TCI CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of TCI Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of TCI Co., Ltd. (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of TCI Co., Ltd as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 parent company only financial statements. 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, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Existence and occurrence of top ten customers

Description

The Company's and its subsidiaries' (listed as investments accounted for under equity method) sales revenue arise mainly from manufacturing and sales of health foods and cosmetics. Customers are mostly direct marketing companies in America, Europe and Asia and cosmetic companies.

With the expansion of direct marketing companies in America, Europe and Asia, the sales revenue from top ten customers has increased significantly and became a significant portion of operating income to the parent company only financial statements. Because of the rapid development in the internet sales market, more time and resources were required in performing the audit procedures. Thus, we consider the existence and occurrence of top ten customers as a key audit matter.

Please refer to Note 4(27) for accounting policies on revenue recognition and Note 6(21) for details of sales revenue and Note 6(7) for details of investments accounted for under equity method.

How our audit addressed the matter

Our audit procedures in respect of the above key audit matter included:

- Understanding and testing the internal control procedures of the top ten customers and testing the effectiveness of internal control related to sales revenue.
- Selecting samples from sales transactions of the top ten customers and comparing against orders and delivery bills to confirm whether the sales transactions did occur.
- Examining sales returns and discounts from the top ten customers after the balance sheet date to confirm the existence of sales revenue.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China , we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the parent company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsu, Ming-Chuan   Chih, Ping-Chiun
For and on behalf of PricewaterhouseCoopers, Taiwan
March 15, 2024

TCI CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,024,426	9	$ 1,162,811	10
1110	Financial assets at fair value through profit or loss - current	6(2)	79,330	1	184,805	1
1136	Current financial assets at amortised cost	6(4)	6,966	-	10,380	-
1150	Notes receivable, net	6(5)	10,887	-	11,184	-
1170	Accounts receivable, net	6(5)	330,298	3	209,408	2
1180	Accounts receivable - related parties	7	762,843	7	1,041,513	9
1200	Other receivables		18,896	-	31,106	-
1210	Other receivables - related parties	7	90,114	1	97,047	1
130X	Inventories	6(6)	552,080	5	638,612	5
1410	Prepayments		147,070	1	134,358	1
1470	Other current assets		40,959	-	32,980	-
11XX	**Total current assets**		3,063,869	27	3,554,204	29
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	17,003	-	19,696	-
1550	Investments accounted for using equity method	6(7)	4,533,360	40	4,443,318	37
1600	Property, plant and equipment	6(8)	3,759,382	33	3,575,910	30
1755	Right-of-use assets	6(9)	1,059	-	7,414	-
1780	Intangible assets	6(10)	7,859	-	15,169	-
1840	Deferred income tax assets	6(28)	23,581	-	20,823	-
1900	Other non-current assets	6(11)	32,722	-	473,511	4
15XX	**Total non-current assets**		8,374,966	73	8,555,841	71
1XXX	**Total assets**		$ 11,438,835	100	$ 12,110,045	100

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TCI CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	$ 350,000	3	$ 1,146,320	10
2130	Current contract liabilities	6(21)	225,373	2	217,957	2
2150	Notes payable		52	-	-	-
2170	Accounts payable		506,651	4	565,061	5
2180	Accounts payable - related parties	7	89,802	1	146,496	1
2200	Other payables	6(13)	543,701	5	419,364	3
2220	Other payables - related parties	7	35,222	-	30,994	-
2230	Current income tax liabilities		422,051	4	458,401	4
2280	Current lease liabilities		1,103	-	6,557	-
2320	Long-term liabilities, current portion	6(14)	200,000	2	650,000	5
2399	Other current liabilities, others		65,829	-	36,481	-
21XX	**Total current liabilities**		2,439,784	21	3,677,631	30
	Non-current liabilities					
2540	Long-term borrowings	6(14)	746,929	7	317,510	3
2570	Deferred income tax liabilities	6(28)	-	-	5,254	-
2580	Non-current lease liabilities		-	-	1,103	-
2600	Other non-current liabilities	6(7)	29,065	-	-	-
25XX	**Total non-current liabilities**		775,994	7	323,867	3
2XXX	**Total liabilities**		3,215,778	28	4,001,498	33
	Equity					
	Share capital	6(17)				
3110	Share capital - common stock		1,182,608	10	1,182,608	10
	Capital surplus	6(18)				
3200	Capital surplus		2,900,420	25	2,887,265	24
	Retained earnings	6(19)				
3310	Legal reserve		970,582	8	899,210	7
3320	Special reserve		194,104	2	282,347	2
3350	Unappropriated retained earnings		3,491,839	31	3,170,008	26
	Other equity interest	6(20)				
3400	Other equity interest		(283,533)	(2)	(194,104)	(1)
3500	Treasury shares	6(17)	(232,963)	(2)	(118,787)	(1)
3XXX	**Total equity**		8,223,057	72	8,108,547	67
3X2X	**Total liabilities and equity**		$ 11,438,835	100	$ 12,110,045	100

The accompanying notes are an integral part of these parent company only financial statements.

