Zhaolong health herbal turpentine powder product, made of turpentine powder, Cordyceps sinensis mycelium powder, Poria cocos, honeysuckle, dandelion, ginseng, buckwheat, red date, bitter melon extract, onion extract, pumpkin seed extract, safflower, soybean fiber, wolfberry, ganoderma lucidum seeds, grape seeds, and cactus gum powder, refined by biotechnology, with cooling, thirst quenching, lowering inner fever, nourishing beauty, promoting appetite, promoting metabolism and other benefits, which is a modern healthcare product, good for both self-use and as gifts for others.
- (8) Develop Kamimori high-calcium capsule product, using turban nail powder as the main ingredient. As we age, bone mass decreases and generally speaking, the fastest bone loss in women occurs after menopause, so we need to pay special attention to bone maintenance to prevent bone loss.
- (9) The development of turtle-deer Kamimori, with turtle nail and antler, combined with Softshell Turtle powder to produce a unique series of inspirational products, has been quite well received in the market, sales are gradually rising – quite a rising star.
- (10) Developed Sesame Spike EX. As sleep disorder has become the world's civilization disease, and many people have trouble with sleep disorder, this new product was therefore quite well received during the development and testing period.
- (11) Developed the JustSlim series to actively expand the market of weight control in order to expand the young group and increase revenue. Currently, we have launched three flavors of nutritional beverages – Original, Tropical Fruit, and Matcha Cocoa, and three types of products, including probiotics and Shiso Oil capsules, with excellent weight control results.
- (12) Collaborated with YUANPEI UNIVERSITY OF MEDICAL TECHNOLOGY to study the difference in nutritional composition of Softshell Turtle powder obtained by different processing methods.
- (13) Conducted joint research and development with Chi Mei Medical Center and National Chiayi University on probiotic series

products, hoping to create another marketing channel with highly effective probiotic products.

3. Research and development expenses and as a percentage of operating revenues for the most recent two years and the current year up to the date of publication of the Annual Report:

Unit: NT\$ Thousand; %

Item	Year	2022	2021
R&D expenses		8,935	3,608
Net operating income		317,716	242,481
Proportion		2.81	1.49

4. Future R&D plan and R&D expenses expected to be invested:
- (1) Continue to develop research and development on the combination of raw materials from various parts of Softshell Turtle with various food products, and upgrade them with the latest biotechnology processes to improve the nutritional value and help the cells in the body to function properly faster.
 - (2) Develop local ingredients local ingredients in Taiwan to become a new material for innovative healthcare. The advantageous probiotics selected from the fermentation broth of local fruits in Taiwan have been evaluated for related application and commercial diversification.
 - (3) Proactively cooperate with various sectors and conduct collaborative research projects with academia in order to develop better products and obtain technical support.
 - (4) Estimated R&D expenses in 2023: Including the salaries of R&D personnel, R&D materials, and outsourced research, the estimated R&D expenses are approximately NT\$10,000 thousand.
5. Technologies or products successfully developed
- (1) Developed turtle-deer Kamimori capsule food, containing the Chinese recipe of turtle shell, turtle-deer nourishing essence, plus glucosamine, catechins, chondroitin and B-complex nutrients, which is the key to nourishing and diverse supplementation, promote metabolism and provide vitality, and is a healthy product for modern people.
 - (2) Developed Softshell Turtle Koo Elite Bright capsule, containing Softshell Turtle powder, fish oil, Chinese wolfberry, cassia seeds, vitamins A and E and fruits and vegetables, marigold, red algae extract and other ingredients, as well as polyunsaturated fatty acids DHA and EPA and astaxanthin, lutein, etc., with antioxidant effects. The product helps maintain the integrity of cell membranes and is a daily supplement of nutrients and health care for video gamers, students, office workers, silver-haired people and phubbers.
 - (3) Developed blueberry enzyme tablet food, containing 70-in-one comprehensive fruit enzymes, starch, lipolytic enzymes, water sugars and other ingredients to help improve the digestive function of the gastrointestinal tract, as well as blueberry extract, West Indian cherries. The product is rich in vitamin C, which is to

complement the nutrient deficiency of Softshell Turtle Essence, and also has an antioxidant effect to help maintain the healthy gastrointestinal tract function.

- (4) Developed the sesame Spike EX capsule food, containing supercritical carbon dioxide extraction of sesame. The product's small molecules are easy to be absorbed and has a strong antioxidant effect, so it is widely applied in Japan to facilitate sleep. The product also is combined with other scientific compound GABA, sour date extract relaxation lyrical pressure, PS to enhance brain response, while sesame extract compound can facilitate sleep, which is another good choice for people with modern sleep disorders.
- (5) Using 13–16 taels of Chinese turkey, slow-boiled into the essence of round fish, suitable for the whole family, late night overtime workers, growing teenagers, silver-haired people, mothers-to-be, anyone who needs nourishment after surgery. It is a nutritional health drink that can be consumed by all the above groups to replenish the energy each day, nourish and strengthen the body, beautify the face, and energize the spirit.
- (6) JustSlim series (nutritional drinks – original, tropical fruit and matcha cocoa flavors, probiotics and Shiso Oil capsules) are three types of products that help control calories with low-calorie, high-fiber and high nutrition, and bring away bad bacteria from the intestines with patented good bacteria to help smooth bowel movements, while Shiso Oil, rich in omega-3 fatty acids, promotes the body's oil metabolism. The three types of products complement each other to achieve the goal of weight control in a healthy way. Slender Stability Bitter Melon Peptide Compound Tablet and Slender Evacuation Enzyme Jelly will be developed later to make the series complete. Slender Stability Bitter Melon Peptide Compound Tablet uses patented bitter melon peptide with chromium to stabilize carbohydrates, while Slender Evacuation Enzyme Jelly uses postbiotics to build a healthy digestive tract with laxative ingredients of Chinese recipe, both of which have received extremely positive feedback from the channels.
- (7) Antrodia cinnamomea series: We developed antrodia cinnamomea mycelium capsule and Ben antrodia cinnamomea mycelium compound drink with a similarly powerful industry leader, GREENYN BIOTECHNOLOGY CO., LTD. Antrodia cinnamomea is a unique fungus in Taiwan. It is not easy to obtain wild antrodia cinnamomea, and it is relatively economical and safe to produce triterpenoid-rich antrodia cinnamomea in solid state culture. Our antrodia cinnamomea mycelium capsule obtained the health food liver protection certification, and the Ben antrodia cinnamomea drink is loved by the public, which helps people to cope well with social affairs, to stay up late and work overtime without losing energy.
- (8) Jia Yong Yong Caplets: An upgraded product of turtle-deer Kamimori capsules, containing turtle-deer essence of Chinese recipe, turtle-deer and ostrich, plus western technology of type II

collagen, polysaccharide and hyaluronic acid, it is a holy product for nourishing and flexible mobility.

- (9) Jia Water Fair Skin Tablets: Combine Softshell Turtle with collagen and multinational beauty materials, such as French melon extract rich in SOD nutrients, Italian blood orange extract, Japanese rose flower office, etc., to help stay youthful and fair-skinned with vitality and radiance.
- (10) SOSO series: 367Speedy Slender Jelly is designed as a packet of jelly to help smooth bowel movements, with light calories and full pink latte Brewed Beverage, to get rid of the impression that health food is mostly capsules and tablets, and can better meet the needs of the young generation for a slender metabolism.

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

1. Short-term plan

(1) Marketing strategy

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

(2) Production policy

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

(3) R&D and product development direction

- A. Recruit R&D professionals and strengthen training. In addition to actively participating in lectures and training activities at various professional academic institutions, we are working

together to develop new products through close contact with professors at universities and colleges.

- B. Actively apply for Softshell Turtle Essence-P to obtain health food certification to increase public recognition of the Company's healthcare products.
- C. Develop new products through strategic alliances with industry peers and other industries, such as Softshell Turtle Essence, probiotic enzymes, lutein, sesquiterpenes, nutritional drinks, and maintenance products, to provide consumers with more diverse product choices.

(4) Operational scale and financial support

A. Restructure Taiwan and China investees:

The Company will review the Taiwan and China investees one by one and strictly control the use of funds by the investees to avoid affecting the parent company and causing losses. The Company plans to gradually merge the investees into the parent company, dispose of the shares to recover the capital, reduce the scale, or gradually close down the business.

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

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

2. Long-term plan

(1) Marketing strategy

A. Establish a dedicated business development department:

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

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

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

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

C. Upgrade the level of our products:

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

(2) Production strategy

Product packaging operations will be improved towards fully automated processes. In the future, automated packaging equipment will be purchased to achieve the goal of effectively controlling product quality and improving production efficiency. In line with the marketing planning, we regularly review sales and manufacturing and supply to reduce inventory, minimize losses, and provide the best product quality.

(3) R&D and product development strategy

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

(4) Operational scale and financial planning

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

A. Effective in increasing overall revenue

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

B. Long-term capital for sustainable operations

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

C. Increase the ownership of managing shareholders

The introduction of long-term strategic shareholders in the future will enhance the core shareholdings of the management team and distributors, consolidate the Company's management rights and centralize core shareholdings, which will have obvious benefits to the Company's sustainable operation and maintain the distributors' centripetal force, and the increased shareholdings of the operators can protect the management rights and a relatively stable shareholding structure can also effectively protect the rights of employees and attract outstanding talents to join the Company.

D. Establish a tourist factory

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

II. Overview of market, production and sales

(I) Market analysis

1. Sales region of major products

Unit: NT\$ Thousand; %

Item \ Year		2022		2021	
		Amount	As a percentage of total sales for the year	Amount	As a percentage of total sales for the year
Taiwan	Northern region	71,979	23	58,200	24
	Central region	48,365	15	46,995	19
	Southern region	188,409	59	124,716	52
	Eastern region	8,962	3	9,137	4
	Subtotal	317,715	100	239,048	99
China	China	1	0	3,433	1
	Subtotal	1	0	3,433	1
Total		317,716	100	242,481	100

2. Major competitors

According to the Fair Trade Commission's Multi-level marketing

business declaration statistics, 384 multi-level marketing businesses were filed at the beginning of 2022, 86 new businesses were filed in 2021, and 79 were withdrawn, resulting in a total of 391 multi-level marketing businesses at the end of 2022.

3. Market share

According to the Fair Trade Commission's "Report on the Results of the Survey on the Business Development of Multi-level Marketing Businesses in the Republic of China in 2021," the total turnover of multi-level marketing business of nutritional food in 2021 is \$70.128 billion. The Company's revenue in 2022 had a moderate growth compared to 2021. The Company will continuously focus on business growth in 2022 in order to achieve a larger market share.

4. Future market demand and supply and growth potential

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

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

5. Competitive advantage

①Product uniqueness

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

②Award-winning products with excellent quality

On October 15, 1997 and March 4, 1998, the Company's main product, Softshell Turtle Essence-P, received the 1997 Taiwan Golden Product Award and the Gold Medal Award from the Taiwan External Trade Development Council and Consumer Association of Taiwan, respectively. In addition, we were the first company in Taiwan to obtain ISO 9002 certification for our overall marketing services on December 31, 1997. We also obtained ISO 9001 certification for our international quality management system in September 2003, ISO 22000 and HACCP certification for our international food safety management system in November 2005; in March 2006, we obtained "Softshell Turtle Essence-P" food GMP

certification; in 2008, we won the National Quality Assurance Gold Award; in 2011, we received the Golden Rudder Award from the National Cheng Kung Association for Corporate Management; in 2014, we received the Quality Sustainability Award from SGS; and in 2020, we received two awards from the 2020 Asia Pacific BIO Health & Biotechnology Awards: the Industry Excellence Leadership Award and the Outstanding Health & Biotechnology Brand Award.

③Stable source and quality of raw materials

The Company strictly requires the upstream farmers to raise the raw materials, and sets up long-term purchase contracts, commits to the minimum annual purchase quantity and purchase price, and ensures the quality of Chinese turkeys by protecting the rights and basic profits of farmers.

④Self-production and self-sales

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

⑤Different from traditional marketing approaches

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

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

①Favorable factors

- A. With the advent of the 21st century, human beings are becoming more and more aware of the pursuit of health. The products produced and introduced by the Company belong to the health service industry, which has excellent market expansion.
- B. The Company has the characteristic of self-production and self-marketing, and has the inherent advantage of mastering raw materials, and the products sold have good uniqueness and high recognition. Also, in December 2000, we purchased the Meinong plant to reduce production costs and increase profitability.
- C. The Company has a fast product turnover and good service and communication with the right concept, which can form a continuous consumption and promote the stable growth of

business.

② Unfavorable factors

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

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

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

Countermeasures: Actively research and develop, establish and maintain our own brand name to differentiate ourselves from other products in the market, and build a complete distribution system to enhance our competitive advantage and create profits.

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

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

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

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

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

1. Description of products:

(1) Softshell Turtle Essence-P: All-round nutritional health food, natural chelated balanced nutrients, nourishing and strengthening the body.

(2) Remain Young: Softshell Turtle eggs are also known as Softshell Turtle ova. Its animal lecithin is very valuable.

(3) Songsense: A home bath and footbath that fills the home with the fragrance of the forest.

(4) Yi Yue Kang Caplets: The product promotes metabolism and regulates physiological functions, with biotechnology-derived

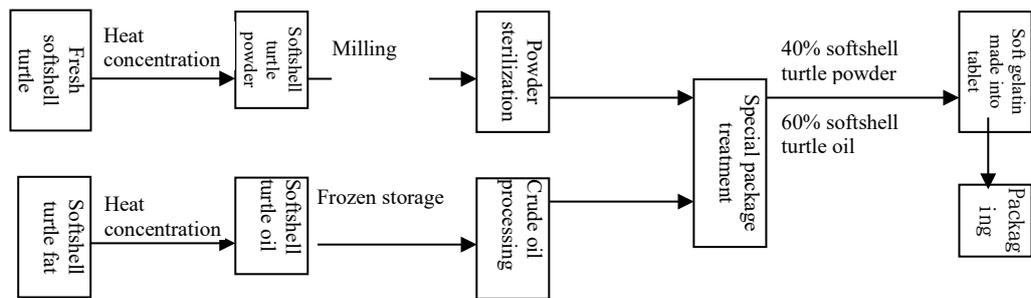
beneficial ingredients for human body.

- (5) Hawaii Deep Ocean Water: retains the balance of minerals in the sea.
- (6) Jia Jie Small Molecule π Flowing Water machine: in line with environmental protection requirements, no plugging, no wastewater discharge, raw drinking, a good choice for hydration on weekdays.
- (7) Jia Xian Lactic Acid Bacteria with Spores: The environmental protection of the body starts from the intestine, helping to maintain the function of the digestive tract.
- (8) Kamimori High-Calcium Capsules: Helps the normal development of teeth and bones.
- (9) Yuet You Powerful⁺ capsule: regulates physiological functions.
- (10) Softshell Turtle Koo Elite Bright Capsules: An all-around bright supplement formula that helps maintain vision in dark places.
- (11) Jia Yong Yong Caplets: Contains turtle-deer essence of Chinese recipe, turtle-deer and ostrich, plus western technology of type II collagen, polysaccharide and hyaluronic acid, it is a holy product for nourishing and flexible mobility.
- (12) Jia Water Fair Skin Tablets: Combine Softshell Turtle with collagen and multinational beauty materials, such as French melon extract rich in SOD nutrients, Italian blood orange extract, Japanese rose flower office, etc., to help stay youthful and fair-skinned with vitality and radiance.
- (13) Slimming and stabilizing bitter melon peptide: with patented bitter melon peptide and chromium to help stabilize carbohydrates.
- (14) Slender Evacuation Enzyme Jelly: with intestinal ingredients of Chinese receipt to build a healthy digestive tract with postbiotics.
- (15) Antrodia cinnamomea series: Antrodia cinnamomea is a unique fungus in Taiwan and is relatively economical and safe to produce triterpenoid-rich antrodia cinnamomea in solid state culture. Our antrodia cinnamomea mycelium capsule obtained the health food liver protection certification, and the Ben antrodia cinnamomea drink helps people to cope well with social affairs, to stay up late and work overtime without losing energy.

- (16) 367 Enzyme Jelly: With patented compound plant extracts (lemon verbena + loxin flower), garcinia cambogia and dietary fiber and other compound ingredients, the cassis-flavored QQ jelly easily eliminates the burden of excess greasiness and is light and smooth without getting stuck.
- (17) 088 Pink Latte Brewed Beverage: Italian blood orange extract, green coffee, medium chain fatty acids combined with white kidney beans and garcinia cambogia extract, slender, full and beautiful three in one berry flavored drinks, replace the afternoon tea hand shaken drink, light card no burden.

2. Manufacturing processes of the Company’s main products

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



(III) Supply of major raw materials

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

(IV) List of major vendors and customers

1. List of major vendors

Major suppliers in the most recent two years

Unit: NT\$ Thousand; %

Item	2022				2021			
	Name	Amount	As a percentage of annual net purchases	Relationship with the issuer	Name	Amount	As a percentage of annual net purchases	Relationship with the issuer
1	Bright	18,791	32	None	TAIWAN	16,592	34	Non

	Peaceful Inc.				YAN KUAN INC.			e
2	MERLE CO., LTD.	8,160	14	Note	MERLE CO., LTD.	9,289	19	Note
3	Greenyn Biotechnology	4,541	8	None	Quanta	4,163	9	None
	Others	27,078	46		Others	18,696	38	
	Net purchase	58,570	100		Net purchase	48,740	100	

Note: Other substantive related parties

2. List of major customers

Major sales customers in the most recent two years

Unit: NT\$ Thousand; %

Item	2022				2021			
	Name	Amount	As a percentage of the annual net sales	Relationship with the issuer	Name	Amount	as a percentage of net sales up to Q1 of the	Relationship with the issuer
1	-	-	-	-	-	-	-	-
	Others	317,716	100		Others	242,481	100	
	Net sales	317,716	100		Net sales	242,481	100	

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

Unit: Thousand NTD; Thousand units

Year Production volume and value Main product	2022			2021		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Softshell Turtle Essence-P	71,148	14,558	181,909	71,148	18,791	232,646

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

Unit: In Thousands of New Taiwan Dollars

Year Sales volume and value Main product	2022				2021			
	Taiwan		China		Taiwan		China	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Nutrition and health care	Note	239,044	Note	0	Note	217,132	Note	0
Insurance brokerage	Note	64,703	Note	0	-	-	-	-
Others	Note	13,968	Note	1	Note	21,916	Note	3,433
Total	Note	317,715	Note	1	Note	239,048	Note	3,433

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

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

Unit: People

Year		2021	2022	2023 (As of 2023/04/15)
Number of employees	Administrative staff	48	46	47
	Technicians	9	13	12
	General staff	5	6	5
	Total	62	65	64
Average age		43.01 years old	42.33 years old	42.78 years old
Average years of service		10.79 years	9.62 years	9.91 years
Academic background	Ph.D.	0%	0%	0%
	Master's Degree	4.83%	15.38%	17.19%
	Bachelor's Degree	79.04%	70.77%	70.31%
	Senior high school	12.9%	12.31%	10.94%
	Below senior high school	3.23%	1.54%	1.56%

IV. Contribution to environmental protection

- For the most recent year and for the current year up to the date of publication of the Annual Report, the amount of loss due to environmental pollution (including compensation and environmental protection audit results of violations of environmental protection laws and regulations, the penalty date, the penalty number, the provisions of the regulation violated, the content of the regulation violated, and the penalty content should be stated) and the estimated

amount of current and potential future losses and countermeasures. If the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None occurred.

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

V. Labor-management relations

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

1. Welfare measures for employees
 - (1) Participation in labor insurance, national health insurance and group insurance.
 - (2) If the Company makes a profit in a year as concluded by the year-end accounting close, it shall pay employee bonuses and year-end cash awards to employees based on their performance, in addition to paying taxes, dividends and provident funds as required by law.
 - (3) The Company may provide work uniforms according to actual needs.
2. Retirement pension system and implementation
 - (1) In accordance with the "Labor Standards Act," the Company has a defined benefit retirement plan that applies to all regular employees with years of service prior to the implementation of the "Labor Pension Act" on July 1, 2005, and to employees who elect to continue to be subject to the Labor Standards Act after the implementation of the "Labor Pension Act." For employees who meet the retirement requirements, pension payments are calculated based on the length of service and the average salary for the six months prior to retirement, with two bases for each year of service up to and including 15 years and one base for each year of service in excess of 15 years, subject to a maximum accumulation of 45 bases.

In the fourth quarter of 2014, the Company reached a settlement agreement with all employees applicable to the old scheme to settle their years of service under the old scheme and labor retirement reserve fund. On January 30, 2015, the Company obtained a letter of approval from the Labor Affairs Bureau to terminate the dedicated pension funds account for labor pension reserves and withdraw the principal and interest.
 - (2) Since July 1, 2005, the Company has established a defined contribution plan in accordance with the "Labor Pension Act," which is applicable to the employees of Taiwanese nationality. For employees choosing the labor pension system under the "Labor Pension Act," the Company contributes no less than 6% of their monthly salary to their personal accounts at the Labor Insurance Bureau. The employees may receive monthly pension payments or lump sum payments according to the amount of their pension in their personal pension accounts and the amount of accumulated gains.

3. Continuing education and training of employees

Through appropriate education and training, all of our employees, whether they are engaged in administrative or technical work, can improve their skills and qualifications to ensure that they understand the relevance and importance of their work and how to contribute their efforts to achieve quality goals. Therefore, the Administration Department of the Company will compile the annual education and training demand form filled out by each unit every year, and then set up an annual education and training plan, which will be implemented after approval.

The content and number of training sessions for each department in 2022 are summarized as follows

Department	Number of training sessions	Content of training sessions
Auditing department	4	Note 1
Finance Department	8	Note 2
Information Department	4	Note 3
Administration Department	6	Note 4
Marketing and Sales Division	4	Note 5
Marketing Promotion Division	5	Note 6
Campaign Planning Division	22	Note 7
Product R&D Division	42	Note 8
Production Division	104	Note 9

Note 1: Explore the impact on corporate internal control from ESG risk perspective and countermeasures; product education – Jia Bang Bang new product education (marketing channel), Softshell Turtle Chuan Pei new product education (multimedia channel); Board of Directors and functional committees (audit, remuneration) regulatory analysis and audit focus; promotion of the adoption of International Financial Reporting Standards (IFRS) in Taiwan.

Note 2: Product education-Jia Bang Bang new production education (marketing channel), Softshell Turtle Chuan Pei new production education (multimedia channel); Accounting Officer's continuing education; financial statement reading and analysis; internal control self-assessment practices; regular shareholders' meeting seminar in 2022.

Note 3: Product education-Jia Bang Bang new production education (marketing channel), Softshell Turtle Chuan Pei new production education (multimedia channel); store back office operation class;

SHOPLINE POS introduction.

- Note 4: Product education-Jia Bang Bang new production education (marketing channel), Softshell Turtle Chuan Pei new production education (multimedia channel); video briefing for 2022 supplementary premiums for the first category of group insurance applicants; simple CPR and AED first aid training; Labor Occupational Accident Insurance and Protection Act and labor related regulations; 2022 Labor Standards Act Promotion Seminar.
- Note 5: Product education – Jia Bang Bang new production education (marketing channel), Softshell Turtle Chuan Pei new production education (multimedia channel); Jia Jie Biomedical branding course; observation of the training contents and models of the industry; analysis of the development of the MLM industry, regulations and examples, and personal information and consumer protection of multi-level marketing.
- Note 6: Product education – Jia Bang Bang new production education (marketing channel), Softshell Turtle Chuan Pei new production education (multimedia channel); CPR and AED first aid training; Jia Jie Biomedical branding course.
- Note 7: Product education – Jia Bang Bang new production education (marketing channel), Softshell Turtle Chuan Pei new production education (multimedia channel); CPR and AED first aid training; Jia Jie Biomedical branding course; store back office operations class.
- Note 8: Product education-Jia Bang Bang new production education (marketing channel), Softshell Turtle Chuan Pei new production education (multimedia channel); CPR and AED first aid training; principles and elements of warning letters for patents and trade secrets & cases related to trademark management; introduction to GMP concepts for quality management and production process; 52nd General Meeting and Seminar of Taiwan Food Science and Technology Association; explanation of food and health food related laws and regulations; product education (including product FAB, objection handling)-Softshell Turtle Essence, Remain Young; Product education (including product FAB, dissenting treatment)-Fiber Plus Series, Lactobacillus; product education (including product FAB, dissenting treatment)-turtle-deer Kamimori, Kuben, Kamimori High Calcium, Softshell Turtle Koo Elite Bright; product education (including product FAB, dissenting treatment)-Yuet You Powerful, YiYueKang, Sesame Spike, Round Fish Essence; disease support; objection handling principles; product education training (including product FAB, objection handling)-Jia Yong Yong Caplets, Jia Water Fair Skin Tablets, Slender Stability bitter melon peptide compound tablets, product external inspection report analysis; Product Education

Training – Nano Silver Series, antrodia cinnamomea series/testing; Health and nutrition food factory full-scale safety test planning; National vitamin tablet food inspection and registration application presentation; Food advertising seminar 2022; Application of new food processing technology and clean labeling; Application for SNQ National Quality Label for nutrition and health – review presentation; Asia Biotechnology Expo 2022; Introduction to GMP concept for quality management and production process; Planning of all-round safety test for health and nutrition food factory; Presentation on registration of national vitamin tablet food inspection; Training class on environmental control of food microorganisms; HACCP continuous education training course; Practical class on microbiological hygiene standards in food; Food plant planning and interior design; Food microbiological inspection basic course; SNQ review oral presentation; rapid inspection of hygiene indicator bacteria.

Note 9: Product education-Jia Bang Bang new production education (marketing channel), Softshell Turtle Chuan Pei new production education (multimedia channel); CPR and AED first aid training; Q-3-091 Sesame Allergen Testing Methodology Practice Standards for Menon Factory Forms; Healthcare Orientation; HACCP Continuing Education; Introduction to GMP Concepts for Quality Management and Production Processes; Understanding Food Safety; Fully Automatic Capsule Filling Machine Operation and Maintenance Education Training; FDA Approved Online Hygiene Training Course; Advanced Food Microbiological Inspection Class (Pathogenic Bacteria); Fire Prevention Administrator Training Initial training class; Hygiene lecture; Basic HACCP food safety control system class.

4. Employees' code of conduct or ethics

- (1) The Company has established “Work Rules for Employees” for employees at all levels to follow and strive to achieve the tasks and missions assigned by the Company, and employees work diligently in the workplace to comply with the following codes of conduct:
 - 1) Employees shall not use the Company’s telephone and computer to engage in private conversations and Internet communication, if found to be true, will be punished with three demerits and the Company reserves the right of legal recourse.
 - 2) Do not sleep, play or quarrel.
 - 3) Do not chew betel nuts, drink alcohol, gamble or take drugs, etc.
 - 4) Do not have bad behavior that affects the quality of products.
 - 5) No alteration of work records.
 - 6) Do not talk about the Company in such a way as to negatively affect the Company’s image or destroy the employees’ work morale.
 - 7) Do not disrupt the work order, obstruct public health and safety

behavior.

- 8) Do not compete with distributors for customers.
- 9) Do not engage in personal matters during the Company's working hours, including Internet access, etc.
- 10) Never steal the Company's products for private sale.
- 11) Never accept any bribes from suppliers of the Company.
- 12) Never criticize or behave negatively in front of distributors.

- (2) The Company requires its employees to behave ethically and morally and to conduct themselves in accordance with social and legal norms. We expect our employees to have a strong ambition and passion to show it in their daily work so that the Company can thrive in the industry with the heart of service.

5. Work environment and employee safety protection measures:

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

- (1) Labor safety and health management and the division of authority and responsibility: Determine occupational disaster prevention plans, emergency response plans, and direct the relevant departments to implement them. Planning, supervising the inspection and examination of safety and health facilities, implementing education and training, and providing labor safety and health consultation services.
- (2) Equipment maintenance and inspection: Regular inspection, key inspection, and operation checkpoint of all machinery and equipment used in the workplace in accordance with the annual safety and health inspection plan.
- (3) Work safety and health standards: workplace, machinery, equipment installed in accordance with the provisions of various safety and health protection equipment, shall not be arbitrarily disassembled or lose its effectiveness, if found disassembled or having lost its effectiveness, should be immediately reported and remedied.
- (4) Education and training: Fire safety drills and escape drills are held regularly to ensure the safety of the working environment and employees.
- (5) First aid and rescue: Emergency first aid and rescue shall be handled in accordance with the "Emergency Response Plan."

6. Continuing education and training of managerial officers

Title	Name	Organizer	Name of the course	Training hours
Deputy General Manager	Chiang, Chen-I	Labor Affairs Bureau of Kaohsiung City Government	Healthcare promotional education	2 hours
Deputy General Manager	Chiang, Chen-I	Chinese HACCP Development Association	HACCP Continuing Education	8 hours
Deputy General Manager	Chiang, Chen-I	Taiwan Food and Drug Administration, Ministry of Health and Welfare	Introduction to GMP concept of quality management and production process	3 hours
Deputy General Manager	Chiang, Chen-I	Jia Jie Biotechnology co., Ltd.	Get to Know Food Safety	1.5 hours
Deputy General Manager	Chiang, Chen-I	Jia Jie Biotechnology co., Ltd.	simple CPR and AED first aid training	3 hours
Deputy General Manager	Lin, Ching-Hung	Accounting Research and Development Foundation	Continuing Education for Accounting Officer	16 hours
Deputy General Manager	Chung, I-Chien	Jia Jie Biotechnology co., Ltd.	simple CPR and AED first aid training	3 hours
Deputy General Manager	Chung, I-Chien	Jia Jie Biotechnology co., Ltd.	Branding Course	8 hours
Deputy General Manager	Hsieh, Hsiu-Ping	Jia Jie Biotechnology co., Ltd.	simple CPR and AED first aid training	3 hours
Deputy General Manager	Hsieh, Hsiu-Ping	Jia Jie Biotechnology co., Ltd.	Branding Course	8 hours
Deputy General Manager	Hsieh, Hsiu-Ping	Multi-Level Marketing Protection Foundation	Development, Regulation, and Examples of MLM Industry and Protection of Personal Data and Consumers in Multi-level Marketing	3.5 hours

7. Other important agreements: None.

- (II) For the most recent year and for the current year up to the date of publication of the Annual Report, the amount of loss due to labor disputes (including labor inspection results of violations of the labor standards act, the penalty date, the penalty number, the provisions of the regulation violated, the content of the

regulation violated, and the penalty content should be stated) and the estimated amount of current and potential future losses and countermeasures should be disclosed and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

Possible future loss due to labor disputes: None.

VI. Cybersecurity management

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

1. Information security risk management structure:

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

2. Information security policy

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

3. Substantial management plan for information security

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

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

reasonable estimations cannot be made shall be specified: None

VII. Major contracts

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

Six. Finance Overview

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

(I) Condensed balance sheets

1. IFRS – Consolidated

Unit: In Thousands of New Taiwan Dollars

Item		Year	Financial information for the past five years				
			2018	2019	2020	2021	2022
Current assets			425,022	186,636	379,731	340,282	317,213
Property, plant, and equipment			516,681	462,820	449,439	439,835	447,621
Intangible assets			835	762	725	20,289	20,236
Other assets			176,047	205,589	159,520	220,981	218,889
Total assets			1,118,585	855,807	989,415	1,021,387	1,003,959
Current liabilities	Before dividend		389,444	139,029	79,313	81,927	73,518
	After dividend		389,444	139,029	79,313	81,927	73,518
Non-current liabilities			14,955	21,895	2,131	4,540	6,479
Total liabilities	Before dividend		404,399	160,924	81,444	86,467	79,997
	After dividend		404,399	160,924	81,444	86,467	79,997
Equity attributable to owners of the			707,647	695,411	909,283	907,879	897,975
Share capital			812,183	689,367	889,367	889,367	889,367
Capital surplus			16,705	16,935	88,935	57,010	57,010
Retained earnings	Before dividend		(79,040)	23,054	(8,871)	24,280	18,746
	After dividend		(79,040)	23,054	(8,871)	24,280	18,746
Other equity			(42,201)	(33,945)	(60,148)	(62,790)	(67,271)
Treasury shares			0	0	0	0	0
Non-controlling interests			6,539	(528)	(1,312)	27,053	25,987
Total equity	Before dividend		714,186	694,883	907,971	934,920	923,962
	After dividend		714,186	694,883	907,971	934,920	923,962

Note: The date of publication of the Company's Annual Report is April 15, 2023, therefore, the most recent period for which CPAs have audited/attested or reviewed financial information is till the end of 2022.

2. IFRS – Parent Company Only

Unit: In Thousands of New Taiwan Dollars

Item \ Year		Financial information for the past five years				
		2018	2019	2020	2021	2022
Current assets		345,258	134,404	335,859	205,493	210,357
Property, plant, and equipment		512,798	462,116	449,295	439,654	437,338
Intangible assets		0	0	0	0	0
Other assets		245,750	253,573	201,702	325,688	308,503
Total assets		1,103,806	850,093	986,856	970,835	956,198
Current liabilities	Before dividend	385,492	136,088	75,442	62,757	58,012
	After dividend	385,492	136,088	75,442	62,757	58,012
Non-current liabilities		10,667	18,594	2,131	211	211
Total liabilities	Before dividend	396,159	154,682	77,573	62,968	58,223
	After dividend	396,159	154,682	77,573	62,968	58,223
Equity attributable to owners of the parent company		707,647	695,411	909,283	907,867	897,975
Share capital		812,183	689,367	889,367	889,367	889,367
Capital surplus		16,705	16,935	88,935	57,010	57,010
Retained earnings	Before dividend	(79,040)	23,054	(8,871)	24,280	18,869
	After dividend	(79,040)	23,054	(8,871)	24,280	18,869
Other equity		(42,201)	(33,945)	(60,148)	(62,790)	(67,271)
Treasury shares		0	0	0	0	0
Non-controlling interests		0	0	0	0	0
Total equity	Before dividend	707,647	695,411	909,283	907,867	897,975
	After dividend	707,647	695,411	909,283	907,867	897,975

Note: The date of publication of the Company's Annual Report is April 15, 2023, therefore, the most recent period for which CPAs have audited/attested or reviewed financial information is till the end of 2022.

(II) Condensed Statements of Comprehensive Income

1. IFRS – Consolidated

Unit: In Thousands of New Taiwan Dollars

Item \ Year	Financial information for the past five years				
	2018	2019	2020	2021	2022
Operating revenue	402,030	343,062	270,290	242,481	317,716
Gross profit	109,826	87,966	41,714	83,770	116,508
Operating profit and	(42,296)	(20,698)	(48,331)	(930)	(13,682)
Non-operating	45,056	(4,765)	6,679	6,220	9,002
Profit or loss before tax from continuing	2,760	(25,463)	(41,652)	5,290	(4,680)
Net income before	2,760	(25,463)	(41,652)	5,290	(4,680)
Loss from	0	0	0	0	0
Net profit (loss) for	325	(24,417)	(32,697)	5,099	(6,443)
Other comprehensive income for the	10,815	11,336	(26,215)	(6,756)	(4,515)
Total current	11,140	(13,081)	(58,912)	(1,657)	(10,958)
Net income attributable to parent	2,474	(24,481)	(31,925)	5,340	(5,470)
Net income attributable to non-	(2,149)	64	(772)	(241)	(973)
Total comprehensive income attributable to	14,189	(12,285)	(58,128)	(1,416)	(9,892)
Comprehensive income attributable to	(3,049)	(796)	(784)	(241)	(1,066)
Earnings per share	0.04	(0.36)	(0.46)	0.06	(0.06)

Note: The date of publication of the Company's Annual Report is April 15, 2023, therefore, the most recent period for which CPAs have audited/attested or reviewed financial information is till the end of 2022.

2. IFRS – Parent Company Only

Unit: In Thousands of New Taiwan Dollars

Item \ Year	Financial information for the past five years				
	2018	2019	2020	2021	2022
Operating revenue	385,096	312,087	263,091	228,203	252,338
Gross profit	109,448	92,859	44,994	79,881	90,693
Operating profit and loss	(9,604)	67	(35,333)	1,653	2,932
Non-operating income and expense	10,576	(24,402)	(2,865)	3,687	(7,213)
Profit or loss before tax from continuing operations	972	(24,335)	(38,198)	5,340	(4,281)
Net income before tax	972	(24,335)	(38,198)	5,340	(4,281)
Loss from discontinued	0	0	0	0	0
Net profit (loss) for the period	2,474	(24,481)	(31,925)	5,340	(5,470)
Other comprehensive income for the	11,715	12,196	(26,203)	(6,756)	(4,422)
Total current comprehensive income	14,189	(12,285)	(58,128)	(1,416)	(9,892)
Earnings per share	0.04	(0.36)	(0.46)	0.06	(0.06)

Note: The date of publication of the Company's Annual Report is April 15, 2023, therefore, the most recent period for which CPAs have audited/attested or reviewed financial information is till the end of 2022.

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

Year	Name of accounting firm	Name of CPAs	Opinion
2018	PwC Taiwan	Wu, Chien-Chih and Liao, A-Shen	Unqualified opinion
2019	PwC Taiwan	Wu, Chien-Chih and Liao, A-Shen	Unqualified opinion
2020	PwC Taiwan	Wu, Chien-Chih and Liao, A-Shen	Unqualified opinion
2021	PwC Taiwan	Liao, A-Shen and Wang, Kuo-Hua	Unqualified opinion
2022	PwC Taiwan	Liao, A-Shen and Wang, Kuo-Hua	Unqualified opinion

II. Financial analysis for the last 5 years

(1) Financial Analysis – IFRS – Consolidated

Analysis item		Year	Financial information for the past five years				
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt to assets ratio (%)	36.15	18.80	8.23	8.47	7.97	
	Ratio of long-term capital to property, plant and equipment	152.23	150.14	202.02	212.56	206.42	
Solvency (%)	Current ratio	109.14	134.25	478.79	415.36	431.48	
	Quick ratio	81.66	92.67	455.43	379.42	371.80	
	Interest coverage ratio	1.54	(7.81)	(56.37)	90.94	(40.48)	
Operating efficiency	Amounts receivable turnover (times)	7.39	7.48	7.00	5.58	6.31	
	Average cash collection days	49.42	48.80	52.11	65.36	57.88	
	Inventory turnover (times)	1.58	1.73	1.98	2.03	3.72	
	Accounts payable turnover (times)	11.81	26.53	27.52	14.51	18.28	
	Average inventory turnover days	231.01	210.98	184.34	179.80	98.12	
	Property, plant and equipment turnover(times)	0.70	0.73	0.59	0.55	0.72	
	Total asset turnover (times)	0.33	0.35	0.29	0.24	0.31	
Profitability	Return on assets (%)	0.82	(2.24)	(3.40)	0.54	(0.63)	
	Return on equity (%)	0.35	(3.47)	(3.98)	0.58	(0.69)	
	Ratio of net profit before tax to paid-up capital (%)	0.60	(3.70)	(4.60)	0.62	(0.53)	
	Net profit margin	0.62	(7.14)	(11.81)	2.20	(2.03)	
	Earnings per share (NT\$)	0.04	(0.36)	(0.46)	0.06	(0.06)	
Cash flow	Cash flow ratio (%)	0.69	17.78	34.17	5.34	(11.65)	
	Cash flow adequacy ratio (%)	2.52	3.05	(5.62)	7.07	184.30	
	Cash reinvestment ratio (%)	0.34	4.30	3.54	0.62	(0.95)	

Leverage	Operating leverage	(9.51)	(16.57)	(5.59)	(260.85)	(23.22)
	Financial leverage	0.82	0.88	0.99	0.94	0.99
<p>Please describe the reason for changes in financial ratios in the most recent two years.</p> <ol style="list-style-type: none"> 1. The decrease in interest coverage multiplier in 2022 compared to 2021 was mainly due to after-tax loss. 2. The increase in accounts receivable turnover rate in 2022 compared to 2021 was mainly due to the increase in sales revenue and decrease in receivables. 3. The decrease in inventory turnover rate in 2022 compared to 2021 was mainly due to the decrease in sales inventory. 4. The increase in property, plant and equipment turnover rate and return on total assets in 2022 compared to 2021 was mainly due to the increase in sales revenue. 5. The decrease in accounts payable turnover rate in 2022 compared to 2021 was mainly due to the decrease in cost of goods sold. 6. The decrease in return on assets, return on equity, net profit before tax and earnings per share in 2022 compared to 2021 was mainly due to losses. 7. The decrease in cash flow ratio, net cash flow equivalency ratio, and cash reinvestment ratio in 2022 compared to 2021 was mainly due to the increase in consolidated cash outflow. 8. The decrease in operating leverage ratio in 2021 compared to 2021 was mainly due to operating loss. 						

(2) Financial Analysis – IFRS – Parent Company Only

Year Analysis Item (Note 1)		Financial information for the past five years					
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt to assets ratio	35.89	18.20	7.86	6.49	6.09	
	Ratio of long-term capital to property, plant and equipment	140.08	150.48	202.38	206.50	205.33	
Solvency (%)	Current ratio	89.56	98.76	445.20	327.45	362.61	
	Quick ratio	69.77	64.18	422.27	283.56	291.75	
	Interest coverage ratio	1.11	(7.45)	(53.42)	101.55	(88.19)	
Operating efficiency	Amounts receivable turnover (times)	21.61	20.51	24.15	30.80	47.73	
	Average cash collection days	16.89	17.80	15.12	11.85	7.65	
	Inventory turnover (times)	2.23	2.17	2.46	2.21	2.93	
	Accounts payable turnover (times)	11.35	20.98	25.34	13.82	15.05	
	Average inventory turnover days	163.68	168.20	148.37	165.16	124.57	
	Property, plant and equipment turnover (times)	0.63	0.64	0.58	0.51	0.58	
	Total asset turnover (times)	0.32	0.32	0.29	0.23	0.26	
Profitability	Return on assets (%)	0.82	(2.26)	(3.41)	0.55	(0.56)	
	Return on equity (%)	0.35	(3.49)	(3.98)	0.59	(0.61)	
	Net profit before tax to paid-up capital ratio (%)	Operating profit	(1.18)	0.01	(3.97)	0.33	0.33
		Income before tax	0.12	(3.53)	(4.30)	(0.48)	(0.48)
	Net profit margin (%)	0.64	(7.84)	(12.13)	2.34	(2.17)	
	Earnings per share (NT\$)	0.04	(0.36)	(0.46)	0.06	(0.06)	
Cash flow	Cash flow ratio (%)	(4.81)	21.28	32.55	6.54	11.55	
	Cash flow adequacy ratio (%)	11.25	(2.35)	25.32	529.81	182.27	
	Cash reinvestment ratio (%)	(2.56)	4.23	2.65	0.47	0.76	
Leverage	Operating leverage	(38.16)	4422.33	(7.17)	132.70	81.40	
	Financial leverage	0.52	(0.02)	0.98	1.03	1.02	

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

1. The decrease in interest coverage multiplier in 2022 compared to 2021 was mainly due to after-tax net loss.
2. The increase in accounts receivable turnover rate in 2022 compared to 2021 was mainly due to decrease in receivables and increase in revenue
3. The decrease in average collection days in 2022 compared to 2021 was mainly due to the faster collection of accounts receivable.
4. The increase in inventory turnover rate in 2022 compared to 2021 was mainly due to lower inventory.
5. The decrease in return on assets, return on equity, net profit before tax and earnings per share in 2022 compared to 2021 was mainly due to losses.
6. The increase in cash flow ratio, net cash flow adequacy ratio, and cash reinvestment ratio in 2022 compared to 2021 was mainly due to the increase in cash outflow.
7. The decrease in operating leverage in 2022 compared to 2021 was mainly due to the increase in variable costs.

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

1. Financial structure
 - (1) Debt ratio = Total liabilities / total assets.
 - (2) Ratio of long-term capital to property, plant and equipment = (Total equity + non-current liabilities) / net property, plant and equipment.
2. Solvency
 - (1) Current ratio = Current assets / current liabilities.
 - (2) Quick ratio = (Current assets - inventory - prepayments) / current liabilities.
 - (3) Interest coverage ratio = Net profit before tax and interest expenses / interest expenses for the period.
3. Operating performance
 - (1) Amounts receivable (including accounts receivable and notes receivable arising from operations) turnover = Net sales / balance of average amounts receivable (including accounts receivable and notes receivable arising from operations of each period).
 - (2) Average collection day = 365 / Amounts receivables turnover.
 - (3) Inventory turnover = sales cost/average inventory.
 - (4) Amounts payable (including amounts payable and notes payable arising from operations) = Cost of sales / balance of average amounts payable of each period.
 - (5) Average sales day = 365 / inventory turnover.
 - (6) Property, plant and equipment turnover = Net sales / average net property, plant and equipment.
 - (7) Property, plant and equipment turnover = Net sales / average net property, plant and equipment.
4. Profitability
 - (1) Return on assets = [Profit or loss after tax + interest expenses × (1 - tax rate)] / average total assets.
 - (2) Return on equity = Profit or loss after tax / average net equity.
 - (3) Net profit margin = Profit or loss after tax / net sales.
 - (4) Earnings per share = (Profit or loss attributable to the owner of the parent company - preferred shares dividends) / weighted average number of issued shares. (Note 4)
5. Cash flow
 - (1) Cash flow ratio = Net cash flows from operating activities / current liabilities.
 - (2) Net cash flow adequacy ratio = Net cash flows from operating activities for the most recent five years / (capital expenditures + inventory increment + cash dividends) for the most recent five years.
 - (3) Cash reinvestment ratio = (Net cash flows from operating activities - cash dividends) / (gross property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 5)
6. Leverage:
 - (1) Operating leverage = (Net operating income - variable operating costs and expenses) / operating gains.
 - (2) Financial leverage = Operating gains / (operating gains - interest expenses).

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

1. Calculate based on the weighted average number of ordinary shares instead of the number of shares issued at the end of the year.
2. If there is any capital increase in cash or transactions of treasury shares, the circulation period shall be

considered when calculating the weighted average number of shares.

3. If there is any capital increase from earnings or capital increase from the capital reserve, retrospective adjustments shall be made based on the capital increase proportion when calculating earnings per share for prior years and the interim period without considering the issuance period of the capital increase.
4. If the preferred shares are nonconvertible cumulative preferred shares, the dividends of the year (regardless of whether being distributed or not) shall be deducted from net profit after tax, or the net loss after tax shall be increased. If the preferred shares are not cumulative, when there is net profit after tax, dividends of preferred shares shall be deducted from net profit after tax; if losses are recorded, no adjustment is required.

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

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

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

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

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

Jia Jie Biomedical Co., Ltd.
Audit Committee Review Report

The 2022 business report, financial statements (including the consolidated financial statements), and statement of earnings distribution of the Company are hereby approved by the Board of Directors. The financial statements (including the consolidated financial statements) have been audited by PwC Taiwan, with an audit report issued.

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

Sincerely,

The Company's 2023 General Shareholders' Meeting

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

Convener of the Audit Committee: Lin, Yu-Chang

March 21, 202

IV. Consolidated financial statements for the most recent year

Auditor's Report

(2023) Cai-Shen-Bao-Zi No. 22005577

To Jia Jie Biomedical Co., Ltd.:

Audit opinion

We have audited the consolidated balanced sheet as of December 31, 2022 and 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and notes to the consolidated financial statements (including the summary of significant accounting policies) of Jia Jie Biomedical Co., Ltd. and its subsidiaries (hereinafter referred to as “Jia Jie Group”) for the periods from January 1 to December 31, 2022 and 2021.

In our opinion, according to our audit result and the report of other auditors (please refer to “Other matters” sections), the aforesaid consolidated financial statements have been prepared, in all material aspects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission and presented fairly the consolidated financial position of Jia Jie Group as of December 31, 2022 and 2021, and its consolidated financial performance and consolidated cash flow for the periods from January 1 to December 31, 2022 and 2021.

Basis for audit opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of Jia Jie Group’s consolidated financial statements for 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

The key audit matters in Jia Jie Group's consolidated financial statements for 2022 are as follows:

Inventory valuation

Description of matters

For the accounting policy for inventory valuation, please refer to Note 4(12) to the consolidated financial statements. For the uncertainty in accounting estimates and assumptions for inventory valuation, please refer to Note 5 to the consolidated financial statements. For the description of inventory accounting items, please refer to Note 6(5) to the consolidated financial statements.

Jia Jie Group is mainly engaged in the manufacturing and trading of health food. Inventories are measured at the lower of cost or net realizable value. The estimated net realizable value involves the subjective judgment of the management and thus is subject to a high degree of estimation uncertainty. Hence, we included inventory valuation 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. Assessing the reasonableness of the policy and procedure adopted by Jia Jie Group for recognizing the allowance for inventory valuation losses and consistency in accounting estimation methods based on our understanding of its operation and industrial nature.
2. Understanding the warehouse management process of Jia Jie Group, reviewing its annual inventory plan, participating in the observation of the annual inventory, and assessing the inventory status and the effectiveness of the management's classification and control of obsolete inventories.
3. Obtaining the inventory valuation report of Jia Jie Group, confirming with the management the obsolescence of inventories, testing the data used as the basis for the estimation of the net realizable value of the inventories, including checking the selling price, purchase price and other supporting documents, and recalculating the allowance for inventory valuation losses and assessing its reasonableness.

Correctness of commission calculations

Description of matters

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

Audit procedures in response

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

1. Understanding the incentive bonus policy of the Company.
2. Confirming that the formula for calculating commissions is consistent with the policy

mentioned above.

3. Testing the system logic and verifying the correctness of commission calculations.

Other matters - Reference to the audit of other auditors

For some subsidiaries included in Jia Jie Group's consolidated financial statements for 2022 and 2021, their financial statements were not audited by us, but by other auditors. Therefore, our opinions expressed on the aforementioned consolidated financial statements with respect to the amounts in the financial statements of such companies are based on the report of such auditors. The total assets of the aforementioned companies as of December 31, 2022 and 2021 were NT\$60,834 thousand and NT\$64,028 thousand, accounting for 6.1% and 6.3% of the total consolidated assets, respectively. For the periods from January 1 to December 31, 2022 and from November 26 (acquisition date) to December 31, 2021, the operating revenue was NT\$64,703 thousand and NT\$10,988 thousand, accounting for 20.4% and 4.5% of the consolidated net operating revenue, respectively.

Other matters - Parent Company Only Financial Report

Jia Jie Biomedical Co., Ltd. prepared the parent company only financial statements for 2022 and 2021, to which we have issued an auditor's report with an unqualified opinion along with "Other matters" sections for reference.

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

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

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

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

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

The purpose of our audit of the consolidated financial statements was to obtain

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

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

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

The matters communicated between us and the governing body include the planned scope and time of the audit and significant audit findings (including any significant deficiencies in

internal control identified during the audit).

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

From the matters communicated with the governing body, we determined the key audit matters in the audit of Jia Jie Group's consolidated financial statements for 2022. We shall specify such matters in the audit report, except where public disclosure of certain matters is prohibited by laws or regulations or where, under very exceptional circumstances, we have decided not to communicate certain matters in the audit report due to the reasonable expectation that any negative consequences arising from such communication would be greater than the public interest enhanced.

PwC Taiwan

Liao A-Shen

Auditor

Wang Guo-Hua

Former Financial Supervisory Commission, Executive Yuan
Audit Approval No.: Jin-Guan-Zheng-Shen-Zi No.
1010015969

Former Securities and Futures Commission, Ministry of
Finance

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

March 28, 2023_

Jia Jie Biomedical Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Assets	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 125,534	12	\$ 172,275	17
1136	Financial assets measured at amortized cost - current	6(2)	128,214	13	114,031	11
1140	Contract assets - current	6(16)	5,544	1	7,564	1
1150	Net notes receivable	6(4)	333	-	539	-
1170	Net accounts receivable	6(4)	10,328	1	12,954	1
1200	Other receivables		2,779	-	3,375	-
130X	Inventories	5 and 6(5)	26,639	3	20,795	2
1410	Prepayments		17,232	2	8,649	1
1479	Other current assets - others		610	-	100	-
11XX	Total current assets		<u>317,213</u>	<u>32</u>	<u>340,282</u>	<u>33</u>
Non-current assets						
1517	Financial assets measured at fair value through other comprehensive income - non-current	6(3)	112,830	11	112,629	11
1535	Financial assets measured at amortized cost - non-current	6(2) and 8	-	-	5,000	1
1560	Contract assets - non-current	6(16)	7,401	1	2,155	-
1600	Property, plant, and equipment	6(6) and 8	447,621	45	439,835	43
1755	Right-of-use assets	6(7)	3,584	-	5,070	1
1760	Net investment property	6(8) and 8	40,472	4	40,653	4
1780	Intangible assets	6(9)	20,236	2	20,277	2
1840	Deferred income tax assets		47,451	5	48,481	5
1920	Refundable deposits		3,000	-	3,685	-
1990	Other non-current assets - others		4,151	-	3,320	-
15XX	Total non-current assets		<u>686,746</u>	<u>68</u>	<u>681,105</u>	<u>67</u>
1XXX	Total assets		<u>\$ 1,003,959</u>	<u>100</u>	<u>\$ 1,021,387</u>	<u>100</u>

(continued on next page)

Jia Jie Biomedical Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Liabilities and equity	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current liabilities						
2130	Contract liabilities - current	6(16)	\$ 357	-	\$ 853	-
2150	Notes payable		118	-	166	-
2170	Accounts payable		10,180	1	8,754	1
2180	Accounts payable - related parties	7	-	-	2,796	1
2200	Other payables	6(10)	57,104	6	63,494	6
2230	Current income tax liabilities		378	-	906	-
2280	Lease liabilities - current		2,528	-	2,285	-
2365	Refund liabilities - current	6(16)	1,160	-	1,283	-
2399	Other current liabilities - others		1,693	-	1,390	-
21XX	Total current liabilities		<u>73,518</u>	<u>7</u>	<u>81,927</u>	<u>8</u>
Non-current liabilities						
2580	Lease liabilities - non-current		1,087	-	2,821	-
2610	Long-term notes and accounts payables		5,181	1	1,508	-
2645	Deposits received		211	-	211	-
25XX	Total non-current liabilities		<u>6,479</u>	<u>1</u>	<u>4,540</u>	<u>-</u>
2XXX	Total liabilities		<u>79,997</u>	<u>8</u>	<u>86,467</u>	<u>8</u>
Equity						
Equity attributable to owners of the parent company						
Share capital						
3110	Common stock capital	6(12)	889,367	89	889,367	87
Capital surplus						
3200	Capital surplus	6(13)	57,010	6	57,010	6
Retained earnings						
3310	Legal reserves	6(14)	123	-	-	-
3320	Special reserves		24,157	2	23,054	2
3350	Undistributed earnings (losses to be made up for)		(5,411)	(1)	1,226	-
Other equity						
3400	Other equity	6(15)	(67,271)	(7)	(62,790)	(6)
31XX	Total equity attributable to owners of the parent company		<u>897,975</u>	<u>89</u>	<u>907,867</u>	<u>89</u>
36XX	Non-controlling interests	4(3)	<u>25,987</u>	<u>3</u>	<u>27,053</u>	<u>3</u>
3XXX	Total equity		<u>923,962</u>	<u>92</u>	<u>934,920</u>	<u>92</u>
3X2X	Total liabilities and equity		<u>\$ 1,003,959</u>	<u>100</u>	<u>\$ 1,021,387</u>	<u>100</u>

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

Chairman: Chen He-Shun, Representative of Jin-Zhi-Hong Investment Co., Ltd.

Managerial Officer: Tseng Ming-Chuan

Accounting Supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	Equity attributable to owners of the parent company											Total	Non-controlling interests	Total equity	
	Capital surplus				Retained earnings				Other equity						
	Note	Common stock capital	Issue premium	Difference between the price and the book value of the subsidiary's equity acquired or disposed of	Others	Legal reserves	Special reserves	Undistributed earnings (losses to be made up for)	Exchange difference on translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	Total				
<u>January 1 to December 31, 2021</u>															
		\$ 889,367	\$ 87,616	\$ 920	\$ 399	\$ -	\$ 23,054	(\$ 31,925)	(\$ 22,435)	(\$ 37,713)	\$ 909,283	(\$ 1,312)	\$ 907,971		
		-	-	-	-	-	5,340	-	-	5,340	(241)	5,099			
	6(3)(15)	-	-	-	-	-	-	(347)	(6,409)	(6,756)	-	(6,756)			
		-	-	-	-	-	5,340	(347)	(6,409)	(1,416)	(241)	(1,657)			
		-	(31,526)	-	(399)	-	31,925	-	-	-	-	-			
		-	-	-	-	-	(4,114)	-	4,114	-	-	-			
		-	-	-	-	-	-	-	-	-	28,606	28,606			
		\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ -	\$ 23,054	\$ 1,226	(\$ 22,782)	(\$ 40,008)	\$ 907,867	\$ 27,053	\$ 934,920		
<u>January 1 to December 31, 2022</u>															
		\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ -	\$ 23,054	\$ 1,226	(\$ 22,782)	(\$ 40,008)	\$ 907,867	\$ 27,053	\$ 934,920		
		-	-	-	-	-	(5,470)	-	-	(5,470)	(973)	(6,443)			
	6(3)(15)	-	-	-	-	-	-	1,238	(5,660)	(4,422)	(93)	(4,515)			
		-	-	-	-	-	(5,470)	1,238	(5,660)	(9,892)	(1,066)	(10,958)			
		-	-	-	-	123	(123)	-	-	-	-	-			
		-	-	-	-	1,103	(1,103)	-	-	-	-	-			
	6(3)	-	-	-	-	-	59	-	(59)	-	-	-			
		\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ 123	\$ 24,157	(\$ 5,411)	(\$ 21,544)	(\$ 45,727)	\$ 897,975	\$ 25,987	\$ 923,962		

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

Jia Jie Biomedical Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	<u>Note</u>	<u>2022</u>	<u>2021</u>
<u>Cash flow from operating activities</u>			
Current net profit (net loss) before tax		(\$ 4,680)	\$ 5,290
Adjustment items			
Income and expenses			
Depreciation expense	6(6)(7)(8) (21)	14,209	12,549
Amortization expense	6(21)	2,656	893
Expected credit impairment gain	12(2)	(708)	(296)
Interest expense	6(20)	113	61
Interest revenue	6(17)	(1,205)	(480)
Dividend revenue	6(18)	(2,620)	(108)
Loss (gain) on disposal and scrapping of property, plant and equipment	6(19)		
Gain on lease modification	6(7)(20)	(476)	530
Gain on lease modification		(36)	(38)
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Contract assets		(3,226)	(600)
Notes receivable		206	833
Accounts receivable		3,146	(5,187)
Other receivables		1,841	5,834
Inventories		(5,844)	(5,746)
Prepayments		(8,583)	(4,161)
Other current assets - others		(510)	(29)
Net changes in liabilities related to operating activities			
Contract liabilities - current		(496)	26
Notes payable		(48)	(458)
Accounts payable		1,426	2,731
Accounts payable - related parties		(2,796)	(1,344)
Other payables		(6,391)	(6,843)
Refund liabilities - current		(122)	(249)
Other current liabilities - others		303	630
Long-term notes and accounts payables		3,673	-
Cash inflow (outflow) from operations		(10,168)	3,838
Interest received		1,205	480
Tax refund received		40	3
Dividends received		2,620	108
Interest paid		(113)	(56)
Income tax paid		(2,152)	-
Net cash inflow (outflow) from operating activities		(8,568)	4,373

(continued on next page)

Jia Jie Biomedical Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	<u>Note</u>	<u>2022</u>	<u>2021</u>
<u>Cash flow from investing activities</u>			
Acquisition of financial assets measured at amortized cost - current		(\$ 14,183)	(\$ 103,090)
Acquisition of financial assets measured at amortized cost - non-current		-	(5,000)
Disposal of financial assets measured at amortized cost - non-current		5,000	-
Acquisition of financial assets measured at fair value through other comprehensive income - non-current		(16,318)	(58,922)
Proceeds from sale of financial assets measured at fair value through other comprehensive income - non-current		10,548	3,594
Payment for acquisition of subsidiary stock		-	(7,515)
Acquisition of property, plant, and equipment		(18,069)	(1,519)
Proceeds from disposal of property, plant, and equipment		549	886
Decrease (increase) in refundable deposits		685	(13)
Increase in other non-current assets - others		(3,439)	(1,468)
Net cash outflow from investing activities		(35,227)	(173,047)
<u>Cash flow from financing activities</u>			
Repayment of lease principal	6(26)	(3,727)	(2,486)
Increase in deposits received		-	1
Net cash outflow from financing activities		(3,727)	(2,485)
Effect of exchange rate changes		781	(729)
Decrease in current cash and cash equivalents		(46,741)	(171,888)
Opening balance of cash and cash equivalents		172,275	344,163
Closing balance of cash and cash equivalents		\$ 125,534	\$ 172,275

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

Chairman: Chen He-Shun, Representative of Jin-Zhi-Hong Investment Co., Ltd. Managerial Officer: Tseng Ming-Chuan Accounting Supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
2022 and 2021

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

I. Company history

- (1) Jia Jie Biomedical Co., Ltd. (hereinafter referred to as the "Company") and the subsidiaries thereof are hereinafter collectively referred to as the "Group." The Company was established upon approval in May 1995. The Company is mainly engaged in the processing, sale, and trading of softshell turtle food, Manufacture of Dairy Products, miscellaneous food manufacturing (e.g. softshell turtle egg powder capsules, enzyme powder, tortoise jelly, softshell turtle oil, and powder capsules), the import, export of the aforementioned products, the distribution, bidding, quotation of aforementioned products for domestic and foreign manufacturers, Wholesale of Nonalcoholic Beverages, candy wholesale, baked food wholesale, supplementary food wholesale, cosmetics wholesale, and life insurance and property insurance brokerage business.
- (2) The Company's shares have been traded on the TPEX since August 2002.
- (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 consolidated financial report was approved by the Board of Directors and released on March 21, 2023.

III. Application of new and amended standards and interpretations

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

The following table sets forth the IFRS standards and interpretations newly released, amended, revised and applicable in 2022 that were endorsed and issued into effect by the FSC:

<u>New/amended/revised standards and interpretations</u>	<u>Effective date as published by IASB</u>
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"	January 1, 2022
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022
Annual Improvements to 2018-2020 Cycle	January 1, 2022

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

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

The following table sets forth the FSC-recognized IFRS standards and interpretations newly released, amended, revised and applicable in 2023:

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

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

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

The following table sets forth the newly issued, amended, and revised standards and interpretations for the IFRSs issued by the International Accounting Standards Board but not yet recognized 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 decided by IASB
Amendment to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024
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 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

IV. Summary of significant accounting policies

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

(I) Compliance statement

The consolidated financial report was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC Interpretations, and SIC Interpretations (hereinafter collectively referred to as IFRSs) endorsed and issued into effect by the FSC.

(II) Basis of preparation

1. Except for the financial assets measured at fair value through other comprehensive income, the consolidated financial report was prepared on the basis of historical cost.
2. Preparing a financial report in conformity with IFRSs 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 Group, which involves items with a high degree of judgment or complexity, or significant assumptions and estimations in the consolidated

financial report. Please refer to Note 5 for details.

(III) Basis of consolidation

1. Principles for the preparation of the consolidated financial report

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

2. Subsidiaries included in the consolidated financial report:

Name of investing company	Name of subsidiary	Nature of business	Percentage of shareholding		Description
			December 31, 2022	December 31, 2021	
The Company	Wisetech Corporation	Overseas investment	100.00	100.00	
	Shi Zhang Bio-Technology Co., Ltd.	Wholesale and retail of cosmetics, foods and groceries	100.00	100.00	
	Jia Jie Investment Co., Ltd.	Investment	100.00	100.00	
	Jia Jie Biotechnology co., Ltd.	Wholesale of foods, groceries and daily commodities, and retail of other products	100.00	100.00	Note 3
Wisetech Corporation	Sure Wise International Co.,Ltd.	Overseas investment	66.67	66.67	Note 1
	Honor Peak Holdings Limited	Overseas investment	100.00	100.00	

Name of investing company	Name of subsidiary	Nature of business	Percentage of shareholding		Description
			December 31, 2022	December 31, 2021	
Sure Wise International Co., Ltd.	Shanghai Andy Pure-water Equipment Manufacturing Co., Ltd.	Production of water purification equipment and related parts	100.00	100.00	
Honor Peak Holdings Limited	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Development of aquatic product technology, and production and processing of softshell turtle powder and softshell turtle oil	50.00	50.00	Note 2
	Xiamen Zengmeinong Biotech Co., Ltd.	Development of biological products	100.00	100.00	
Honor Peak Holdings Limited	Dongguan Jia Jie Biotechnology Co., Ltd.	Retail	100.00	100.00	
Jia Jie Investment Co., Ltd.	Fortune Chain Enterprise Co., Ltd.	Overseas investment	100.00	100.00	
	Titan Assurance Broker Co., Ltd.	Personal insurance and property insurance brokerage	35.13	35.13	Note 4
Fortune Chain Enterprise Co., Ltd.	Sure Wise International Co., Ltd.	Overseas investment	33.33	33.33	Note 1

Note 1: As of December 31, 2022 and 2021, Wisetech Corporation and Fortune Chain Enterprise Co., Ltd. held 66.67% and 33.33 % of the company, respectively.

Note 2: The Group holds a majority of seats on the board of directors of the company and has the substantive capacity to exercise management power to direct its relevant activities. Hence, the company is classified as a subsidiary.

Note 3: The company is a subsidiary newly established by the Group on August 16, 2021.

Note 4: The Group acquired 35.13% of the company's equity on November 26, 2021. Since

the Group holds a majority of seats on the company's board of directors and has the substantive ability to exercise management power to direct its relevant activities, the company is classified as a subsidiary.

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

The total amount of non-controlling interests in the Group as of December 31, 2022 and 2021, was \$25,987 and \$27,053. The following is the information about the significant non-controlling interests in the Group and its subsidiaries:

Name of subsidiary	Principal places of business	Non-controlling interests		Non-controlling interests		Description
		December 31, 2022		December 31, 2021		
		Amount	Percentage of shareholding	Amount	Percentage of shareholding	
Titan Assurance Broker Co., Ltd.	Taiwan	\$ 27,587	64.87%	\$ 28,374	64.87%	

Summary financial information of subsidiaries:

	Titan Assurance Broker Co., Ltd.	
	December 31, 2022	December 31, 2021
Current assets	\$ 37,148	\$ 54,786
Non-current assets	23,686	9,242
Current liabilities	(12,398)	(17,466)
Non-current liabilities	(5,910)	(2,821)
Total net assets	\$ 42,526	\$ 43,741

Statement of Comprehensive Income

	Titan Assurance Broker Co., Ltd.	
	2022	November 26 to December 31, 2021
Revenue	\$ 64,703	\$ 10,988
Net loss before tax	(741)	903
Income tax expenses	(614)	(191)
Current net loss	(1,355)	712
Other comprehensive income (net amount after tax)	141	-
Total current comprehensive income	(\$ 1,214)	\$ 712
Comprehensive income attributable to non-controlling interests	(\$ 788)	\$ -
Dividends paid to non-controlling interests	\$ -	\$ -

Statement of Cash Flows

	Titan Assurance Broker Co., Ltd.	
	2022	November 26 to December 31, 2021
Net cash outflow from operating activities	(\$ 1,018)	(\$ 11,585)
Net cash outflow from investing activities	(10,373)	-
Net cash outflow from financing activities	(2,036)	-
Decrease in current cash and cash equivalents	(13,427)	(11,585)
Opening balance of cash and cash equivalents	26,536	38,121
Closing balance of cash and cash equivalents	\$ 13,109	\$ 26,536

(IV) Translation of foreign currencies

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

1. Foreign currency transactions and balances

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

2. Translation of foreign operations

- (1) For all group entities, associates, and joint ventures whose functional currency is different from the presentation currency, their operating results and financial position are translated into the presentation currency in the following ways:

A. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate on the balance sheet date;

B. Income and expenses presented in each statement of comprehensive income are translated at the average exchange rate in the current period;

and

C. All exchange differences arising from translation are recognized as other comprehensive income.

- (2) When the foreign operation partially disposed of or sold is an associate or joint venture, any exchange difference under other comprehensive income will be re-classified proportionally to current profit or loss as part of the gain or loss on sale. However, if the Group still retains part of its interest in the former associate or joint venture, but has lost significant influence over the foreign operation that is an associate or its joint control over the foreign operation that is a joint venture, the Group's interest in the foreign operation is wholly disposed of.
- (3) When the foreign operation partially disposed of or sold is a subsidiary, the accumulated exchange difference recognized in other comprehensive income is re-attributed to the non-controlling interests of the foreign operation on a pro-rata basis. However, if the Group still retains part of its interest in the former subsidiary, but has lost control of the foreign operation that is a subsidiary, the Group's interest in the foreign operation is wholly disposed of.

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

1. Assets that meet one of the following conditions are classified as current assets:

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

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

2. Liabilities that meet one of the following conditions are classified as current liabilities:

- (1) The liability is expected to be settled in the ordinary course of operations.
- (2) The asset is held mainly for the purpose of trading.
- (3) The liability is expected to be settled within 12 months after the reporting period.

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

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

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

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

Changes in the fair value of equity instruments are recognized in other comprehensive

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

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

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

(X) Derecognition of financial assets

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

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

(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/associates under the equity method

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

(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 Group

and the cost of the item can be measured reliably. The book value of the property, plant and equipment replaced shall be derecognized. All other maintenance expenses are recognized as current profit or loss.

3. Property, plant, and equipment are subsequently measured at cost. Except for land, which is not depreciated, all property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. If the components of property, plant and equipment are significant, they are depreciated separately.
4. The Group reviews the residual value, useful life and depreciation method of each asset at the end of each fiscal year. If the expected residual value and useful life are different than their estimates, or there has been a material change in the expected consumption pattern of the future economic benefits of the asset, such change shall be treated in accordance with the provisions of IAS 8 "Accounting Policies, Changes and Errors in Accounting Estimates" from the date of the occurrence of the change. The useful life of each asset is as follows:

Houses and buildings	5 to 60 years
Machinery and equipment	5 to 10 years
Transportation equipment	3 to 10 years
Office equipment	3 to 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 Group. When a lease contract is a short-term lease or a lease of a low-value underlying asset, the lease payment is recognized as an expense during the lease term using the straight-line method.
2. Lease liabilities are recognized at the present value of the lease payments that have not been made on the lease commencement date, which is discounted at the Group's incremental borrowing rate. The lease payments are fixed payments less any lease incentives receivable.

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

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

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

(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) Intangible assets

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

respectively, using the straight-line method.

(XVIII) Impairment of non-financial assets

1. On the balance sheet date, the Group estimates the recoverable amount of assets with signs of impairment. When the recoverable amount is less than the book value, an impairment loss is recognized. Recoverable amount is the fair value of an asset less its disposal cost or use value, whichever is higher. Except for goodwill, when the impairment of assets recognized in prior years does not exist or decreases, the impairment loss is reversed. However, the book value of the asset increased as a result of the reversal of the impairment loss shall not exceed the book value of the asset less depreciation or amortization under the assumption that no impairment loss was recognized.
2. The recoverable amount of goodwill shall be estimated periodically. An impairment loss is recognized if the recoverable amount is less than the book value. The impairment loss on goodwill cannot be reversed in subsequent years.
3. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is identified based on operating segments. Goodwill is allocated to cash-generating units or cash-generating unit groups expected to benefit from the business combination where the goodwill is created.

(XIX) Loans

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

(XX) Accounts and notes payable

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

(XXI) Derecognition of financial liabilities

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

(XXII) 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.

(XXIII) 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 rereasurement 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.

(XXIV) Income tax

1. Income tax expenses include current and deferred income tax. Income tax is recognized in profit or loss, except when it relates to items recognized in other comprehensive income or recognized directly in equity, in which case it is recognized in other comprehensive income or recognized directly in equity.

2. The current income tax is calculated according to the tax rate that has been enacted or substantively enacted in the countries where the Group operates and generates taxable income on the balance sheet date. The management regularly assesses the income tax filing status in accordance with applicable income tax laws and regulations, and, if applicable, estimates income tax liabilities based on the taxes expected to be paid to taxation authorities. For the additional income tax levied on undistributed earnings pursuant to the Income Tax Act, an income tax expense for undistributed earnings will be recognized based on the actual distribution of earnings in the year following the year in which the earnings are generated after the proposal for earnings distribution is passed at the shareholders' meeting.
3. Deferred income tax is recognized based on the temporary difference generated between the tax bases of assets and liabilities and their book values in the consolidated balance sheet using the balance sheet method. The deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. If the deferred income tax is derived from the initial recognition of assets or liabilities in transactions (excluding business combinations) and the deferred income tax liabilities do not affect either the accounting or the taxable income (tax losses), the deferred income tax liabilities are not recognized. If the Group can control the time of reversal of any temporary difference generated from its investment in subsidiaries and the temporary difference is unlikely to be reversed in the foreseeable future, the temporary difference is not recognized. Deferred income tax is subject to the tax rate (and tax law) that has been enacted or substantively enacted on the balance sheet date and is expected to apply when the relevant deferred income tax assets are realized or the deferred income tax liabilities are settled.
4. Deferred income tax assets are recognized to the extent that any temporary difference is likely to be available to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.

(XXV) 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.

(XXVI) 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.

(XXVII) Recognition of revenue

1. Sales revenue
 - (1) The Group's revenue from the manufacturing and sale of processed softshell turtle food and other related products is recognized when the products are sold to

customers. As the time interval between the transfer of the promised goods to the customer and the payment by the customer is less than one year, the Group does not adjust the transaction price to reflect the time value of money.

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

2. Commission revenue

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

(XXVIII) Government grants

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

(XXIX) Business combination

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

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

(XXX)Operating segments

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

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

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

Inventory valuation

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

As of December 31, 2022, the book value of the Group's inventories was \$26,639.

VI. Description of important accounting items

(I) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and working capital	\$ 448	\$ 554
Checkable deposits and demand deposits	125,086	171,721
	<u>\$ 125,534</u>	<u>\$ 172,275</u>

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

(II) Financial assets measured at amortized cost

<u>Item</u>	December 31, 2022	December 31, 2021
Current items:		
Time deposits with an initial maturity date of more	<u>\$ 128,214</u>	<u>\$ 114,031</u>

than 3 months		
Non-current items:		
Restricted bank deposits	\$ -	\$ 5,000

1. Please refer to Note 6(17) for the interest revenue from time deposits.
2. Without considering the collateral or other credit enhancements held, for the financial assets measured at amortized cost that best represent the Group, the maximum credit risk exposure as of December 31, 2022 and 2021 amounted to \$128,214 and \$119,031, respectively.
3. For the financial assets measured at amortized cost pledged as collateral by the Group, please refer to Note 8. Pledged assets.
4. The credit quality of the financial institutions that the Group does business with is good, and thus, the probability of default is expected to be very low.

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

<u>Item</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Equity instruments		
Listed (OTC) companies' stocks	\$ 62,949	\$ 57,120
Non-listed, OTC, or emerging stocks	95,065	95,065
Valuation adjustment	(45,184)	(39,556)
	<u>\$ 112,830</u>	<u>\$ 112,629</u>

1. The Group chooses to classify strategic investments and the equity instrument investments intended for receiving stable dividends as financial assets measured at fair value through other comprehensive income. The fair value of such investments as of December 31, 2022 and 2021 was \$112,830 and \$112,629, 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>2022</u>	<u>2021</u>
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Fair value changes recognized in other comprehensive income	(\$ 5,569)	(\$ 6,409)
Accumulated losses transferred to retained earnings due to derecognition	(\$ 59)	\$ 4,114
Dividend revenue recognized in profit or loss in the current period		
Held at end of period	<u>\$ 2,620</u>	<u>\$ 108</u>

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

(IV) Notes and accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 333	\$ 539
Less: Loss allowance	-	-
	<u>\$ 333</u>	<u>\$ 539</u>

Accounts receivable	\$ 37,026	\$ 40,202
Less: Loss allowance	(26,698)	(27,248)
	<u>\$ 10,328</u>	<u>\$ 12,954</u>

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

	December 31, 2022		December 31, 2021	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Within 90 days	\$ 333	\$ 10,300	\$ 539	\$ 12,903
91-180 days	-	-	-	-
181-365 days	-	-	-	-
More than 366 days	-	26,726	-	27,299
	<u>\$ 333</u>	<u>\$ 37,026</u>	<u>\$ 539</u>	<u>\$ 40,202</u>

The above aging analysis is based on the accounting date.

- The balances of notes receivable and accounts receivable as of December 31, 2022 and 2021 were generated from customer contracts, and the balance of receivables (including notes receivable) from customer contracts as of January 1, 2021 was \$36,387.
- The Group does not hold any collateral.
- Without considering the collateral or other credit enhancements held, for the notes receivable that best represent the Group, the maximum credit risk exposure as of December 31, 2022 and 2021 amounted to \$333 and \$539, respectively; for the accounts receivable that best represent the Group, the maximum credit risk exposure as of December 31, 2022 and 2021 amounted to \$10,328 and \$12,954, respectively.
- For information on the credit risk of relevant notes receivable and accounts receivable, please refer to the description in Note 12(2).

(V) Inventories

1. The item includes the following:

	December 31, 2022		
	Cost	Allowance for valuation losses	Book value
Raw materials	\$ 5,728	(\$ 1,116)	\$ 4,612
Work in process	1,290	(1)	1,289
Finished goods	8,830	(1,826)	7,004
Goods	40,188	(26,454)	13,734
	<u>\$ 56,036</u>	<u>(\$ 29,397)</u>	<u>\$ 26,639</u>
	December 31, 2021		
	Cost	Allowance for valuation losses	Book value
Raw materials	\$ 2,364	(\$ 1,005)	\$ 1,359
Work in process	966	(1)	965
Finished goods	12,435	(1,819)	10,616
Goods	36,301	(28,446)	7,855

<u>\$ 52,066</u>	<u>(\$ 31,271)</u>	<u>\$ 20,795</u>
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2. Inventory costs recognized as expenses in the current period:

	<u>2022</u>	<u>2021</u>
Cost of inventories sold	\$ 146,021	\$ 169,936
Gain on inventory value recovery	(2,214)	(31,547)
Inventory loss	35	54
Others	17,103	17,657
	<u>\$ 160,945</u>	<u>\$ 156,100</u>

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

(VI) Property, plant, and equipment

	<u>Land</u>	<u>Houses and buildings</u>	<u>Machinery and equipment</u>	<u>Transportatio n equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
January 1, 2022							
Cost	\$ 171,759	\$ 376,786	\$ 19,005	\$ 2,740	\$ 26,327	\$ 38,142	\$ 634,759
Accumulated depreciation and impairment	-	(117,468)	(16,128)	(2,740)	(23,699)	(34,889)	(194,924)
	<u>\$ 171,759</u>	<u>\$ 259,318</u>	<u>\$ 2,877</u>	<u>\$ -</u>	<u>\$ 2,628</u>	<u>\$ 3,253</u>	<u>\$ 439,835</u>
<u>2022</u>							
January 1	\$ 171,759	\$ 259,318	\$ 2,877	\$ -	\$ 2,628	\$ 3,253	\$ 439,835
Addition	6,790	4,104	200	2,297	2,944	1,734	18,069
Transfer	-	-	-	60	-	-	60
Disposition	-	-	-	-	(73)	-	(73)
Depreciation expense	-	(6,599)	(972)	(330)	(1,403)	(966)	(10,270)
December 31	<u>\$ 178,549</u>	<u>\$ 256,823</u>	<u>\$ 2,105</u>	<u>\$ 2,027</u>	<u>\$ 4,096</u>	<u>\$ 4,021</u>	<u>\$ 447,621</u>
December 31, 2022							
Cost	\$ 178,549	\$ 380,890	\$ 19,205	\$ 2,917	\$ 29,193	\$ 40,861	\$ 651,615
Accumulated depreciation and impairment	-	(124,067)	(17,100)	(890)	(25,097)	(36,840)	(203,994)
	<u>\$ 178,549</u>	<u>\$ 256,823</u>	<u>\$ 2,105</u>	<u>\$ 2,027</u>	<u>\$ 4,096</u>	<u>\$ 4,021</u>	<u>\$ 447,621</u>

	<u>Land</u>	<u>Houses and buildings</u>	<u>Machinery and equipment</u>	<u>Transportatio n equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
January 1, 2021							
Cost	\$ 171,759	\$ 376,586	\$ 19,576	\$ 4,613	\$ 26,587	\$ 37,798	\$ 636,919
Accumulated depreciation and impairment	-	(110,791)	(15,681)	(4,002)	(22,585)	(34,421)	(187,480)
	<u>\$ 171,759</u>	<u>\$ 265,795</u>	<u>\$ 3,895</u>	<u>\$ 611</u>	<u>\$ 4,002</u>	<u>\$ 3,377</u>	<u>\$ 449,439</u>
<u>2021</u>							
January 1	\$ 171,759	\$ 265,795	\$ 3,895	\$ 611	\$ 4,002	\$ 3,377	\$ 449,439
Addition	-	200	-	-	652	667	1,519
Disposition	-	-	(24)	(611)	(783)	(1)	(1,419)
Acquired through business combination	-	-	-	-	159	7	166
Depreciation expense	-	(6,677)	(994)	-	(1,402)	(797)	(9,870)
December 31	<u>\$ 171,759</u>	<u>\$ 259,318</u>	<u>\$ 2,877</u>	<u>\$ -</u>	<u>\$ 2,628</u>	<u>\$ 3,253</u>	<u>\$ 439,835</u>
December 31, 2021							
Cost	\$ 171,759	\$ 376,786	\$ 19,005	\$ 2,740	\$ 26,327	\$ 38,142	\$ 634,759
Accumulated depreciation and impairment	-	(117,468)	(16,128)	(2,740)	(23,699)	(34,889)	(194,924)
	<u>\$ 171,759</u>	<u>\$ 259,318</u>	<u>\$ 2,877</u>	<u>\$ -</u>	<u>\$ 2,628</u>	<u>\$ 3,253</u>	<u>\$ 439,835</u>

1. There was no capitalization of borrowing costs for property, plant, and equipment in 2022 and 2021.
2. For information on the property, plant and equipment provided as collateral, please refer to the description in Note 8.
3. The accumulated impairment amount of property, plant, and equipment as of December 31, 2022 and 2021 was \$19,907. The reportable segment for the said asset was Mainland China.

(VII) Lease transactions - Lessee

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Book value</u>	<u>Book value</u>
Houses	\$ 3,584	\$ 5,070
	<u>2022</u>	<u>2021</u>
		<u>Depreciation</u>
	<u>Depreciation expense</u>	<u>expense</u>
Land	\$ -	\$ 39
Houses	3,758	2,209
Transportation equipment (company vehicles)	-	217
	<u>\$ 3,758</u>	<u>\$ 2,465</u>

- The additions to the Group's right-of-use assets in 2022 and 2021 amounted to \$5,990 and \$3,424, respectively.
- Information on profit and loss items related to lease contracts is as follows:

	<u>2022</u>	<u>2021</u>
<u>Items affecting current profit or loss</u>		
Interest expense on lease liabilities	\$ 109	\$ 53
Expenses related to short-term lease contracts	2,711	1,428
Gain on lease modification	36	38

- The total cash outflow from the leases of the Group in 2022 and 2021 was \$6,547 and \$3,729, respectively.

(VIII) Investment property

	2022		
	Land	Houses and buildings	Total
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>
	2021		
	Land	Houses and buildings	Total
January 1			
Cost	\$ 31,174	\$ 10,032	\$ 41,206
Accumulated depreciation and impairment	-	(339)	(339)
	<u>\$ 31,174</u>	<u>\$ 9,693</u>	<u>\$ 40,867</u>
January 1	\$ 31,174	\$ 9,693	\$ 40,867
Depreciation expense	-	(214)	(214)
December 31	<u>\$ 31,174</u>	<u>\$ 9,479</u>	<u>\$ 40,653</u>
December 31			
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>

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

	2022	2021
Rental revenue from investment property	<u>\$ 1,960</u>	<u>\$ 1,508</u>
Direct operating expenses from investment property that generates rental revenue in the current period	<u>\$ 181</u>	<u>\$ 214</u>

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

3. As of December 31, 2022 and 2021, the fair value of the investment property held by the Group for generating rental revenue was \$83,070 and \$101,390,

respectively. The fair value is derived by the Company's management based on the market transaction price of similar properties in nearby areas. Such valuation uses the market approach and the fair value is a Level 3 fair value.

(IX) Intangible assets

	<u>Goodwill</u>	<u>Concession</u>	<u>Others</u>	<u>Total</u>
January 1, 2022				
Cost	\$ 47,852	\$ 20,749	\$ 1,136	\$ 69,737
Accumulated amortization and impairment	(28,073)	(20,749)	(638)	(49,460)
	<u>\$ 19,779</u>	<u>\$ -</u>	<u>\$ 498</u>	<u>\$ 20,277</u>
<u>2022</u>				
January 1	\$ 19,779	\$ -	\$ 498	\$ 20,277
Amortization expense	-	-	(48)	(48)
Net exchange difference	-	-	7	7
December 31	<u>\$ 19,779</u>	<u>\$ -</u>	<u>\$ 457</u>	<u>\$ 20,236</u>
December 31, 2022				
Cost	\$ 47,852	\$ 20,749	\$ 1,136	\$ 69,737
Accumulated amortization and impairment	(28,073)	(20,749)	(679)	(49,501)
	<u>\$ 19,779</u>	<u>\$ -</u>	<u>\$ 457</u>	<u>\$ 20,236</u>
	<u>Goodwill</u>	<u>Concession</u>	<u>Others</u>	<u>Total</u>
January 1, 2021				
Cost	\$ 28,250	\$ 20,749	\$ 1,150	\$ 50,149
Accumulated amortization and impairment	(28,073)	(20,749)	(602)	(49,424)
	<u>\$ 177</u>	<u>\$ -</u>	<u>\$ 548</u>	<u>\$ 725</u>
<u>2021</u>				
January 1	\$ 177	\$ -	\$ 548	\$ 725
Amortization expense	-	-	(47)	(47)
Additions - acquired through business combination	19,602	-	-	19,602
Net exchange difference	-	-	(3)	(3)
December 31	<u>\$ 19,779</u>	<u>\$ -</u>	<u>\$ 498</u>	<u>\$ 20,277</u>
December 31, 2021				
Cost	\$ 47,852	\$ 20,749	\$ 1,136	\$ 69,737
Accumulated amortization and impairment	(28,073)	(20,749)	(638)	(49,460)
	<u>\$ 19,779</u>	<u>\$ -</u>	<u>\$ 498</u>	<u>\$ 20,277</u>

1. The amortization expense of intangible assets is presented in operating expenses.
2. The reporting segment for goodwill and concessions is Taiwan.
3. The accumulated impairment amount of the intangible assets amounted to \$39,181 as of both December 31, 2022 and 2021. The reporting segment for the assets is Taiwan.
4. The Group merged with Titan Assurance Broker Co., Ltd. on November 26, 2021, and the goodwill recognized using the acquisition method amounted to \$19,614, which was a preliminary estimate. Since the valuation procedure was completed in the second quarter, the amount of the goodwill is adjusted accordingly to \$19,602.

(X) Other payables

	December 31, 2022	December 31, 2021
Commission payable	\$ 37,197	\$ 43,462
Salary payable	10,793	10,079
Others	9,114	9,953
	<u>\$ 57,104</u>	<u>\$ 63,494</u>

(XI) Pension

1. Since July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution plan in accordance with the "Labor Pension Act," which is applicable to the employees of Taiwanese nationality. For employees choosing the labor pension system under the "Labor Pension Act," the Company contributes no less than 6% of their monthly salary to their personal accounts at the Labor Insurance Bureau. The employees may receive monthly pension payments or lump sum payments according to the amount of their pension in their personal pension accounts and the amount of accumulated gains.
2. Shanghai Andy Pure-water Equipment Manufacturing Co., Ltd., Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd., Xiamen Zengmeinong Biotech Co., Ltd., and Dongguan Jia Jie Biotechnology Co., Ltd. make a monthly pension contribution of a certain percentage of their employees' total salary in accordance with the old-age insurance mechanism of the People's Republic of China. The employees' monthly pension contributions are managed by the government, and the Group has no obligation other than making such contribution on a monthly basis.
3. In 2022 and 2021, the pension cost recognized by the Group according to the pension recognition policies mentioned above was \$2,841 and \$2,144,

respectively.

(XII) Share capital

1. As of December 31, 2022, 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 2022 and 2021 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, 2022, 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.

(XIII) 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.

(XIV) 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 2021 and 2020 was resolved by the shareholders' meetings on June 7, 2022 and July 9, 2021, respectively.

(XV) Other equity items

	2022		
	Unrealized valuation gain or loss	Translation of foreign currencies	Total
January 1	(\$ 40,008)	(\$ 22,782)	(\$ 62,790)
Valuation adjustment	(5,660)	-	(5,660)
Valuation adjustment transferred to retained earnings	(59)	-	(59)
Foreign currency translation difference:			
-Group	-	1,238	1,238
December 31	(\$ 45,727)	(\$ 21,544)	(\$ 67,271)
	2021		
	Unrealized valuation gain or loss	Translation of foreign currencies	Total
January 1	(\$ 37,713)	(\$ 22,435)	(\$ 60,148)
Valuation adjustment	(6,409)	-	(6,409)

Valuation adjustment transferred to retained earnings		-	
	4,114		4,114
Foreign currency translation difference:			
-Group	-	(347)	(347)
December 31	<u>(\$ 40,008)</u>	<u>(\$ 22,782)</u>	<u>(\$ 62,790)</u>

(XVI) Operating revenue

	<u>2022</u>	<u>2021</u>
Revenue from customer contracts	<u>\$ 317,716</u>	<u>\$ 242,481</u>

1. Breakdown of revenue from customer contracts

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

<u>2022</u>	<u>Taiwan</u>	<u>Mainland China</u>	<u>Total</u>
Nutritional health products	\$ 239,044	\$ -	\$ 239,044
Insurance brokerage	64,703	-	64,703
Others	13,968	1	13,969
	<u>\$ 317,715</u>	<u>\$ 1</u>	<u>\$ 317,716</u>

<u>2021</u>	<u>Taiwan</u>	<u>Mainland China</u>	<u>Total</u>
Nutritional health products	\$ 217,132	\$ -	\$ 217,132
Others	21,916	3,433	25,349
	<u>\$ 239,048</u>	<u>\$ 3,433</u>	<u>\$ 242,481</u>

2. Contract assets

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract assets - current	\$ 5,544	\$ 7,564	\$ -
Contract assets - non-current	7,401	2,155	-
	<u>\$ 12,945</u>	<u>\$ 9,719</u>	<u>\$ -</u>

(2) Changes in contract assets are as follows:

	<u>2022</u>	<u>2021</u>
January 1	\$ 9,719	\$ -
Acquired through business combination	-	9,119
Increase in the current period	<u>3,226</u>	<u>600</u>

December 31	\$ 12,945	\$ 9,719
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3. Contract liabilities

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

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities:			
Contract liabilities - sale of goods contracts	\$ 357	\$ 853	\$ 827
Opening contract liabilities recognized as revenue in the current period:		2022	2021
Opening balance of contract liabilities recognized as revenue in the current period:			
Sale of goods contracts		\$ 524	\$ 497

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

	December 31, 2022	December 31, 2021
Refund liabilities:		
Refund liabilities - sale of goods contracts	\$ 1,160	\$ 1,283

(XVII) Interest revenue

	2022	2021
Interest on bank deposits	\$ 1,205	\$ 480

(XVIII) Other revenue

	2022	2021
Rental revenue	\$ 3,730	\$ 1,711
Dividend revenue	2,620	108
Revenue from government grants (Note)	-	2,480
Other revenue - others	1,426	2,659
	\$ 7,776	\$ 6,958

Note: Due to the application of the "Regulations of the Ministry of Economic Affairs for the Relief and Revitalization of Industries and Businesses Suffering Difficulties Arising from COVID-19," the revenue from

government grants recognized by the Group for the salary expense and operating funds subsidized by the government in 2022 and 2021 was \$0 and \$2,480, respectively.

(XIX) Other gains and losses

	<u>2022</u>	<u>2021</u>
Gain (loss) on disposal of property, plant and equipment	\$ 476	(\$ 530)
Gain on lease modification	36	38
Net foreign currency exchange loss	(290)	(485)
Others	(88)	(180)
	<u>\$ 134</u>	<u>(\$ 1,157)</u>

(XX) Financial cost

	<u>2022</u>	<u>2021</u>
Interest expense:		
Bank loans	\$ 2	\$ 3
Lease liabilities	109	53
Other financial expenses	2	5
	<u>\$ 113</u>	<u>\$ 61</u>

(XXI) Additional information on the nature of expenses

	<u>2022</u>	<u>2021</u>
Employee benefit expenses	\$ 68,756	\$ 57,254
Depreciation expense of property, plant and equipment	10,270	9,870
Depreciation expense of investment property	181	214
Depreciation expense of right-of-use assets	3,758	2,465
Intangible assets and other non-current assets - other amortization expenses	2,656	893
	<u>\$ 85,621</u>	<u>\$ 70,696</u>

(XXII) Employee benefit expenses

	<u>2022</u>	<u>2021</u>
Salary expense	\$ 58,098	\$ 49,510
Labor and health insurance expenses	5,806	4,446
Pension expense	2,841	2,144
Directors' remuneration (Note)	890	660
Other employee benefit expenses	1,121	494
	<u>\$ 68,756</u>	<u>\$ 57,254</u>

Note: Travelling allowance.

1. The Group shall distribute 1%-10% of the profit in the current year as the employees' remuneration and no more than 5% as the directors' remuneration, based on the profit performance in the current year. However, if the Company has accumulated losses, such losses should be made up for.
2. The Group recorded a loss before tax in 2022. Therefore, the remuneration to employees and directors was estimated.

As resolved by the Board of Directors, the employees' remuneration and the directors and supervisors' remuneration for 2021 were both \$247, which was consistent with the amount recognized in the financial report for 2021.

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

(XXIII) Income tax

1. Income tax expenses

Components of income tax expenses:

	<u>2022</u>	<u>2021</u>
Current income tax:		
Income tax on current income	\$ -	\$ 191
Additional income tax on undistributed earnings	197	-
Underestimation (overestimation) of income tax in prior years	536	-
Total current income tax	<u>733</u>	<u>191</u>
Deferred income tax:		
Initial occurrence and reversal of temporary differences	1,030	-
Total deferred income tax	<u>1,030</u>	<u>-</u>
Income tax expenses	<u>\$ 1,763</u>	<u>\$ 191</u>

2. Relationship between income tax gains and accounting profit

	<u>2022</u>	<u>2021</u>
Income tax on net profit (loss) before tax calculated at the statutory tax rate	(\$ 3,870)	\$ 1,047
Income tax effect of items adjusted in accordance with tax laws	2,535	384
Income exempted from taxation under tax laws	(513)	(496)
Temporary differences not recognized as deferred income tax assets	123	53
Tax losses not recognized as deferred income	2,731	331

	<u>48,481</u>	<u>-</u>	<u>-</u>	<u>48,481</u>
Deferred income tax liabilities:				
Investment gain recognized under the overseas equity method	-	-	-	-
	<u>\$ 48,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,481</u>

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

December 31, 2022					
Year of occurrence	Amount reported/approved	Amount	Amount yet to be offset	Portion not recognized as deferred income tax assets	Last year of credit
2017	Amount approved	\$ 329	\$ 329	\$ 329	2027
2018	Amount approved	11,870	7,436	3,715	2028
2019	Amount approved	2,107	2,107	587	2029
2020	Amount approved	22,403	22,403	5,109	2030
2021	Amount reported	28,547	28,547	1,404	2031
2022	Estimated amount reported	13,793	13,793	12,997	2032
		<u>\$ 79,049</u>	<u>\$ 74,615</u>	<u>\$ 24,141</u>	

Domestic companies:

December 31, 2021					
Year of occurrence	Amount reported/approved	Amount	Amount yet to be offset	Portion not recognized as deferred income tax assets	Last year of credit
2017	Amount approved	\$ 329	\$ 329	\$ 329	2027
2018	Amount approved	11,870	11,870	3,715	2028
2019	Amount approved	2,107	2,107	587	2029
2020	Amount reported	22,403	22,403	5,109	2030
2021	Estimated amount reported	28,080	28,080	1,654	2031
		<u>\$ 64,789</u>	<u>\$ 64,789</u>	<u>\$ 11,394</u>	

Foreign subsidiaries:

December 31, 2022: None.

December 31, 2021					
Year of occurrence	Amount reported	Amount	Amount yet to be offset	Portion not recognized as deferred income tax assets	Last year of credit
2015	Amount reported	\$ 861	\$ 861	\$ 861	2020
2016	Amount reported	816	816	816	2021
		<u>\$ 1,677</u>	<u>\$ 1,677</u>	<u>\$ 1,677</u>	

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

	December 31, 2022	December 31, 2021
Deductible temporary differences	<u>\$ 153,639</u>	<u>\$ 153,024</u>

6. The profit-seeking enterprise income tax returns of the Company as of 2020 have been approved by the tax collection authority.

(XXIV) Earnings (losses) per share

	2022		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Loss per share (NT\$)
<u>Basic/diluted loss per share</u>			
Current net loss attributable to the parent company's common stock shareholders	<u>(\$ 5,470)</u>	<u>88,936</u>	<u>(\$ 0.06)</u>
	2021		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT\$)
<u>Basic/diluted earnings per share</u>			
Current net profit attributable to the parent company's common stock shareholders	<u>\$ 5,340</u>	<u>88,936</u>	<u>\$ 0.06</u>

(XXV)Business combination

1. On November 26, 2021, the Group purchased 35.13% of the equity of Titan Assurance Broker Co., Ltd. (hereinafter referred to as Titan) for \$34,695 in cash, and obtained control over Titan with more than half of seats on its board of directors. Titan is engaged in life and property insurance brokerage in Taiwan. Considering that the business type of the insurance brokerage company is quite similar to the MLM marketing model, it was expected that the insurance brokerage company could help increase the Group's business activities to meet the need for insurance after the acquisition and that the Group's health food business could also make business opportunities from potential operators and consumers.
2. The fair value of the consideration paid, assets acquired, and liabilities assumed in the acquisition of Titan on the acquisition date and information on the share of non-controlling interests in the acquiree's net identifiable assets on the acquisition date are as follows:

	<u>November 26, 2021</u>
Consideration for acquisition	
Cash	\$ 34,695
Share of non-controlling interests in the acquiree's net identifiable assets	<u>27,848</u>
	<u>\$ 62,543</u>
Fair value of identifiable assets acquired and liabilities assumed	
Cash	\$ 27,180
Financial assets measured at amortized cost - current	10,941
Contract assets	9,119
Other current assets	2,025
Financial assets measured at fair value through other comprehensive income - non-current	1,391
Property, plant, and equipment	166
Right-of-use assets	5,310
Refundable deposits	2,519
Income tax payable	(1,305)
Other payables	(8,353)
Other current liabilities	(708)
Lease liabilities	(5,345)
Total net identifiable assets	<u>42,941</u>
Goodwill	<u>\$ 19,602</u>

3. Since the Group's merger with Titan on November 26, 2021, the operating revenue and net profit before tax contributed by Titan have amounted to \$10,988 and \$903, respectively. If it is assumed that Titan had been consolidated on January 1, 2021, the Group's operating revenue and net

profit before tax would have been \$307,960 and \$11,449, respectively.

4. The Group acquired Titan on November 26, 2021, and the goodwill generated by adopting the acquisition method totaled \$19,602.

(XXVI) Changes in liabilities from financing activities

	January 1, 2022	Changes in cash flow from financing	Other non- cash changes (Note)	Effect of exchange rate changes	December 31, 2022
Lease liabilities	\$ 5,106	(\$ 3,727)	\$ 2,236	\$ -	\$ 3,615
	January 1, 2021	Changes in cash flow from financing	Other non- cash changes (Note)	Effect of exchange rate changes	December 31, 2021
Lease liabilities	\$ 4,172	(\$ 2,486)	\$ 3,422	(\$ 2)	\$ 5,106

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

VII. Transactions with related parties

(I) Name of related party

Name of related party	Relationship with the Group
Chung Hsiang-Feng	Representative the Company's corporate director (Note 1)
Chung Yuan-Feng	Second-degree relative of Chung Hsiang-Feng
MAW YANG TECHNOLOGY CO., LTD. (hereinafter referred to as "MAW YANG")	The person in charge is Chung Yuan-Feng
RUEI,CHI Co. Ltd. (hereinafter referred to as "RUEI,CHI")	Note 2
Tsai Shu-Chuan	Person in charge of RUEI,CHI
CHUNG,HUA-HUNG-I Co., Ltd. (hereinafter referred to as "CHUNG,HUA-HUNG-I")	The person in charge is Tsai Shu-Chuan
CHUNG,HUA-HUNG-LUNG Corporation	The person in charge is Tsai Shu-Chuan
Eating Well Corporation	The person in charge is Tsai Shu-Chuan
Chiang Jui-Lung	Spouse of Tsai Shu-Chuan
Chiang Ming-Hsin	First-degree relative of Tsai Shu-Chuan's spouse
Chiang Chia-Hsuan	First-degree relative of Tsai Shu-Chuan's spouse
Chiang Cheng-Yi	First-degree relative of Tsai Shu-Chuan's spouse

Note 1: The corporate director resigned from the Company's director position on

July 19, 2022.

Note 2: It served as the Company's corporate director from May 11, 2020 to March 28, 2021.

(II) Significant transactions with related parties

1. Purchase of goods and services

	<u>2022</u>	<u>2021</u>
Purchase of goods:		
- MAW YANG	<u>\$ 6,619</u>	<u>\$ 9,289</u>

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

	<u>2022</u>	<u>2021</u>
Commission expenses:		
- CHUNG,HUA-HUNG-I	\$ -	\$ 799
- Other related parties	-	727
	<u>\$ -</u>	<u>\$ 1,526</u>

The above commission expenses were based on the prices generally paid to distributors and the payment terms generally offered.

2. Payables to related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
- MAW YANG	<u>\$ -</u>	<u>\$ 2,796</u>

Payables to related parties are mainly from the purchase of goods and commission expenses, and mature 30 to 60 days following the date of purchase.

The payables do not bear interest.

(III) Information on the remuneration of the key management

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 11,608	\$ 12,593
Post-employment benefits	410	449
	<u>\$ 12,018</u>	<u>\$ 13,042</u>

VIII. Pledged assets

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

Asset	Book value		Purpose of collateral
	December 31, 2022	December 31, 2021	
Land	\$ 161,332	\$ 161,332	Note
Buildings and buildings - net	253,284	258,582	Note
Net investment property	40,472	40,653	Note
Pledged time deposits (presented as "financial assets measured at amortized cost - non-current")	-	5,000	Guarantee for credit card machines
	<u>\$ 455,088</u>	<u>\$ 465,567</u>	

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

IX. Significant contingent liabilities and unrecognized contractual commitments

None.

X. Significant disaster losses

None.

XI. Significant subsequent events

None.

XII. Others

(I) Capital management

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

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

	December 31, 2022	December 31, 2021
Total liabilities	<u>\$ 79,997</u>	<u>\$ 86,467</u>
Total assets	<u>\$ 1,003,959</u>	<u>\$ 1,021,387</u>
Liabilities to assets ratio	<u>8</u>	<u>8</u>

(II) Financial instruments

1. Types of financial instruments

December 31, December 31,

	<u>2022</u>	<u>2021</u>
<u>Financial assets</u>		
Financial assets measured at fair value through other comprehensive income		
Investment in designated equity instruments	\$ 112,830	\$ 112,629
Financial assets measured at amortized cost		
Cash and cash equivalents	125,534	172,275
Financial assets measured at amortized cost	128,214	119,031
Notes receivable	333	539
Accounts receivable	10,328	12,954
Other receivables	2,779	3,375
Refundable deposits	3,000	3,685
	<u>\$ 383,018</u>	<u>\$ 424,488</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Notes payable	\$ 118	\$ 166
Accounts payable (including related parties)	10,180	11,550
Other payables	57,104	63,494
Long-term notes and accounts payables	5,181	1,508
Deposits received	211	211
	<u>\$ 72,794</u>	<u>\$ 76,929</u>
Lease liabilities	<u>\$ 3,615</u>	<u>\$ 5,106</u>

2. Risk management policies

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

3. Nature and extent of significant financial risks

- (1) Market risk

Exchange rate risk

- A. As the Group operates multinationally, it is exposed to the exchange rate risk arising from transactions with currencies (USD in particular) different from the respective functional currency of the Company and the subsidiaries. The related exchange rate risk mainly comes from future business transactions and recognized assets and liabilities.
- B. The management of the Group has formulated the policy for all companies within the Group to manage the exchange rate risk relative to their functional currencies. Each company shall hedge its exposure to the overall exchange rate risk through the Group's Finance Department.
- C. The business of the Group involves several non-functional currencies (the functional currency of the Company and some subsidiaries is NTD, and the functional currencies of some subsidiaries are USD and CNY), and thus, is subject to exchange rate fluctuations. Information on the foreign currency assets and liabilities subject to significant exchange rate fluctuations is as follows:

December 31, 2022						
Sensitivity analysis						
(Foreign currency: Functional currency)	Foreign currency (thousand)	Exchan ge rate	Book value (NT\$)	Range of change	Impact on profit or loss	Impact on other comprehensive income
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 103	30.71	\$ 3,163	1%	\$ 32	\$ -
USD:CNY	36	6.96	1,106	1%	11	-
December 31, 2021						
Sensitivity analysis						
(Foreign currency: Functional currency)	Foreign currency (thousand)	Exchan ge rate	Book value (NT\$)	Range of change	Impact on profit or loss	Impact on other comprehensive income
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 125	27.68	\$ 3,460	1%	\$ 35	-
USD:CNY	40	6.37	1,107	1%	11	-

- D. Due to the significant impact of exchange rate fluctuations on the monetary items of the Group in 2022 and 2021, the total amount of exchange losses (including realized and unrealized) was \$290 and \$485, respectively.

Price risk

- A. The Group's equity instruments exposed to price risk are financial assets measured at fair value through other comprehensive income.
- B. The Group mainly invests in the stocks of listed (OTC) or non-listed (non-OTC) companies. 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 2022 and 2021 would have been increased or decreased by \$1,128 and \$1,126, respectively, due to the rise or fall classified as a gain or loss on equity investments measured at fair value through other comprehensive income.

(2) Credit risk

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

allowance loss for notes and accounts receivable. The provision matrix as of December 31, 2022 and 2021 is as follows:

	Aged less than 90 days	Aged 91- 180 days	Aged 181- 365 days	Aged over 366 days	Total
<u>December 31, 2022</u>					
Expected loss rate	0.1%	1.0%	5.0%	100%	
Total book value	\$ 10,633	\$ -	\$ -	\$ 26,726	\$ 37,359
Loss allowance	\$ 13	\$ -	\$ -	\$ 26,685	\$ 26,698

	Aged less than 90 days	Aged 91- 180 days	Aged 181- 365 days	Aged over 366 days	Total
<u>December 31, 2021</u>					
Expected loss rate	0.1%	1%	5%	100%	
Total book value	\$ 13,442	\$ -	\$ -	\$ 27,299	\$ 40,741
Loss allowance	\$ 17	\$ -	\$ -	\$ 27,231	\$ 27,248

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

	<u>2022</u> Accounts	<u>2021</u> Accounts
January 1	\$ 27,248	\$ 27,614
Impairment loss (gain on recovery)	(708)	(296)
Irrecoverable amount written off	(30)	-
Exchange rate effect	188	(70)
December 31	<u>\$ 26,698</u>	<u>\$ 27,248</u>

The impairment gain recognized for receivables arising from customers contracts in 2022 and 2021 was \$708 and \$296, respectively.

(3) Liquidity risk

- A. Cash flow forecasting is carried out by each operating entity within the Group and summarized by the Group's Finance Department. The Finance Department of the Group monitors the forecast of the Group's need for liquid funds to ensure that it has sufficient funds to meet its operating needs and maintain sufficient undrawn loan commitments at all times to prevent the Group from breaching relevant loan limits or covenants. The forecast takes into account the Group's debt financing plan, compliance with debt terms, and achievement of the financial ratio targets on the internal balance sheet.
- B. When the remaining cash held by each operating entity exceeds the amount required for the management of working capital, the remaining funds are invested in interest-bearing demand deposits,

time deposits, and marketable securities with appropriate due dates or sufficient liquidity to respond to the forecast above and provide adequate liquid resources. As of December 31, 2022 and 2021, the Group's money market positions amounted to \$125,031 and \$171,499, respectively, which were expected to generate cash flows immediately for the management of liquidity risk.

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

December 31, 2022				
<u>Non-derivative financial liabilities:</u>	Less than 1 year	1~2 years	More than 2 years	Total
Accounts payable (including related parties)	\$ 10,180	\$ -	\$ -	\$ 10,180
Other payables	57,104	-	-	57,104
Lease liabilities (including those due within one year)	2,567	617	488	3,672
Long-term notes and accounts payables	-	5,181	-	5,181
Deposits received	211	-	-	211
December 31, 2021				
<u>Non-derivative financial liabilities:</u>	Less than 1 year	1~2 years	More than 2 years	Total
Accounts payable (including related parties)	\$ 11,550	\$ -	\$ -	\$ 11,550
Other payables	63,494	-	-	63,494
Lease liabilities (including those due within one year)	2,348	2,228	635	5,211
Long-term notes and accounts payables	-	1,508	-	1,508
Deposits received	211	-	-	211

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

(III) Fair value information

1. The levels of valuation techniques used to measure the fair value of financial

and non-financial instruments are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities accessible to the entity on the measurement date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the listed (OTC) stocks invested by the Group falls within Level 1.
- Level 2: Inputs other than the quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability.
- Level 3: Inputs that are unobservable to the asset or liability. The equity instruments with no active market invested by the Group fall within Level 3.

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

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

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

December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial asset equity				
securities measured at fair				
value through other				
comprehensive income	\$ 66,961	\$ -	\$ 45,869	\$ 112,830
December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial asset equity				
securities measured at fair				
value through other				
comprehensive income	\$ 65,039	\$ -	\$ 47,590	\$ 112,629

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

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

of instruments:

	<u>Listed (OTC) companies' stocks</u>
Market quotation	Closing price

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

4. There were no transfers between Level 1 and Level 2 in 2022 and 2021.

5. The following table shows the changes in Level 3 in 2022 and 2021:

	<u>2022</u>	<u>2021</u>
	Equity instruments	Equity instruments
January 1	\$ 47,590	\$ 62,211
Recognized in other comprehensive income	(1,721)	(14,621)
December 31	<u>\$ 45,869</u>	<u>\$ 47,590</u>
Changes in unrealized gains or losses from assets and liabilities held at end of period included in profit or loss	<u>\$ -</u>	<u>\$ -</u>

6. There was no transfer in or out from Level 3 in 2022 and 2021.

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, 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.
	<u>Fair value on December 31, 2021</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	\$ 47,590	Price-to- book ratio approach	Price-to-book ratio	0.70	The higher the price- to-book ratio, the higher the fair value.

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

		December 31, 2022						
				Recognized in profit or loss		Recognized in other comprehensive income		
		Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change	
Financial assets	Equity instruments	ratio	±10%	\$ -	\$ -	\$ 4,587	(\$ 4,587)	
		December 31, 2021						
				Recognized in profit or loss		Recognized in other comprehensive income		
		Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change	
Financial assets	Equity instruments	Price-to-book ratio	±10%	\$ -	\$ -	\$ 4,744	(\$ 4,744)	

(IV) Other matters

Due to the widespread of the COVID-19 pandemic and the government's implementation of various pandemic prevention measures, the Group has reduced the number of marketing activities held, resulting in a slight impact on the operation of the Group. The Group has taken related countermeasures, including increasing online marketing activities and launching new products and special offers to stimulate buying interest.

XIII. Notes in disclosures

(I) Information on significant transactions

1. Loaning of funds to others: Please refer to Table 1.
2. Endorsements/guarantees for others: None.

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

(II) Information on investees

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

(III) Information on investment in Mainland China

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

(IV) Information on major shareholders

Information on major shareholders: Please refer to Table 6.

XIV. Segment information

(I) General information

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

The Group has two reportable segments: Taiwan Operating Segment and Mainland China Operating Segment. The Taiwan Operating Segment is mainly engaged in the production and sale of health food and insurance brokerage, while

the Mainland China Operating Segment is mainly engaged in the sale of water purification equipment and related parts.

(II) Measurement of segment information

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

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

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

	2022			
	Taiwan	Mainland China	Adjustments and write- offs (Note)	Consolidated
External revenue	\$ 317,715	\$ 1	\$ -	\$ 317,716
Internal segment revenue	1,289	-	(1,289)	-
Segment revenue	<u>\$ 319,004</u>	<u>\$ 1</u>	<u>(\$ 1,289)</u>	<u>\$ 317,716</u>
Segment profit or loss	<u>(\$ 12,700)</u>	<u>(\$ 1,047)</u>	<u>\$ 65</u>	<u>(\$ 13,682)</u>
Interest revenue				1,205
Other revenue				7,776
Other gains and losses				134
Interest expense				(113)
Net profit or loss before tax from continuing operations				<u>(\$ 4,680)</u>
Segment assets	<u>\$ 491,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491,677</u>
Company's general assets				512,282
Total assets				<u>\$ 1,003,959</u>
Depreciation and amortization expenses	\$ 16,803	\$ 62	\$ -	\$ 16,865
Capital expenditure	<u>\$ 18,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,069</u>
Segment liabilities	<u>\$ 78,151</u>	<u>\$ 2,088</u>	<u>(\$ 242)</u>	<u>\$ 79,997</u>

Note: Write-offs of internal segment revenue.

	2021			
	Taiwan	Mainland China	Adjustments and write- offs (Note)	Consolidated
External revenue	\$ 239,048	\$ 3,433	\$ -	\$ 242,481
Internal segment revenue	209	1,196	(1,405)	-
Segment revenue	<u>\$ 239,257</u>	<u>\$ 4,629</u>	<u>(\$ 1,405)</u>	<u>\$ 242,481</u>
Segment profit or loss	<u>\$ 1,201</u>	<u>(\$ 2,456)</u>	<u>\$ 325</u>	<u>(\$ 930)</u>
Interest revenue				480
Other revenue				6,958
Other gains and losses				(1,157)
Interest expense				(61)

Net profit or loss before tax from continuing operations				\$ 5,290
Segment assets	\$ 480,474	\$ 14	\$ -	\$ 480,488
Company's general assets				540,899
Total assets				\$ 1,021,387
Depreciation and amortization expenses	\$ 13,107	\$ 335	\$ -	\$ 13,442
Capital expenditure	\$ 1,519	\$ -	\$ -	\$ 1,519
Segment liabilities	\$ 83,977	\$ 2,491	(\$ 1)	\$ 86,467

Note: Write-offs of internal segment revenue.

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

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

(V) Information by product and service

The Group's revenue from external customers mainly comes from the sale of health care products.

The breakdown of revenue is as follows:

	2022	2021
Nutrition and health care	\$ 239,044	\$ 217,132
Insurance brokerage	64,703	-
Others	13,969	25,349
	<u>\$ 317,716</u>	<u>\$ 242,481</u>

(VI) Information by region

The Group's information by region in 2022 and 2021 is as follows:

	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 317,715	\$ 515,885	\$ 239,048	\$ 508,656
Mainland China	1	179	3,433	511
	<u>\$ 317,716</u>	<u>\$ 516,064</u>	<u>\$ 242,481</u>	<u>\$ 509,167</u>

Non-current assets do not include financial assets measured at fair value through other comprehensive income-non-current, financial assets measured at amortized cost-non-current, contract assets-non-current, deferred income tax assets and refundable deposits.

(VII) Important customer information

The Group's operating revenue is generated by the sale of products to individual distributors. In 2022 and 2021, there was no customer that accounted for more than 10% of the operating revenue.

Jia Jie Biomedical Co., Ltd.
Loaning of Funds to Others
January 1 to December 31, 2022

Table 1

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

No.	Lending company	Borrower	Account	Related party	Current maximum amount	Closing balance	Amount used	Interest rate range	Nature of loaning of funds	Amount of business transactions	Reasons for the need for short-term financing	Amount of allowance for bad debts	Collateral		Limit on funds loaned to individual borrowers	Limit on total funds loaned	Remarks
													Name	Value			
1	Dongguan Jia Jie Biotechnology Co., Ltd.	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Other receivables	Yes	\$ 4,757	\$ 4,757	4,736	-	Short-term financing	4	Operating turnover	-	None	4	\$ 10,250	\$ 10,250	-

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

(1) 0 is reserved for the issuer.

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

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

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

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

Jia Jie Biomedical Co., Ltd.
 Marketable Securities Held at the End of the Period (excluding investments in subsidiaries, associates, and jointly controlled companies)
 December 31, 2022

Table 2

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

Holding company	Type and name of marketable securities	Relationship with the issuer of marketable securities	Account	Closing				Remarks
				Shares	Book value	Shareholding percentage	Fair value	
Jia Jie Biomedical Co., Ltd.	AlfaPlus Semiconductor Inc. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	263,529	\$ -	0.76	\$ -	
Jia Jie Biomedical Co., Ltd.	Choice Publishing Co., Ltd. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	300,000	-	9.04	-	
Jia Jie Biomedical Co., Ltd.	FM International Inc. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	2,448,572	45,869	18.64	45,869	
Jia Jie Biomedical Co., Ltd.	Shuo Rong Tai Xing IoT Technology Co., Ltd. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	500,000	-	1.25	-	
Jia Jie Biomedical Co., Ltd.	TAIWAN JUIJANG BIOTECHNOLOGY CO., LTD. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	20,000	-	4.82	-	
Jia Jie Biomedical Co., Ltd.	Taiwan Styrene Monomer Corporation (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	435,000	5,873	0.08	5,873	
Jia Jie Biomedical Co., Ltd.	OFCO Industrial Corp. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	1,000,000	24,750	1.01	24,750	
Jia Jie Biomedical Co., Ltd.	TMP Steel Corporation (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	1,546,108	34,710	2.55	34,710	
Titan Assurance Broker Co., Ltd.	Hua Nan Financial Holdings Co., Ltd. (stock)	None	Financial assets measured at fair value through other comprehensive income - non-current	72,504	1,628	-	1,628	

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, 2022**

Table 3

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

Unit: In Thousands of New Taiwan Dollars

(unless otherwise stated)

No. (Note 1)	Name of trader	Counterparty	Relationship with trader (Note 2)	Transaction			As a percentage of total consolidated revenue or total consolidated assets (Note 3)
				Account	Amount	Transaction terms	
0	Jia Jie Biomedical Co., Ltd.	Jia Jie Biotech Co., Ltd.	1	Sales revenue	\$ 1,289	As agreed by both parties	0.41%
1	Dongguan Jia Jie Biotechnology Co., Ltd.	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	3	Other receivables	2,736	As agreed by both parties	0.27%
1	Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Xiamen Zengmeining Biotech Co., Ltd.	3	Accounts receivable	1,700	As agreed by both parties	0.17%

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

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

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

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

Jia Jie Biomedical Co., Ltd.
Name, Location and Other Information of Investee Companies (excluding those in Mainland China)
January 1 to December 31, 2022

Table 4

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

Name of investing company	Name of investee company	Location	Main business activity	Initial investment amount		Held at end of period			Current profit or loss of investee company	Investment gain or loss recognized in the current period	Remarks
				End of current period	End of last year	Shares	Percentage	Book value			
Jia Jie Biomedical Co., Ltd.	Wisetech Corporation	Samoa	Overseas investment	\$ 363,893	\$ 363,893	11,890,234	100.00	\$23,211	(\$ 615)	(\$ 615)	Subsidiary
Jia Jie Biomedical Co., Ltd.	Jia Jie Investment Co., Ltd.	Taiwan	Investment	37,000	37,000	5,762,500	100.00	41,269	(1,049)	(1,049)	Subsidiary
Jia Jie Biomedical 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	2,358	163	163	Subsidiary
Jia Jie Biomedical Co., Ltd.	Jia Jie Biotechnology co., Ltd.	Taiwan	Wholesale of foods, groceries and daily commodities, and retail sale of other products	50,000	50,000	5,000,000	100.00	37,158	(11,948)	(11,948)	Subsidiary
Wisetech Corporation	Sure Wise International Co., Ltd.	Seychelles	Overseas investment	14,971	14,971	-	66.67	11,439	(1,415)	-	Sub-subsidiary
Wisetech Corporation	Honor Peak Holdings Limited	Hong Kong	Overseas investment	267,833	267,833	-	100.00	11,196	402	-	Sub-subsidiary
Jia Jie Investment Co., Ltd.	Fortune Chain Enterprise Co.,Ltd	Seychelles	Overseas investment	7,763	7,763	-	100.00	5,473	(472)	-	Sub-subsidiary
Jia Jie Investment Co., Ltd.	Titan Assurance Broker Co., Ltd.	Taiwan	Personal insurance and property insurance broker	34,695	34,695	878,353	35.13	34,540	(1,355)	-	Sub-subsidiary
Fortune Chain Enterprise Co.,Ltd	Sure Wise International Co., Ltd.	Seychelles	Overseas investment	8,431	8,431	-	33.33	5,543	(1,415)	-	Sub-subsidiary

Note 1: Except for the current profit and loss, which was translated at the average exchange rate of 29.80 between January 1 and December 31, 2022, the information related to the investees was translated at the exchange rate of 30.71 on December 31, 2022.

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, 2022

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 or		Accumulated	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
				investment amount remitted from Taiwan at the beginning of the current period	Remitted	Recovered	investment amount remitted from Taiwan at the end of the current period						
Harbin Shen-Shou Biotechnology Ltd.	Development of biological products	\$ 25,949	2	\$ 14,410	\$	\$	\$ 14,410	\$	48.98	\$	\$	\$	-
Harbin Dian Yi Technology Ltd.	Smart card application systems	240,510	2	-	-	-	-	-	49.00	-	-	-	-
Jing-Ding Murad Biomedical Technology Ltd.	Development of biological products	350,353	2	75,196	-	-	75,196	-	15.01	-	-	-	-
Shanghai Andy Pure-water Equipment Manufacturing Co., Ltd.	Production of water purification equipment and related parts	36,852	2	6,142	-	-	6,142 (	380)	100.00 (	380)	8,927	20,648	Note 2
Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Development of aquatic product technology, and production and processing of softshell turtle powder and softshell turtle oil	86,602	2	43,302	-	-	43,302 (	228)	50.00 (	114) (	1,463)	-	Note 2
Xiamen Zengmeining Biotech Co., Ltd.	Development of biological products	73,704	2	73,704	-	-	73,704	38	100.00	38	2,215	-	Note 2
Heilongjiang Shen Shou Pharmaceutical Co., Ltd.	Production, processing, and sale of Chinese herbal medicine	47,655	1	36,487	-	-	36,487	-	41.00	-	-	-	-
Dongguan Jia Jie Biotechnology Co., Ltd.	Retail	22,065	2	23,127	-	-	23,127	493	100.00	493	10,251	-	Note 2
Shuo Rong Tai Xing IoT Technology Co., Ltd.	Internet of Things	15,155	1	15,355	-	-	15,355	-	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 Biomedical Co., Ltd.	\$ 274,472	\$ 302,853	\$ 554,377										

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 29.80 between January 1 and December 31, 2022, all figures were translated at the exchange rate of 30.71 on December 31, 2022.

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, 2022

Table 6

Name of major shareholder	Shares	
	Shareholding	Shareholding percentage
Bai-Jia-Yuan Investment Co., Ltd.:	20,000,000	22.49%
Tai-Ben Investment Co., Ltd.	4,899,000	5.50%

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

Auditor's Report

(2023) Cai-Shen-Bao-Zi No. 22005315

To Jia Jie Biomedical Co., Ltd.:

Audit opinion

We have audited the parent company only balanced sheet as of December 31, 2022 and 2021, 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, 2022 and 2021.

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, 2022 and 2021, and its parent company only financial performance and parent company only cash flow for the periods from January 1 to December 31, 2022 and 2021.

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 2022. 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 2022 are as follows:

Inventory valuation

Description of matters

For the accounting policy for inventory valuation, please refer to Note 4(11) to the parent company only financial statements. For the uncertainty in accounting estimates and assumptions for inventory valuation, please refer to Note 5 to the parent company only financial statements. For the description of inventory accounting items, please refer to Note 6(5) to the parent company only financial statements.

Jia Jie Biomedical Co., Ltd. is mainly engaged in the manufacturing and trading of health food. Inventories are measured at the lower of cost or net realizable value. The estimated net realizable value involves the subjective judgment of the management and thus is subject to a high degree of estimation uncertainty. Hence, we included inventory valuation 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. Assessing the reasonableness of the policy and procedure adopted by Jia Jie Biomedical Co., Ltd. for recognizing the allowance for inventory valuation losses and consistency in accounting estimation methods based on our understanding of its operation and industrial nature.
2. Understanding the warehouse management process of Jia Jie Biomedical Co., Ltd., reviewing its annual inventory plan, participating in the observation of the annual inventory, and assessing the inventory status and the effectiveness of the management's classification and control of obsolete inventories.
3. Obtaining the inventory valuation report of Jia Jie Biomedical Co., Ltd., confirming with the management the obsolescence of inventories, testing the data used as the basis for the estimation of the net realizable value of the inventories, including checking the selling price, purchase price and other supporting documents, and recalculating the allowance for inventory valuation losses and assessing its reasonableness.

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, 2022 and 2021 was NT\$34,540 thousand and NT\$34,980 thousand, respectively, both accounting for 3.6% of the total assets. The comprehensive income recognized under the equity method for the periods from January 1 to December 31, 2022 and 2021, was NT\$(476) thousand and NT\$285 thousand, accounting for 4.8% and (20.3%) 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 disclosure are inappropriate, to modify our audit opinion. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or conditions may cause Jia Jie 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 2022. We shall specify such matters in the audit report, except where public disclosure of certain matters is prohibited by laws or regulations or where, under very exceptional circumstances, we have decided not to communicate certain matters in the audit report due to the reasonable expectation that any negative consequences arising from such communication would be greater than the public interest enhanced.

PwC Taiwan

Liao A-Shen

Auditor

Wang Guo-Hua

Former Financial Supervisory Commission, Executive Yuan

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

Former Securities and Futures Commission, Ministry of Finance

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

March 28, 2023

Jia Jie Biomedical Co., Ltd.
Parent Company Only Balance Sheet
December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Assets	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 72,294	8	\$ 67,375	7
1136	Financial assets measured at amortized cost - current	6(2)	92,470	10	103,090	10
1170	Net accounts receivable	6(4)	4,473	-	6,069	1
1200	Other receivables		13	-	1,004	-
130X	Inventories	5 and 6(5)	26,625	3	20,480	2
1410	Prepayments		14,482	1	7,475	1
11XX	Total current assets		<u>210,357</u>	<u>22</u>	<u>205,493</u>	<u>21</u>
Non-current assets						
1517	Financial assets measured at fair value through other comprehensive income - non-current	6(3)	111,202	12	111,142	12
1535	Financial assets measured at amortized cost - non-current	6(2)	-	-	5,000	1
1550	Investments under the equity method	6(6)	103,996	11	116,549	12
1600	Property, plant, and equipment	6(7) and 8	437,338	46	439,654	45
1755	Right-of-use assets	6(8)	1,770	-	-	-
1760	Net investment property	6(9) and 8	40,472	4	40,653	4
1840	Deferred income tax assets	6(23)	46,697	5	47,886	5
1920	Refundable deposits		597	-	1,136	-
1990	Other non-current assets - others		3,769	-	3,322	-
15XX	Total non-current assets		<u>745,841</u>	<u>78</u>	<u>765,342</u>	<u>79</u>
1XXX	Total assets		<u>\$ 956,198</u>	<u>100</u>	<u>\$ 970,835</u>	<u>100</u>

(continued on next page)

Jia Jie Biomedical Co., Ltd.
Parent Company Only Balance Sheet
December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Liabilities and equity	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current liabilities						
2130	Contract liabilities - current	6(16)	\$ 18	-	\$ 524	-
2150	Notes payable		-	-	166	-
2170	Accounts payable		9,969	1	8,545	1
2180	Accounts payable - related parties	7	-	-	2,796	-
2200	Other payables	6(10) and 7	44,416	5	48,912	5
2280	Lease liabilities - current		1,785	-	-	-
2365	Refund liabilities - current	6(16)	1,160	-	1,283	-
2399	Other current liabilities - others		664	-	531	-
21XX	Total current liabilities		<u>58,012</u>	<u>6</u>	<u>62,757</u>	<u>6</u>
Non-current liabilities						
2645	Deposits received		211	-	211	-
25XX	Total non-current liabilities		<u>211</u>	<u>-</u>	<u>211</u>	<u>-</u>
2XXX	Total liabilities		<u>58,223</u>	<u>6</u>	<u>62,968</u>	<u>6</u>
Equity						
	Share capital	6(12)				
3110	Common stock capital		889,367	93	889,367	92
	Capital surplus	6(13)				
3200	Capital surplus		57,010	6	57,010	6
	Retained earnings	6(14)				
3310	Legal reserves		123	-	-	-
3320	Special reserves		24,157	3	23,054	2
3350	Undistributed earnings (losses to be made up for)		(5,411)	(1)	1,226	-
	Other equity	6(15)				
3400	Other equity		(67,271)	(7)	(62,790)	(6)
3XXX	Total equity		<u>897,975</u>	<u>94</u>	<u>907,867</u>	<u>94</u>
3X2X	Total liabilities and equity		<u>\$ 956,198</u>	<u>100</u>	<u>\$ 970,835</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, Representative of Jin-Zhi-Hong Investment Co., Ltd. Managerial Officer: Tseng Ming-Chuan Accounting Supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd.
Parent Company Only Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

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

	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	6(16)	\$ 252,338	100	\$ 228,203	100
5000	Operating cost	6(5)(21) (22) and 7	(161,645)	(64)	(148,322)	(65)
5900	Gross profit		<u>90,693</u>	<u>36</u>	<u>79,881</u>	<u>35</u>
	Operating expenses	6(21) (22) and 12 (2)				
6100	Sales and marketing expenses		(35,573)	(14)	(32,900)	(14)
6200	Administrative expense		(43,257)	(17)	(41,729)	(18)
6300	R&D expense		(8,935)	(4)	(3,608)	(2)
6450	Expected credit impairment gain		4	-	9	-
6000	Total operating expenses		<u>(87,761)</u>	<u>(35)</u>	<u>(78,228)</u>	<u>(34)</u>
6900	Operating profit		<u>2,932</u>	<u>1</u>	<u>1,653</u>	<u>1</u>
	Non-operating revenue and expenses					
7100	Interest revenue	6(17)	758	-	393	-
7010	Other revenue	6(18)	5,198	2	5,373	2
7020	Other gains and losses	6(19)	328	-	(943)	-
7050	Financial cost	6(20)	(48)	-	(53)	-
7070	Share in the profit or loss of subsidiaries, associates, and joint ventures recognized under equity method	6(6)				
			<u>(13,449)</u>	<u>(5)</u>	<u>(1,083)</u>	<u>(1)</u>
7000	Total non-operating revenue and expenses		<u>(7,213)</u>	<u>(3)</u>	<u>3,687</u>	<u>1</u>
7900	Net profit (net loss) before tax		<u>(4,281)</u>	<u>(2)</u>	<u>5,340</u>	<u>2</u>
7950	Income tax expenses	6(23)	<u>(1,189)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8200	Current net profit (net loss)		<u><u>(\$ 5,470)</u></u>	<u><u>(2)</u></u>	<u><u>\$ 5,340</u></u>	<u><u>2</u></u>
	Other comprehensive income (net amount after tax)					
	Items not reclassified to profit or loss					
8316	Unrealized valuation gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	6(3) and 12 (3)	(\$ 5,660)	(2)	(\$ 6,409)	(3)
	Total items that may be subsequently reclassified to profit or loss					
8361	Exchange difference on translation of the financial statements of foreign operations	6(6)	<u>1,238</u>	<u>-</u>	<u>(347)</u>	<u>-</u>
8300	Other comprehensive income (net amount)		<u><u>(\$ 4,422)</u></u>	<u><u>(2)</u></u>	<u><u>\$ 6,756)</u></u>	<u><u>(3)</u></u>
8500	Total current comprehensive income		<u><u>(\$ 9,892)</u></u>	<u><u>(4)</u></u>	<u><u>\$ 1,416)</u></u>	<u><u>(1)</u></u>
	Earnings (losses) per share	6(24)				
9750	Basic		<u><u>(\$ 0.06)</u></u>	<u><u>0.06)</u></u>	<u><u>\$ 0.06)</u></u>	<u><u>0.06)</u></u>
9850	Diluted		<u><u>(\$ 0.06)</u></u>	<u><u>0.06)</u></u>	<u><u>\$ 0.06)</u></u>	<u><u>0.06)</u></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, Representative of Jin-Zhi-Hong Investment Co., Ltd. Managerial Officer: Tseng Ming-Chuan Accounting Supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd.
Parent Company Only Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

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	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>2021 (after adjustments)</u>											
Balance on January 1, 2021	\$ 889,367	\$ 87,616	\$ 920	\$ 399	\$ -	\$ 23,054	(\$ 31,925)	(\$ 22,435)	(\$ 37,713)	\$ 909,283	
Current net loss	-	-	-	-	-	-	5,340	-	-	5,340	
Current other comprehensive income	6(3)(6)(15)	-	-	-	-	-	-	(347)	(6,409)	(6,756)	
Total current comprehensive income	-	-	-	-	-	-	5,340	(347)	(6,409)	(1,416)	
Capital surplus used to make up for losses	6(14)	(31,526)	-	(399)	-	-	31,925	-	-	-	
Disposal of equity instruments measured at fair value through other comprehensive income	6(3)(15)	-	-	-	-	-	(4,114)	-	4,114	-	
Balance on December 31, 2021	\$ 889,367	\$ 56,090	\$ 920	\$ -	\$ -	\$ 23,054	\$ 1,226	(\$ 22,782)	(\$ 40,008)	\$ 907,867	
<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(3)(6)(13)	-	-	-	-	-	-	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	

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
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	Note	2022	2021
<u>Cash flow from operating activities</u>			
Current net profit (net loss) before tax		(\$ 4,281)	\$ 5,340
Adjustment items			
Income and expenses			
Depreciation expense	6(7)(8)(9) (21)	12,150	12,019
Amortization expense	6(21)	2,358	846
Expected credit impairment gain	12(2)	(4)	(9)
Interest expense	6(20)	48	53
Interest revenue	6(17)	(758)	(393)
Dividend revenue		2,565	108
Share in the profit or loss of subsidiaries, associates, and joint ventures recognized under equity method	6(6)	13,449	1,083
Loss (gain) on disposal and scrapping of property, plant and equipment	6(19)	-	696
Gain on lease modification	6(8)(19)	-	(38)
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Notes receivable		-	1,372
Accounts receivable		1,600	1,272
Other receivables		993	2,823
Inventories		(5,753)	(5,484)
Prepayments		(7,067)	(5,170)
Net changes in liabilities related to operating activities			
Contract liabilities - current		(506)	27
Notes payable		(166)	166
Accounts payable		1,424	2,733
Accounts payable - related parties		(2,796)	(1,344)
Other payables		(4,706)	(11,843)
Refund liabilities - current		(123)	(249)
Other current liabilities - others		133	(145)
Cash inflow from operations		8,560	3,863
Interest received		758	393
Interest paid		(48)	(48)
Tax refund received		-	3
Income tax paid		(2)	-
Dividends received		(2,565)	(108)
Net cash inflow from operating activities		6,703	4,103

(continued on next page)

Jia Jie Biomedical Co., Ltd.
Parent Company Only Statement of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	Note	2022	2021
<u>Cash flow from investing activities</u>			
Acquisition of financial assets measured at amortized cost - current		\$ -	(\$ 103,090)
Acquisition of financial assets measured at fair value through other comprehensive income - non-current		(16,319)	(58,922)
Acquisition of financial assets measured at amortized cost - non-current		-	(5,000)
Acquisition of investments under the equity method	6(6)	-	(75,000)
Acquisition of property, plant, and equipment	6(15)	(7,685)	(1,519)
Disposal of financial assets measured at amortized cost - current		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	3,594
Proceeds from disposal of property, plant, and equipment		73	672
Decrease in refundable deposits		539	16
Increase in other non-current assets - others		(2,805)	(1,470)
Net cash outflow from investing activities		(28)	(240,719)
<u>Cash flow from financing activities</u>			
Repayment of lease principal	6(26)	(1,756)	(2,034)
Increase in deposits received		-	1
Net cash outflow from financing activities		(1,756)	(2,033)
Increase (decrease) in current cash and cash equivalents		4,919	(238,649)
Opening balance of cash and cash equivalents		67,375	306,024
Closing balance of cash and cash equivalents		<u>\$ 72,294</u>	<u>\$ 67,375</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, Representative of Jin-Zhi-Hong Investment Co., Ltd. Managerial Officer: Tseng Ming-Chuan Accounting Supervisor: Lin Ching-Hung

Jia Jie Biomedical Co., Ltd.
Notes to the Parent Company Only Financial Statements
2022 and 2021

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

XV. 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.

XVI. 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 21, 2023.

XVII. Application of new and amended standards and interpretations

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

The following table sets forth the IFRS standards and interpretations newly released, amended, revised and applicable in 2022 that were endorsed and issued into effect by the FSC:

<u>New/amended/revised standards and interpretations</u>	<u>Effective date as published by IASB</u>
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1 , 2022
Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"	January 1 , 2022
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1 , 2022
Annual Improvements to 2018-2020 Cycle	January 1 , 2022

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 recognized by the FSC

The following table sets forth the FSC-recognized IFRS standards and interpretations newly released, amended, revised and applicable in 2023:

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

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 issued by the International Accounting Standards Board but not yet recognized by the FSC

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

New/amended/revised standards and interpretations	Effective date as published by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be decided by IASB
Amendment to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1 , 2024
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 1 "Classification of Liabilities as Current or Non-current"	January 1 , 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	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.

XVIII. 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.

Compliance statement

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

Basis of preparation

1. Except for the financial assets measured at fair value through other comprehensive income, 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.

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.

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.

- (4) 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.

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.

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.

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.

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.

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.

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.

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.

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.

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

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.

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.

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.

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.

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.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when the contractual obligation is performed,

discharged or expired.

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.

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.

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), 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.

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.

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.

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.

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.

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

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

Inventory valuation

Since inventories must be priced at the lower of cost or net realizable value, the 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, 2022, the book value of the Company's inventories was \$26,625.

XX. Description of important accounting items

(IV) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and working capital	\$ 403	\$ 417
Checkable deposits and demand deposits	71,891	66,958
	<u>\$ 72,294</u>	<u>\$ 67,375</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.

(V) Financial assets measured at amortized cost

<u>Item</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		

Time deposits with an initial maturity date of more than 3 months	\$ 92,470	\$ 103,090
<hr/>		
Non-current items:		
Restricted bank deposits	\$ -	\$ 5,000
<hr/>		

1. Please refer to Note 6(17) 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, 2022 and 2021 amounted to \$92,470 and \$108,090, respectively.
3. For the financial assets measured at amortized cost pledged as collateral by the Company, please refer to Note 8. Pledged assets.
4. 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.

Financial assets measured at fair value through other comprehensive income

Item	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Listed (OTC) companies' stocks	\$ 61,902	\$ 56,073
Non-listed, OTC, or emerging stocks	95,065	95,065
Valuation adjustment	(45,765)	(39,996)
	<u>\$ 111,202</u>	<u>\$ 111,142</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, 2022 and 2021 was \$111,202 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:

	2022	2021
<u>Equity instruments measured at fair value through other comprehensive income</u>		
Fair value changes recognized in other comprehensive income	(\$ 5,710)	(\$ 6,409)
Accumulated gains transferred to retained earnings due to derecognition	(\$ 59)	(\$ 745)

Dividend revenue recognized in profit or loss in the current period		
Held at end of period	\$ 2,565	\$ 108

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

Accounts receivable

	December 31, 2022	December 31, 2021
Accounts receivable	\$ 4,486	\$ 6,086
Less: Loss allowance	(13)	(17)
	<u>\$ 4,473</u>	<u>\$ 6,069</u>

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

	December 31, 2022	December 31, 2021
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
Within 90 days	<u>\$ 4,486</u>	<u>\$ 6,086</u>

The above aging analysis is based on the accounting date.

2. The balances of notes receivable and accounts receivable as of December 31, 2022 and 2021 were generated from customer contracts, and the balance of receivables (including notes receivable) from customer contracts as of January 1, 2021 was \$8,730.
3. The Company does not hold any collateral.
4. Without considering the collateral or other credit enhancements held, for the notes receivable that best represent the Company, the maximum credit risk exposure as of both December 31, 2022 and 2021 was \$0, respectively; for the accounts receivable that best represent the Company, the maximum credit risk exposure as of December 31, 2022 and 2021 amounted to \$4,473 and \$6,069, respectively.
5. For information on the credit risk of relevant notes receivable and accounts receivable, please refer to the description in Note 12(2).

Inventories

1. The item includes the following:

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

December 31, 2021			
	Cost	Allowance for valuation losses	Book value
Raw materials	\$ 2,364	(\$ 1,005)	\$ 1,359
Work in process	966	(1)	965
Finished goods	10,671	(55)	10,616
Goods	35,986	(28,446)	7,540
	<u>\$ 49,987</u>	<u>(\$ 29,507)</u>	<u>\$ 20,480</u>

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

	2022	2021
Cost of inventories sold	\$ 146,221	\$ 162,172
Gain on inventory value recovery	(2,214)	(31,547)
Inventory loss	35	54
Others	17,603	17,643
	<u>\$ 161,645</u>	<u>\$ 148,322</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.

Investments under the equity method

1. Current changes are as follows:

2022	2021
------	------

Balance on January 1	\$	116,549	\$	42,991
Increase in investments under the equity method		-		75,000
Share in investment losses under the equity method	(	13,449)	(	1,083)
Other equity - exchange difference on translation of the financial statements of foreign operations		1,238	(	347)
Other equity - current unrealized gains or losses of financial assets measured at fair value through other comprehensive income		50	(	12)
Other changes in equity	(	392)		-
Balance on December 31	\$	103,996	\$	116,549
		December 31, 2022		December 31, 2021
Subsidiaries (Note)	\$	103,996	\$	116,549

Note: For information on the Company's subsidiaries, please refer to Note 4(3) to the Company's consolidated financial statements for 2022.

- The Company's recognized gain or loss on the investment in the sub-subsidiary, Titan Assurance Broker Co., Ltd., valued under the equity method is valued based on such company's financial report audited by the auditors commissioned. The total comprehensive income recognized in 2022 and 2021 was (\$476) and \$285, respectively.

Property, plant, and equipment

	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Total
January 1, 2022							
Cost	\$ 171,759	\$ 376,786	\$ 19,006	\$ 560	\$ 22,810	\$ 24,988	\$615,909
Accumulated depreciation and impairment	-	(117,468)	(16,127)	(560)	(20,358)	(21,742)	(176,255)
	<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	-	(6,550)	(974)	(329)	(1,378)	(967)	(10,198)
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	-	(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>

	Land	Houses and buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Total
January 1, 2021							
Cost	\$ 171,759	\$ 376,586	\$ 19,006	\$ 1,660	\$ 25,978	\$ 24,321	\$ 619,310
Accumulated depreciation and impairment	-	(110,791)	(15,133)	(1,049)	(22,051)	(20,991)	(170,015)
	<u>\$ 171,759</u>	<u>\$ 265,795</u>	<u>\$ 3,873</u>	<u>\$ 611</u>	<u>\$ 3,927</u>	<u>\$ 3,330</u>	<u>\$ 449,295</u>
<u>2021</u>							
January 1	\$ 171,759	\$ 265,795	\$ 3,873	\$ 611	\$ 3,927	\$ 3,330	\$ 449,295
Addition	-	200	-	-	652	667	1,519
Disposition	-	-	-	(611)	(757)	-	(1,368)
Depreciation expense	-	(6,677)	(994)	-	(1,370)	(751)	(9,792)
December 31	<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>
December 31, 2021							
Cost	\$ 171,759	\$ 376,786	\$ 19,006	\$ 560	\$ 22,810	\$ 24,988	\$ 615,909
Accumulated depreciation and impairment	-	(117,468)	(16,127)	(560)	(20,358)	(21,742)	(176,255)
	<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>

1. There was no capitalization of borrowing costs for property, plant, and equipment in 2022 and 2021.
2. For information on the property, plant and equipment provided as collateral, please refer to the description in Note 8.

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, 2022</u>	<u>December 31, 2021</u>
	Book value	Book value
Houses	\$ 1,770	\$ -
	<u>2022</u>	<u>2021</u>
	Depreciation expense	Depreciation expense
Land	\$ -	\$ 39
Houses	1,771	1,757
Transportation equipment (company vehicles)	-	217
	<u>\$ 1,771</u>	<u>\$ 2,013</u>

3. The additions to the Company's right-of-use assets in 2022 and 2021 amounted to \$3,541 and \$0, respectively.
4. Information on profit and loss items related to lease contracts is as follows:

	<u>2022</u>	<u>2021</u>
<u>Items affecting current profit or loss</u>		
Interest expense on lease liabilities	\$ 44	\$ 45
Expenses related to short-term lease contracts	1,896	1,197
Gain on lease modification	-	38

5. The total cash outflow from the leases of the Company in 2022 and 2021 was \$3,696 and \$3,276, respectively.
6. The Company adopted the practical expedient of "COVID-19-related Rent Concession" and recognized the gain or loss of NT\$15 on lease payment changes arising from rent concession as other revenue in 2021.

Investment property

	2022		
	Land	Houses and buildings	Total
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	\$ 31,174	\$ 9,298	\$ 40,472
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>
	2021		
	Land	Houses and buildings	Total
January 1			
Cost	\$ 31,174	\$ 10,032	\$ 41,206
Accumulated depreciation and impairment	-	(339)	(339)
	<u>\$ 31,174</u>	<u>\$ 9,693</u>	<u>\$ 40,867</u>
January 1	\$ 31,174	\$ 9,693	\$ 40,867
Depreciation expense	-	(214)	(214)
December 31	\$ 31,174	\$ 9,479	\$ 40,653
December 31			
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>

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

	2022	2021
Rental revenue from investment property	<u>\$ 1,960</u>	<u>\$ 1,508</u>

	=====	=====
Direct operating expenses from investment property that generates rental revenue in the current period	\$ 181	\$ 214
	=====	=====

2. For information on the investment property provided as collateral, please refer to the description in Note 8.
3. As of December 31, 2022 and 2021, the fair value of the investment property held by the Company for generating rental revenue was \$83,070 and \$101,390, 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.

Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commission payable	\$ 29,304	\$ 33,054
Salary payable	8,778	8,788
Others	6,334	7,070
	<u>\$ 44,416</u>	<u>\$ 48,912</u>

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 2022 and 2021, the pension cost recognized by the Company according to the pension recognition policies mentioned above was \$2,082 and \$2,083, respectively.

Share capital

1. As of December 31, 2022, 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 2022

and 2021 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, 2022, 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.

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.

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 2021 and 2020 was resolved by the shareholders' meetings on June 7, 2022 and July 9, 2021, respectively.

Other equity items

	2022		
	Unrealized valuation gain or loss	Translation of foreign currencies	Total
January 1	(\$ 40,008)	(\$ 22,782)	(\$ 62,790)
Valuation adjustment	(5,660)	-	(5,660)
Valuation adjustment transferred to retained earnings	(59)	-	(59)
Foreign currency translation difference:			
-Group	-	1,238	1,238
December 31	(\$ 45,727)	(\$ 21,544)	(\$ 67,271)
	2021		
	Unrealized valuation gain or loss	Translation of foreign currencies	Total
January 1	(\$ 37,713)	(\$ 22,435)	(\$ 60,148)
Valuation adjustment	(6,409)	-	(6,409)
Valuation adjustment transferred to retained earnings	4,114	-	4,114
Foreign currency translation difference:			
-Group	-	(347)	(347)
December 31	(\$ 40,008)	(\$ 22,782)	(\$ 62,790)

Operating revenue

	2022	2021
Revenue from customer contracts	\$ 252,338	\$ 228,203

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:

By customer location	2022	2021
----------------------	------	------

Taiwan	\$	252,338	\$	228,203
Type		2022		2021
Nutritional health products	\$	243,530	\$	217,276
Others		8,808		10,927
	\$	252,338	\$	228,203

2. Contract liabilities

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

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities:			
Contract liabilities			
- sale of goods contracts	\$ 18	\$ 524	\$ 497

Opening contract liabilities recognized as revenue in the current period:

	2022	2021
Opening balance of contract liabilities		
recognized as revenue in the current period:		
Sale of goods contracts	\$ 524	\$ 497

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

	December 31, 2022	December 31, 2021
Refund liabilities:		
Refund liabilities - sale of goods contracts	\$ 1,160	\$ 1,283

Interest revenue

	2022	2021
Interest on bank deposits	\$ 758	\$ 393

Other revenue

2022	2021
------	------

Dividend revenue	\$ 2,565	\$ 108
Rental revenue	1,994	1,598
Revenue from government grants (Note)	-	2,480
Other revenue - others	639	1,187
	\$ 5,198	\$ 5,373

Note: Due to the application of the "Regulations of the Ministry of Economic Affairs for the Relief and Revitalization of Industries and Businesses Suffering Difficulties Arising from COVID-19," the revenue from government grants recognized by the Company for the salary expense and operating funds subsidized by the government in 2022 and 2021 was \$0 and \$2,480, respectively.

Other gains and losses

	2022	2021
Net foreign currency exchange gain (loss)	\$ 328	(\$ 285)
Loss on disposal of property, plant and equipment	-	(696)
Gain on lease modification	-	38
	\$ 328	(\$ 943)

Financial cost

	2022	2021
Interest expense:		
Bank loans	\$ 2	\$ 3
Lease liabilities	44	45
Other financial expenses	2	5
	\$ 48	\$ 53

Additional information on the nature of expenses

	2022	2021
Employee benefit expenses	\$ 48,823	\$ 48,577
Depreciation expense of property, plant and equipment	10,198	9,792
Depreciation expense of investment property, plant and equipment	181	214
Depreciation expense of right-of-use assets	1,771	2,013

Other non-current assets - other amortization expenses	2,358	846
	<u>\$ 63,331</u>	<u>\$ 61,442</u>

Employee benefit expenses

	2022	2021
Salary expense	\$ 41,545	\$ 41,217
Labor and health insurance expenses	4,260	4,187
Pension expense	2,082	2,083
Directors' remuneration	450	660
Other employee benefit expenses	486	430
	<u>\$ 48,823</u>	<u>\$ 48,577</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's estimated employees' remuneration and directors' remuneration for 2021 were both \$247. The amount was stated as a salary expense and was estimated at a certain percentage based on the profit of the year.

The Board of Directors resolved to distribute \$247 as both the employees' remuneration and the directors' remuneration. The employees' remuneration will be paid in cash. A loss before tax was recorded in 2022. Therefore, the remuneration to employees and directors was not estimated.

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.

Income tax

1. Income tax gains

Components of income tax gains:

	2022	2021
Deferred income tax:		
Initial occurrence and reversal of temporary differences	\$ 1,189	\$ -
Income tax expenses (gains)	<u>\$ 1,189</u>	<u>\$ -</u>

2. Relationship between income tax expenses and accounting profit

	2022	2021
Income tax on net profit (loss) before tax calculated at the statutory tax rate	(\$ 856)	\$ 1,068
Income tax effect of items adjusted in accordance with tax laws	2,578	172
Income exempted from taxation under tax laws	(513)	(496)
Temporary differences not recognized as deferred income tax assets	123	53
Tax losses not recognized as deferred income tax assets	(167)	167
Overestimation of income tax in prior years	24	(964)
Income tax expenses (gains)	<u>\$ 1,189</u>	<u>\$ -</u>

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

	2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
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	10,679	(743)	-	9,936
	<u>\$ 47,886</u>	<u>(\$ 1,189)</u>	<u>\$ -</u>	<u>\$ 46,697</u>
	2021			
			Recognized in other	
	January 1	Recognized in profit or loss	comprehensive income	December 31
Deferred income tax assets:				
- Temporary differences:				
Allowance for bad debts	\$ 434	\$ -	\$ -	\$ 434
Inventory valuation loss	12,319	(6,418)	-	5,901
Investment loss recognized under the overseas equity method	27,746	-	-	27,746
Exchange difference from foreign operations	2,654	-	-	2,654
Others	303	169	-	472
- Tax losses	4,430	6,249	-	10,679
	<u>\$ 47,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,886</u>

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

December 31, 2022					
Year of occurrence	Amount reported/approved	Amount	Amount yet to be offset	Amount not recognized as deferred income tax assets	Last year of credit
2018	Amount approved	\$ 8,155	\$ 3,721	\$ -	117
2019	Amount approved	1,520	1,520	-	118
2020	Amount approved	17,294	17,294	-	119
2021	Amount reported	27,143	27,143	-	120
		<u>\$ 54,112</u>	<u>\$ 49,678</u>	<u>\$ -</u>	
December 31, 2021					
Year of occurrence	Amount reported/approved	Amount	Amount yet to be offset	Amount not recognized as deferred income tax assets	Last year of credit
2018	Amount approved	\$ 8,155	\$ 8,155	\$ -	117
2019	Amount approved	1,520	1,520	-	118
2020	Amount approved	17,294	17,294	-	119
2021	Estimated amount reported	27,262	27,262	836	120
		<u>\$ 54,231</u>	<u>\$ 54,231</u>	<u>\$ 836</u>	

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

	December 31, 2022	December 31, 2021
Deductible temporary differences	<u>\$ 153,639</u>	<u>\$ 153,024</u>

6. The profit-seeking enterprise income tax returns of the Company as of 2020 have been approved by the tax collection authority.

Earnings (losses) per share

	2022		
	Amount after	Weighted average number of outstanding shares	Loss per share
	tax	(thousand shares)	(NT\$)
<u>Basic/diluted loss per share</u>			
Current net loss attributable to the Company's common stock shareholders	(\$ 5,470)	88,936	(\$ 0.06)
	2021		
	Amount after	Weighted average number of outstanding shares	Earnings per share (NT\$)
	tax	(thousand shares)	(NT\$)
<u>Basic/diluted earnings per share</u>			
Current net profit attributable to the Company's common stock shareholders	\$ 5,340	88,936	\$ 0.06

Supplementary information on cash flows

1. Investing activities partially involving cash collections and payments:

	2022	2021
Acquisition of property, plant, and equipment	\$ 7,895	\$ 1,519
Plus: Opening payables for equipment (stated as "other payables")	-	-
Less: Ending payables for equipment (stated as "other payables")	(210)	-
Cash paid in the current period	\$ 7,685	\$ 1,519

2. Investing activities not affecting cash flows:

	2022	2021
Prepayments transferred to property, plant, and equipment	\$ 60	\$ -

Changes in liabilities from financing activities

	January 1, 2022	Changes in cash flow from financing	Other non-cash changes (Note)	December 31, 2022
Lease liabilities	\$ -	(\$ 1,756)	\$ 3,541	\$ 1,785

	January 1, 2021	Changes in cash flow from financing	Other non-cash changes (Note)	December 31, 2021
Lease liabilities	\$ 3,956	(\$ 2,034)	(\$ 1,922)	\$ -

Note: Mainly current additions and lease modifications.

XXI. Transactions with related parties

(VI)

N

Name and relationship of related party

Name of related party	Relationship with the Company
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 Biotechnology co., Ltd. (hereinafter referred to as "Jia Jie Biotechnology")	Subsidiary of the Company
Sure Wise International Co.,Ltd. (hereinafter referred to as "Sure Wise")	Subsidiary of Wisetech
Honor Peak Holdings Limited (hereinafter referred to as "Honor")	Subsidiary of Wisetech
Fortune Chain Enterprise Co., Ltd.	Subsidiary of Jia Jie Investment
Shanghai Andy Pure-water Equipment Manufacturing Co., Ltd.	Subsidiary of Sure Wise
Name of related party	Relationship with the Company
Hangzhou Zhaolong Gonglaohan Bio-Technology Co., Ltd.	Subsidiary of Honor
Xiamen Zengmeinong Biotech Co., Ltd.	Subsidiary of Honor

Dongguan Jia Jie Biotechnology Co., Ltd. Chung Hsiang-Feng	Subsidiary of Honor Representative the Company's corporate director (Note 1)
Chung Yuan-Feng	Second-degree relative of Chung Hsiang-Feng
MAW YANG TECHNOLOGY CO., LTD. (hereinafter referred to as "MAW YANG")	The person in charge is Chung Yuan-Feng
RUEI,CHI Co. Ltd.	Note 2
Tsai Shu-Chuan	Person in charge of RUEI,CHI
CHUNG,HUA-HUNG-I Co., Ltd. (hereinafter referred to as "CHUNG,HUA-HUNG-I")	The person in charge is Tsai Shu- Chuan
CHUNG,HUA-HUNG-LUNG Corporation	The person in charge is Tsai Shu- Chuan
Eating Well Corporation	The person in charge is Tsai Shu- Chuan
Chiang Jui-Lung	Spouse of Tsai Shu-Chuan
Chiang Ming-Hsin	First-degree relative of Tsai Shu- Chuan's spouse
Chiang Chia-Hsuan	First-degree relative of Tsai Shu- Chuan's spouse
Chiang Cheng-Yi	First-degree relative of Tsai Shu- Chuan's spouse

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

Note 2: It served as the Company's corporate director from May 11, 2020 to March 28, 2021.

Significant transactions with related parties

1. Operating revenue

	2022	2021
	<u> </u>	<u> </u>
Sale of goods:		
— Jia Jie Biotechnology	\$ 1,289	\$ 209
— Others	-	108
	<u>\$ 1,289</u>	<u>\$ 317</u>

The terms for the above sale of goods transactions were agreed by both parties, and the payment terms were the same as those for general customers.

2. Purchase of goods and services

	2022	2021
	<u> </u>	<u> </u>
Purchase of goods:		
- MAW YANG	\$ 6,619	\$ 9,289
	<u>\$ 6,619</u>	<u>\$ 9,289</u>

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

	2022	2021
Commission expenses:		
- CHUNG,HUA-HUNG-I	\$ -	\$ 799
- Other related parties	-	727
	<u>\$ -</u>	<u>\$ 1,526</u>

The above commission expenses were based on the prices generally paid to distributors and the payment terms generally offered.

3. Payables to related parties

	December 31, 2022	December 31, 2021
Accounts payable:		
- MAW YANG	\$ -	\$ 2,796

Information on the remuneration of the key management

	2022	2021
Short-term employee benefits	\$ 11,608	\$ 12,432
Post-employment benefits	410	449
	<u>\$ 12,018</u>	<u>\$ 12,881</u>

XXII. Pledged assets

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

Asset	Book value		Purpose of collateral
	December 31, 2022	December 31, 2021	
Land	\$ 161,332	\$ 161,332	Note
Buildings and buildings - net	253,284	258,582	Note
Net investment property	40,472	40,653	Note
Pledged time deposits (stated as "financial assets measured at amortized cost - non-current")	-	5,000	Guarantee for credit card machines
	<u>\$ 455,088</u>	<u>\$ 465,567</u>	

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

XXIII. Significant contingent liabilities and unrecognized contractual commitments

(1) Contingencies

None.

(2) Commitments

None.

XXIV. Significant disaster losses

None.

XXV. Significant subsequent events

None.

XXVI. 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, 2022</u>	<u>December 31, 2021</u>
Total liabilities	\$ 58,223	\$ 62,968
Total assets	\$ 956,198	\$ 970,835
Liabilities to assets ratio	<u>6</u>	<u>6</u>

(II) Financial instruments

1. Types of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets measured at fair value through other comprehensive income		
Financial assets		

Investment in designated equity instruments	\$	111,202	\$	111,142
Financial assets measured at amortized cost				
Cash and cash equivalents		72,294		67,375
Financial assets measured at amortized cost				
Notes receivable		92,470		108,090
Accounts receivable		-		-
Other receivables		4,473		6,069
Refundable deposits		13		1,004
		597		1,136
	\$	281,049	\$	294,816
		<u>December 31, 2022</u>		<u>December 31, 2021</u>
<u>Financial liabilities</u>				
Financial liabilities measured at amortized cost				
Notes payable	\$	-	\$	166
Accounts payable (including related parties)		9,969		11,341
Other payables		44,416		48,912
Deposits received		211		211
	\$	54,596	\$	60,630
Lease liabilities	\$	1,785	\$	-

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:

Financial assets	December 31, 2022		
Investments under the equity method	Foreign currency (thousand)	Exchange rate	Book value (NT\$)
USD:NTD	\$ 756	30.71	\$ 23,211
Financial assets	December 31, 2021		
Investments under the equity method	Foreign currency (thousand)	Exchange rate	Book value (NT\$)
USD:NTD	\$ 828	27.68	\$ 22,912

- D. Due to the significant impact of exchange rate fluctuations on the monetary items of the Company in 2022 and 2021, the total amount of exchange gains (losses) (including realized and unrealized) was \$328 and (\$285), 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 stocks of non-listed (non-OTC) companies. 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 2022 and 2021 would have been increased or decreased by \$1,112 and \$1,111, respectively, 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 adjustments to forward-looking considerations are based on the loss rate derived according to the historical information for a specific period and current information in order to estimate the allowance loss for notes and accounts receivable. The provision matrix as of December 31, 2022 and 2021 is as follows:

	Aged less than 90 days	Aged 91-180 days	Aged 181-365 days	Aged over 366 days	Total
<u>December 31,</u>					
<u>2022</u>					
Expected loss rate	0.1%	1%	5%	100%	
Total book value	\$ 4,486	\$ -	\$ -	\$ -	\$ 4,486
Loss allowance	\$ 13	\$ -	\$ -	\$ -	\$ 13

	Aged less than 90 days	Aged 91-180 days	Aged 181-365 days	Aged over 366 days	Total
<u>December 31,</u>					
<u>2021</u>					
Expected loss rate	0.1%	1%	5%	100%	
Total book value	\$ 6,086	\$ -	\$ -	\$ -	\$ 6,086
Loss allowance	\$ 17	\$ -	\$ -	\$ -	\$ 17

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

	2022	2021
January 1	\$ 17	\$ 26
Reversal impairment loss	(4)	(9)
December 31	<u>\$ 13</u>	<u>\$ 17</u>

Out of the loss provided in 2022 and 2021, the impairment gain recognized for receivables arising from customers contracts was \$4 and \$9, 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, 2022 and 2021, the Company's money market positions amounted to \$71,836 and \$66,737, 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, 2022

<u>Non-derivative financial liabilities:</u>	Less than 1 year	1 to 2 years	More than 2 years	Total
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

December 31, 2021

<u>Non-derivative financial liabilities:</u>	Less than 1 year	1 to 2 years	More than 2 years	Total
Accounts payable (including related parties)	\$ 11,341	\$ -	\$ -	\$ 11,341
Other payables	48,912	-	-	48,912
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.

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(9).

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, 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>

December 31, 2021	<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>\$ 63,552</u>	<u>\$ -</u>	<u>\$ 47,590</u>	<u>\$ 111,142</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:

	Listed (OTC) companies'
Market quotation	<u>stocks</u>
	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 2022 and 2021.

5. The following table shows the changes in Level 3 in 2022 and 2021:

	2022		2021	
	Derivatives	Equity instruments	Derivatives	Equity instruments
January 1	\$ -	\$ 47,590	\$ -	\$ 62,211
Recognized in other comprehensive income	-	(1,721)	-	(14,621)
December 31	\$ -	\$ 45,869	\$ -	\$ 47,590
Changes in unrealized gains or losses from assets and liabilities held at end of period included in profit or loss	\$ -	\$ -	\$ -	\$ -

6. There was no transfer in or out from Level 3 in 2022 and 2021.

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:

	Fair value on December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship between input and fair value
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.

	Fair value on December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship between input and fair value
Non-derivative equity instruments:					
Non-listed (non-OTC) companies' stocks	\$ 47,590	Price-to-book ratio approach	Price-to-book ratio	0.70	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:

		December 31, 2022					
				Recognized in profit or loss		Recognized in other comprehensive income	
		Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets	Equity instrument	Price-to-book ratio	±10%	\$ -	\$ -	\$ 4,587	(\$ 4,587)
		December 31, 2021					
				Recognized in profit or loss		Recognized in other comprehensive income	
		Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets	Equity instrument	Price-to-book ratio	±10%	\$ -	\$ -	\$ 4,744	(\$ 4,744)

(IV) Other matters

Due to the widespread of the COVID-19 pandemic and the government's implementation of various pandemic prevention measures, the Company has reduced the number of marketing activities held, resulting in a slight decrease in operating revenue. The Company has taken related countermeasures, including increasing online marketing activities and launching new products and special offers to stimulate buying interest.

XXVII. Notes in disclosures

(VIII) 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.

(IX) Information on investees

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

(X) 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.

(XI) Information on major shareholders

Information on major shareholders: Please refer to Table 6.

XXVIII. Segment information

Disclosure is not necessary.

Jia Jie Biomedical Co., Ltd.
Statement of Cash and Cash Equivalents
December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Item	Summary	Amount
Cash on hand and working capital		\$ 403
Checkable deposits		55
Demand deposits	NTD deposits	69,155
	Deposits in foreign currencies (USD 76 thousand, with an exchange rate USD 1 to NTD 30.71)	2,420
	(JPY 1,191, thousand, with an exchange rate of JPY 1 to NTD 0.2324)	261
		<u>\$ 72,294</u>

Jia Jie Biomedical Co., Ltd.
Statement of Financial Assets Measured at Fair Value through Comprehensive Income - Non-current
January 1, 2022 to December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Name	Opening		Increase in the current period		Decrease in the current period		Closing		Provision as collateral or pledge	Remark
	Shares in thousands	Book value	Shares in thousands	Book value	Shares in thousands	Book value	Shares in thousands	Book value		
Choice Publishing Co., Ltd.	300	\$ -	-	\$ -	-	\$ -	300	\$ -	無	
AlfaPlus Semiconductor Inc.	264	-	-	-	-	-	264	-	無	
FM International Inc.	2,449	47,443	-	-	-	(1,574)	2,449	45,869	無	
Shuo Rong Tai Xing IoT Technology Co., Ltd.	500	-	-	-	-	-	500	-	無	
TAIWAN JUIJANG BIOTECHNOLOGY CO., LTD.	20	147	-	-	-	(147)	20	-	無	
Taiwan Styrene Monomer Corporation	435	7,482	-	-	-	(1,609)	435	5,873	無	
OFCO Industrial Corp.	1,000	29,600	-	-	-	(4,850)	1,000	24,750	無	
TMP Steel Corporation	1,000	21,850	546	12,860	-	-	1,546	34,710	無	
Kuo Toong International Co., Ltd.	210	4,620	-	473	(210)	(5,093)	-	-	無	
Gloria Material Technology Corp.	-	-	210	5,397	(210)	(5,397)	-	-	無	
		<u>\$ 111,142</u>		<u>\$ 18,730</u>		<u>(\$ 18,670)</u>		<u>\$ 111,202</u>		

Jia Jie Biomedical Co., Ltd.
Statement of Changes in Investments under the Equity Method
January 1, 2022 to December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Name	Opening balance		Increase in the current period		Decrease in the current period (Note)		Closing balance			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	Shareholdin g percentage	Amount	Unit price	Total price	
Wisetech Corporation	11,890	\$ 22,912	-	\$ 299	-	\$ -	11,890	-	\$ 23,211	1.95	\$ 23,211	None
Jia Jie Investment Co., Ltd.	5,763	41,944	-	-	-	(675)	5,763	-	41,269	7.16	41,269	None
Shi Zhang Bio-Technology Co., Ltd.	2,000	2,195	-	163	-	-	2,000	-	2,358	1.18	2,358	None
Jia Jie Biotechnology co., Ltd.	5,000	49,498	-	-	-	(12,340)	5,000	-	37,158	7.43	37,158	None
		<u>\$ 116,549</u>		<u>\$ 462</u>		<u>(\$ 13,015)</u>			<u>\$ 103,996</u>		<u>\$ 103,996</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, 2022 to December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Item	Opening balance	Increase in the current period	Decrease in current period	Transfer in the current period	Closing balance	Provision as collateral or pledge	Remarks
Land	\$ 171,759	\$ -	\$ -	\$ -	\$ 171,759	None	
Houses and buildings	376,786	800	-	-	377,586	None	
Machinery and equipment	19,006	200	-	-	19,206	None	
Transportatio n equipment	560	2,297	-	60	2,917	None	
Office equipment	22,810	2,864	(80)		25,594	None	
Other equipment	24,988	1,734	-	-	26,722	None	
	<u>\$ 615,909</u>	<u>\$ 7,895</u>	<u>(\$ 80)</u>	<u>\$ 60</u>	<u>\$ 623,784</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, 2022 to December 31, 2022

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	Remark s
Houses and buildings	\$ 117,468	\$ 6,550	\$ -	\$ -	\$ 124,018	Note
Machinery and equipment	16,127	974	-	-	17,101	Note
Transportatio n equipment	560	329	-	-	889	Note
Office equipment	20,358	1,378	(7)	-	21,729	Note
Other equipment	21,742	967	-	-	22,709	Note
	<u>\$ 176,255</u>	<u>\$ 10,198</u>	<u>(\$ 7)</u>	<u>\$ -</u>	<u>\$ 186,446</u>	

Note: For the depreciation method and useful lives, please refer to the description in Note 4(13).

Jia Jie Biomedical Co., Ltd.
Statement of Operating Revenue
January 1, 2022 to December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Item	Quantity	Amount	Remarks
Sales revenue			
Softshell Turtle Essence	55,306 bottles	\$ 148,069	
Remain Young	33,274 bottles	57,501	
Jia Jie Supplement for Health Maintenance	1,293 bottles	2,408	
Yi Yue Kang Caplets	803 bottles	1,497	
Jia Xian Lactic Acid Bacteria with Spores	19,063 boxes	7,956	
Jia Yong Yong Caplets	5,999 bottles	9,426	
Others	Note	38,981	
		265,838	
Other operating revenue		331	
Sales allowances and returns		(13,831)	
Net sales		\$ 252,338	

Note: Not disclosed due to different units of measurement.

Jia Jie Biomedical Co., Ltd.
Statement of Operating Costs
January 1, 2022 to December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Item	Amount	Remarks
Raw materials, opening	\$ 2,364	
Plus: Materials purchased in the current period	24,205	
Less: Transferred to expense	(172)	
Less: Sale of raw materials	(27)	
Raw materials, closing	<u>(5,728)</u>	
Raw material consumption in the current period	20,642	
Direct labor	2,180	
Manufacturing overhead	<u>8,235</u>	
Manufacturing cost	31,057	
Work in process, opening	966	
Plus: Picked goods put into process	1	
Less: Transferred to expense	(36)	
Transferred to processing cost	(42)	
Work in process, closing	<u>(1,290)</u>	
Cost of finished goods	30,656	
Finished goods, opening	10,671	
Plus: Commission cost	61,323	
Less: Finished good inventory loss	(35)	
Transferred to expense	(6,373)	
Finished goods, closing	<u>(7,037)</u>	
Cost of production and sales	<u>89,205</u>	
Goods, opening	35,986	
Plus: Current purchase	34,365	
Commission cost	28,750	
Less: Goods, closing	(39,863)	
Transferred to expense	(2,222)	
Scrapping of goods	<u>-</u>	
Cost of purchase and sales	<u>57,016</u>	
Cost of sales	146,221	
Gain on inventory value recovery	(2,214)	
Inventory gain/loss	35	
Other operating costs	<u>17,603</u>	
Operating cost	<u>\$ 161,645</u>	

Jia Jie Biomedical Co., Ltd.
Statement of Sales and Marketing Expenses
January 1, 2022 to December 31, 2022

Unit: In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
	Including salaries, overtime		
Salary expense	and pensions	\$ 9,451	
Handling fee		2,972	
Depreciation		8,563	
Advertising expense		2,301	
Utility bill		1,897	
Others		10,389	The balance of each account does not exceed 5% of the amount of the account
		<u>\$ 35,573</u>	

Jia Jie Biomedical Co., Ltd.
Statement of Administrative Expenses
January 1, 2022 to December 31, 2022

Unit: In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
	Including salaries, overtime		
Salary expense	and pensions	\$ 22,839	
Depreciation		1,889	
Service expense		4,258	
Advertising expense		2,537	
Others		<u>11,734</u>	The balance of each account does not exceed 5% of the amount of the account
		<u>\$ 43,257</u>	

Jia Jie Biomedical Co., Ltd.
Statement of R&D Expenses
January 1, 2022 to December 31, 2022

Unit: In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
	Including salaries, overtime		
Salary expense	and pensions	\$ 3,289	
Amortizations		1,519	
Others		4,127	The balance of each account does not exceed 5% of the amount of the account
		<u>\$ 8,935</u>	

Jia Jie Biomedical Co., Ltd.
Statement of R&D Expenses
January 1, 2022 to December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Function Nature	2022			2021		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expenses						
Salary expense	\$ 8,055	\$ 33,490	\$ 41,545	\$ 7,594	\$ 33,623	\$ 41,217
Labor and health insurance expenses	944	3,316	4,260	887	3,300	4,187
Pension expense	443	1,639	2,082	420	1,663	2,083
Directors' remuneration	-	450	450	-	660	660
Other employee benefit expenses	123	363	486	107	323	430
Depreciation expense	1,698	10,452	12,150	1,630	10,389	12,019
Amortization expense	8	2,350	2,358	-	846	846
Total	\$ 11,271	\$ 52,060	\$ 63,331	\$ 10,638	\$ 50,804	\$ 61,442

Note:

1. The number of employees in the current year and the previous year was 65 and 65 , respectively, and the number of directors who were not employees was 5 and 6.
- 2.(1) The average employee benefit expense in the current year was \$806; the average employee benefit expense in the previous year was \$812.
 - (2) The average employee salary expense in the current year was \$693; the average employee salary expense in the previous year was \$699.
 - (3) Adjustment and change in the average employee salary expense (1%).
 - (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 R&D Expenses
January 1, 2022 to December 31, 2022

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) Non-fixed remuneration: According to the resolution of the Company's Remuneration Committee/Board of Directors, the distribution of year-end bonuses to the managerial officers is subject to the operating performance in the current year. The monthly appropriation for the bonuses is determined based on the operating and profit performance of each department. The amounts are adjusted according to the positions and responsibilities of the managerial officers (including directors who also serve as managerial officers).

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.

VI. Any financial distress experienced by the Company or affiliated enterprise and impacts on the Company's financial position during the current fiscal year up to the date of publication of the annual report: No such situation.

Seven. Review and analysis of financial position and financial performance, and an assessment of risks

I. Financial position: The main reasons for the significant changes in assets, liabilities and equity in the most recent two years and their impact, and if the impact is significant, the future response plan

Unit: In Thousand New Taiwan Dollars; %

Item \ Year	2022	2021	Differences	
			Amount	Percentage
Current assets	317,213	340,282	(23,069)	(7)
Fixed assets	447,621	439,835	7,784	2
Other assets	239,125	241,270	(2,145)	(1)
Total assets	1,003,959	1,021,387	(17,428)	(2)
Current liabilities	73,518	81,927	(8,409)	(10)
Long-term liabilities	-	-	-	-
Other liabilities	6,479	4,540	1,939	43
Total liabilities	79,997	86,467	(6,470)	(7)
Share capital	889,367	889,367	-	-
Capital surplus	57,010	57,010	-	-
Retained earnings	18,869	24,280	(5,411)	(22)
Other equity	(67,271)	(62,790)	4,481	7
Total shareholders'	923,962	934,920	(10,958)	(1)
<p>Explanation: 1. The increase in other liabilities this year was mainly due to the acquisition of control rights due to the investment in subsidiaries, so the investee was incorporated into the consolidated statements, and its related liabilities were incorporated</p> <p>(2) The decrease in retained earnings was mainly due to the loss for the year.</p>				

II. Financial performance: The main reasons for the significant changes in operating revenue, net operating profit and net profit before tax in the most recent two years and the expected sales volume and its basis, the possible impact on the Company's future financial and business matters and the corresponding plan

Unit: NT\$ Thousand; %				
Item \ Year	2022	2021	Amount increased (decreased)	Change percentage (%)
Operating revenue	317,716	242,481	75,235	31
Operating cost	(201,208)	(158,711)	42,497	27
Gross profit	116,508	83,770	32,738	39
Operating expenses	(130,190)	(84,700)	45,420	57
Operating loss	(13,682)	(930)	12,752	1,371
Non-operating income and expense	9,002	6,220	2,78	45
Net profit before tax from continuing operations	(4,680)	5,290	(9,970)	(188)
Income tax expenses	(1,763)	(191)	1,572	823
Net profit after tax from continuing operations	(6,443)	5,099	(11,542)	(226)
<p>1. Description of the analysis of changes:</p> <p>(1) The increase in operating revenues, operating costs, gross profit and operating expenses for the year was mainly due to the increase in the number of consolidated entities.</p> <p>(2) The increase in operating loss for the year compared to last year was mainly due to the increase in advertising expenses for the development of channels by subsidiaries.</p> <p>(3) The increase in non-operating income and expenses for the year compared to last year was mainly due to the increase in dividend income.</p> <p>(4) The decrease in net profit after tax for the year compared to last year was mainly due to the increase in advertising expenses for the development of channels by subsidiaries.</p> <p>2. Changes in the Company's main business content: No significant changes yet.</p> <p>3. Expected sales volume in the coming year and the main factors influencing the Company's expected sales volume to continue to grow or decline:</p>				

The key factors for the continued growth of the Company's sales are to improve operational performance, focus on the Company's core business and main products, inspire confidence in direct sellers, and attract new members to the marketing organization. In the face of fierce competition in the direct selling market, the Company will be able to satisfy the needs of direct sellers and strengthen the backing to distributors only with perfect logistical services, in order to achieve the goal of expanding the marketing organization to increase sales.

III. Cash flow:

1. Liquidity analysis for the most recent two years:

Item	Unit: %			
	Year	2022	2021	Increase (Decrease) percentage
Cash flow ratio		(11.65)	5.34	(318)
Cash flow adequacy ratio		184.30	7.07	2506
Cash reinvestment ratio (%)		(0.95)	0.62	(255)

Explanation: 1. The decrease in cash flow ratio in 2022 compared to 2021 was mainly due to the decrease in cash flow from operating activities.

2. The increase in cash flow ratio, net cash flow equivalency ratio, and cash reinvestment ratio in 2022 compared to 2021 was mainly due to the increase in cash flow from operating activities for the most recent 5 years.

3. The decrease in cash reinvestment ratio in 2022 compared to 2021 was mainly due to the decrease in working capital in 2021.

2. Cash flow analysis for the coming year

Unit: In Thousands of New Taiwan Dollars

Cash balance at the beginning of the period (1)	Estimated net cash flow from operating activities throughout the year (2)	Estimated cash outflow throughout the year (3)	Estimated cash surplus (deficit)	Remedial measures for estimated cash deficit	
			(1)+(2)-(3)	Investing plan	Financing plan
\$125,534	(8,023)	(25,240)	100,294	—	—

Explanation: 1. The analysis of changes in cash flows during the year:

- (1) Operating activities: Due to the net effect of changes in inventories, accounts receivable/payable and prepayments.
- (2) Investing activities: Mainly used to acquire fixed assets and long-term investments.
- (3) Financing activities: Mainly due to the expected increase in repayment of lease liabilities.

2. Remedial measures for estimated cash deficit and liquidity analysis:
None.

IV. Effects of material capital expenditures on finance and business in the most recent year:
No significant capital expenditures yet.

V. Policy on investments in other businesses for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year.
No significant changes.

VI. For risk matters, the following matters in the most recent year and up to the printing date of the annual report shall be evaluated:

The organizational structure of the Company's risk management is as follows:

Responsible unit	Risk management
Board of directors	Risk assessment control and ultimate control unit Responsible for operational decisions to reduce strategic risks.
Auditing department	Responsible for revising and promoting the internal control system and strengthening the internal control function to ensure its continued effectiveness.
Finance Department	Responsible for financial adjustment and utilization; comply with government regulations and policies to reduce accounting risks; evaluate medium and long-term investment benefits and reduce investment risks.
Personnel Administration Section	Responsible for recruiting, training, and establishing personnel management system to reduce the risk of personnel behavior, ethics, and conduct.
Information Department	Maintain and manage computers and related peripherals, integrate applications, develop and maintain systems to reduce network and information security risks.
Sales Division	Responsible for crisis prevention and response to customer complaints in the sales business.

(I) Effects of changes in the interest rate and exchange rate and inflation on the Company's profit or loss:

Change in interest rates:

1. Assets:

(1) The Company's investments in equity instruments are not interest-bearing and are therefore not exposed to cash flow risk from changes in interest rates.

- (2) Receivables: The Company's receivables are all due within one year and are therefore assessed to be free of significant cash flow risk from changes in interest rates.
- (3) Other financial assets: These include cash and other financial assets – current, which are assessed by the Company to be free of significant cash flow risk from changes in interest rates.

2. Liabilities:

- (1) Bonds payable: The Company's debt instruments are zero-interest bonds, and therefore there is no cash flow risk from changes in interest rates.
- (2) Other financial liabilities: These include various current liabilities, which are assessed by the Company to be free of significant cash flow risk from changes in interest rates.

Changes in foreign exchange rates: The Company mainly sells and purchases its products domestically, so it is not expected that changes in foreign exchange rates will have a significant impact on the Company.

Inflation: The Company's main product is health food products. Inflation should have no impact on the Company's operations.

(II) Engagements in high-risk, high-leverage investments, lending funds to others, endorsement and guarantee and derivative transactions:

The Company has established the “Procedures for Acquisition and Disposal of Assets,” “Procedures for Endorsement and Guarantee,” and “Procedures for Lending of Funds to Others” to be followed by the Company and its subsidiaries in the related operations. As of the date of publication of this annual report, the Company and its subsidiaries had not been engaged in high-risk, high-leverage investments or derivative transactions with high risks. In addition, the Company has lending of funds with its subsidiaries for operating capital needs, all of which are handled in accordance with the “Procedures for Lending of Funds to Others.”

(III) Future R&D plan and R&D expenses expected to be invested

- 1. Efficiently develop preventive health products in four major directions to promote human health by improving nutrition, gastrointestinal, moisture, temperature and environment:
 - A. Nutrition (JustBest series): With Softshell Turtle nutrition as the core ingredient, we develop “target” healthcare products for different age groups, focusing on all-round healthcare priorities for each life cycle, such as the five age groups of children before 12 years old, adolescents between 12 and 20 years old, youths between 20 and 65, and the elderly

over 65 years old. In addition, continue to develop research and development on the combination of raw materials from various parts of Softshell Turtle with various food products, and upgrade them with the latest biotechnology processes to improve the nutritional value and help the cells in the body to function properly faster.

- B. Gastrointestinal (JustSlim Series): Gastrointestinal health is the source of health, through the promotion of intestinal health to improve digestive function, promote metabolism (including weight control), regulation of immunity and other three basic healthcare priorities. JustSlim series will use plant-derived functional ingredients and probiotics to build a series for vegetarians to expand the healthcare market, and can also be used in conjunction with JustBest series for more complementary effects.
 - C. Water: 70% of the human body is water. Drinking good water is an effective way to maintain a long and healthy life. Jia Jie Biomedical provides small molecule water machines and “Deep Ocean Water,” which is a good medium for carrying nutrients and oxygen in the body.
 - D. Temperature and Environment (JustGood series): Jia Jie Biomedical provides the “Songsense” products imported from Japan can be used for bathing and foot bathing to improve the unhealthy low-temperature condition of the body and promote metabolism, and will continue to develop a series of products for the home environment to take care of overall health.
2. Estimated R&D expenses in 2023: Including the salaries of R&D personnel, R&D materials, and outsourced research, the estimated R&D expenses are approximately NT\$10,000 thousand.

- (IV) Effect of changes in domestic and foreign policies and laws of significance on the finance and business of the Company and countermeasures:

The Company’s financial and business affairs are carried out in accordance with the relevant laws and regulations, and up to now, there is no significant impact on the Company.

- (V). Effect of technological changes and industrial changes on the Company’s finance and business, and countermeasures: No significant impact.

- (VI) Effect of changes in the corporate image on corporate crisis management and countermeasures:

The Company has been committed to maintaining its corporate image and complying with laws and regulations for many years, and if it faces any situation that affects its corporate image or violates laws and regulations, it will immediately formulate countermeasures. As of yet, the Company has not encountered any situation that may affect the Company’s corporate image.

- (VII) Expected benefits and possible risks related to mergers and acquisitions, and countermeasures: No such situation.

(VIII) Expected benefits and possible risks related to plant expansion and countermeasures:

The Company's current capacity is not yet fully utilized, so there is no possibility of additional plant expansion in the near future.

(IX) Risks of concentrations of purchases or sales and countermeasures:

None of the Company's customers have more than 10% of the total sales, so there is no risk of concentration of customers. As for purchases, we have signed long-term supply contracts with all of the vendors that constitute high concentrations of purchases, so the source of supplies is quite stable, so the possible risk is minimized.

(X) Effects and risks of mass transfer or change in the equity held by directors, supervisors, or major shareholders with a shareholding over 10% of the Company and countermeasures:

There was no significant transfer of equity by the Company's directors, supervisors or major shareholders with a shareholding over 10%

(XI) Effects and risks of changes in the right to management of the Company and countermeasures:

On May 11, 2020, the Company's shareholders' meeting had a full re-election of new directors, where the corporate director Jin-Zhi-Hong Investment Co., Ltd. was elected as the chairman. On the same day, Mr. Chen, He-Shun was appointed as the representative to exercise the rights and obligations of the chairman. The new chairman will lead the Company's management team to improve the Company's financial structure and establish a system related to corporate governance so that the Company's operations and business can grow steadily and profits can be expected to grow steadily.

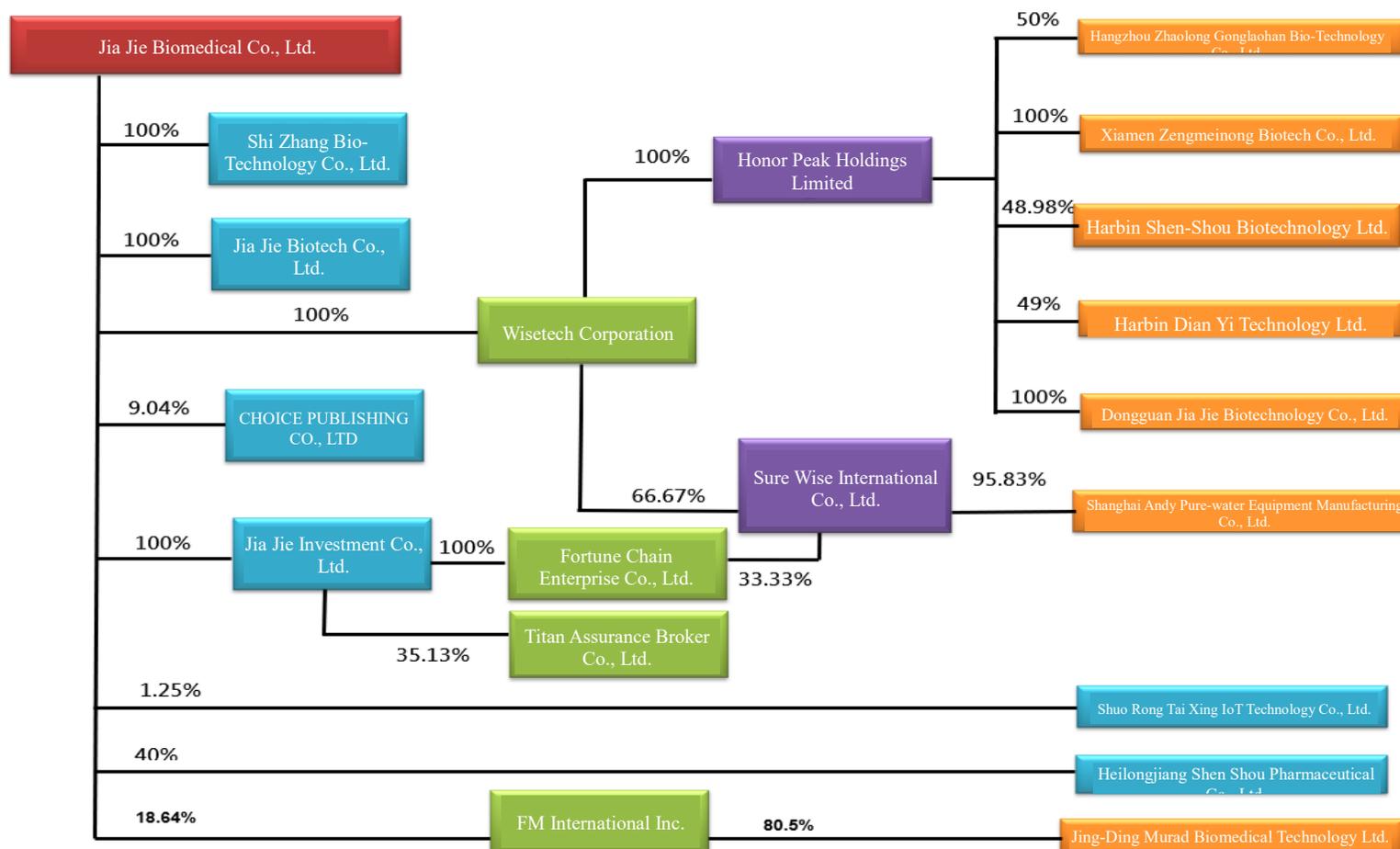
(XII) During the most recent 2 years and the current year up to the date of publication of the annual report, for litigious and non-litigious disputes, the Company's Directors, supervisors, President, persons with actual responsibility for the Company, major shareholders holding a stake of greater than 10%, and subsidiaries that have been concluded by means of a final and unappealable judgment, or are still under litigation, where such a dispute could materially affect shareholders' equity or the prices of the Company's securities: None.

(XIII) Other important risks and countermeasures: None.

VII. Other important matters: None.

Eight. Special Disclosure
 I. Information related to the company's affiliates
 (I) Overview of affiliates

1. Organizational structure of affiliates
 (1) Organizational chart of affiliates



(2) Any affiliate presumed to be in a controlling and subordinate relationship under Article 369-3 of the Company Act: None.

(3) Any subordinate company directly or indirectly controlled by the Company for personnel, finance and business operations in accordance with Paragraph 2, Article 369-2 of the Company Act:

<u>Affiliate</u>	<u>Relationship</u>
Jia Jie Investment Co., Ltd.	A subsidiary in which the Company directly owns more than 50% of the common stock.
Shi Zhang Bio-Technology Co., Ltd.	A subsidiary in which the Company directly owns more than 50% of the common stock.
Jia Jie Biotechnology co., Ltd.	A subsidiary in which the Company directly owns more than 50% of the common stock.
Wisetech Corporation	A subsidiary in which the Company directly owns more than 50% of the common stock.

(II) Basic information on affiliates

Unit: In Thousands of New Taiwan Dollars

Company name	Date of incorporation	Address	Paid-in capital	Main business activities or products
Jia Jie Investment Co., Ltd.	2003.08.20	3F., No. 61, Jiuru 1st Road, Sanmin District, Kaohsiung City		Investment
Shi Zhang Bio-Technology Co., Ltd.	2011.05.05	3F., No. 61, Jiuru 1st Road, Sanmin District, Kaohsiung City		Wholesale and retail of cosmetics, foods and groceries
Jia Jie Biotechnology co., Ltd.	2021.08.16	2F., No. 61, Jiuru 1st Road, Sanmin District, Kaohsiung City		Wholesale of foods, groceries and wholesale of daily commodities, and retail sale of other products
Wisetech Corporation (Note)	2003.08.18			Overseas investment

Note: Translated into NTD at the exchange rate of 30.71 on the balance sheet date (2022.12.31).

(III) Information on the common shareholder of affiliates presumed to be in a controlling or subordinate relationship: No such situation.

(IV) Industries covered by the operations of all affiliates

The Company and its affiliates operate in the following businesses: Processing, sale, and trading of Softshell Turtle powder, Softshell Turtle eggs, Softshell Turtle oil and other Softshell Turtle food, miscellaneous food manufacturing (e.g. softshell turtle egg powder capsules, enzyme powder, tortoise jelly, softshell turtle oil, and powder capsules), the import, export of the aforementioned products, the distribution, bidding, quotation of products for domestic and foreign manufacturers, wholesale of nonalcoholic beverages, wholesale of sugar confectionery, wholesale of bakery product, wholesale of assist food products, wholesale of cosmetics, wholesale of sporting goods, wholesale of medical devices, and overseas investments.

(V) Information on directors, supervisors, and presidents of affiliates

Unit: shares; %

Company name	Title	Name or name of legal representative	Current shareholding	
			Shares	Shareholding percentage
Jia Jie Investment Co., Ltd.	Chairman	Jia Jie Biotechnology co., Ltd. Representative: Chen, He-Shun	5,762,500	100.00
Shi Zhang Bio-Technology Co., Ltd.	Chairman	Jia Jie Biotechnology co., Ltd. Representative: Tseng, Ming-Chuan	2,000,000	100.00
Jia Jie Biotechnology co., Ltd.	Chairman	Jia Jie Biotechnology co., Ltd. Representative: Chen, He-Shun	5,000,000	100.00
Wisetech Corporation	Director	Jia Jie Biotechnology co., Ltd. Representative: Chen, He-Shun	11,890,234	100.00

(VI) Business overview of affiliates

The financial position and results of operations of each affiliate:

Unit: In Thousands of New Taiwan Dollars

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Gains or losses for the period (after tax)	Earnings per share (NTD) (after tax)
Jia Jie Investment Co., Ltd.	57,625	81,948	18,755	63,193	64,703	(817)	(1,049)	(0.18)
Shi Zhang Bio-	20,000	2,488	130	2,358	-	(316)	163	0.08

Technology Co., Ltd.								
Jia Jie Biotechnology co., Ltd.	50,000	38,607	1,057	37,550	1,963	(12,444)	(11,948)	(2.39)
Wisetech Corporation (Note)	363,893	29,171	2,087	27,083	1	(1,750)	(615)	(0.02)

Note: Translated into NTD at the exchange rate of 30.71 on the balance sheet date (2022.12.31).

II. For private placement of marketable securities in the most recent year and the current year up to the date of publication of this Annual Report, the date and amount of approval by the shareholders' meeting or the Board of Directors, the basis and reasonableness of the price determination, the method of selecting specific person, the reasons for the private placement, the target of the private placement, the eligibility criteria, the number of subscriptions, relationship with the Company, participation in the operations of the Company, actual subscription (or exchange) price, difference between actual subscription (or exchange) price and reference price, effect of private placement on shareholders' equity, the use of funds from the private placement of marketable securities and the progress of implementation of the plan from the time the share price are fully paid until the completion of the plan, should be disclosed: None

III. Holding or disposal of the Company's shares by its subsidiaries in the most recent year and up to the publication date of the annual report: None.

IV. Other supplementary information: None.

Nine. Any of the circumstances listed in subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act, which may materially affect shareholders' interest or the price of the Company's securities, that have occurred in the most recent year and up to the publication date of the annual report shall be set out: None.

Jia Jie Biomedical Co., Ltd.



Chairman: Chen, He-Shun, Representative of Jin-Zhi-Hong
Investment Co., Ltd.