TCI CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
4000	Sales revenue	6(21) and 7	$ 4,994,176	100	$ 4,957,274	100
5000	Operating costs	6(6)(15)(26)(27) and 7	(3,155,777)	(63)	(2,880,108)	(58)
5900	Net operating margin		1,838,399	37	2,077,166	42
5910	Unrealized profit from sales	6(7)	(52,292)	(1)	(72,945)	(1)
5920	Realized profit on from sales	6(7)	72,945	1	113,382	2
5950	Net operating margin		1,859,052	37	2,117,603	43
	Operating expenses	6(15)(26)(27) and 7				
6100	Selling expenses		(258,657)	(5)	(330,116)	(7)
6200	General and administrative expenses		(426,070)	(9)	(394,811)	(8)
6300	Research and development expenses		(348,473)	(7)	(350,839)	(7)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(4,501)	-	-	-
6000	Total operating expenses		(1,037,701)	(21)	(1,075,766)	(22)
6900	Operating profit		821,351	16	1,041,837	21
	Non-operating income and expenses					
7100	Interest income	6(22)	11,008	-	10,150	-
7010	Other income	6(23) and 7	18,266	1	21,809	1
7020	Other gains and losses	6(24)	(13,174)	-	111,037	2
7050	Finance costs	6(25)	(39,000)	(1)	(29,852)	(1)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(7)	250,837	5	(209,676)	(4)
7000	Total non-operating income and expenses		227,937	5	(96,532)	(2)
7900	**Profit before income tax**		1,049,288	21	945,305	19
7950	Income tax expense	6(28)	(153,030)	(3)	(231,811)	(5)
8200	**Profit for the year**		$ 896,258	18	$ 713,494	14
	Other comprehensive income (loss)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	($ 2,693)	-	($ 10,544)	-
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(20)	5,743	-	3,593	-
	Other comprehensive (loss) income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(20)	(92,473)	(2)	95,421	2
8300	**Other comprehensive (loss) income for the year**		($ 89,423)	(2)	$ 88,470	2
8500	**Total comprehensive income for the year**		$ 806,835	16	$ 801,964	16
	Earnings per share (In dollars)	6(29)				
9750	Basic earnings per share		$ 7.73		$ 6.06	
9850	Diluted earnings per share	6(29)	$ 7.68		$ 6.03	

The accompanying notes are an integral part of these parent company only financial statements.

TCI CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			Other equity interest			
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
For the year ended December 31, 2022										
Balance at January 1, 2022		$1,182,449	$2,647,254	$ 744,681	$ 244,700	$3,698,477	($ 283,329)	$ 982	($ 118,787)	$8,116,427
Profit for the year		-	-	-	-	713,494	-	-	-	713,494
Other comprehensive income (loss) for the year	6(20)	-	-	-	-	257	95,421	(7,208)	-	88,470
Total comprehensive income (loss)		-	-	-	-	713,751	95,421	(7,208)	-	801,964
Appropriations of 2021 earnings										
Legal reserve		-	-	154,529	-	(154,529)	-	-	-	-
Special reserve		-	-	-	37,647	(37,647)	-	-	-	-
Cash dividends		-	-	-	-	(1,050,014)	-	-	-	(1,050,014)
Exercise of employee stock purchase plans	6(16)	159	709	-	-	-	-	-	-	868
Share-based payments	6(16)	-	5,030	-	-	-	-	-	-	5,030
Disposal of investment in equity instrument at fair value through other comprehensive income		-	-	-	-	(30)	-	30	-	-
Changes in equity of associates and joint ventures		-	14,266	-	-	-	-	-	-	14,266
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	15,962	-	-	-	-	-	-	15,962
Adjustment not proportionately to shareholding ratio		-	204,044	-	-	-	-	-	-	204,044
Balance at December 31, 2022		$1,182,608	$2,887,265	$ 899,210	$ 282,347	$3,170,008	($ 187,908)	($ 6,196)	($ 118,787)	$8,108,547
For the year ended December 31, 2023										
Balance at January 1, 2023		$1,182,608	$2,887,265	$ 899,210	$ 282,347	$3,170,008	($ 187,908)	($ 6,196)	($ 118,787)	$8,108,547
Profit for the year		-	-	-	-	896,258	-	-	-	896,258
Other comprehensive income (loss) for the year	6(20)	-	-	-	-	6	(92,473)	3,044	-	(89,423)
Total comprehensive income (loss)		-	-	-	-	896,264	(92,473)	3,044	-	806,835
Appropriations of 2022 earnings										
Legal reserve		-	-	71,372	-	(71,372)	-	-	-	-
Special reserve		-	-	-	(88,243)	88,243	-	-	-	-
Cash dividends		-	-	-	-	(591,304)	-	-	-	(591,304)
Share-based payments	6(16)	-	5,017	-	-	-	-	-	-	5,017
Changes in equity of associates and joint ventures		-	8,138	-	-	-	-	-	-	8,138
Acquisition of parent company's share by subsidiaries recognized as treasury shares		-	-	-	-	-	-	-	(114,176)	(114,176)
Balance at December 31, 2023		$1,182,608	$2,900,420	$ 970,582	$ 194,104	$3,491,839	($ 280,381)	($ 3,152)	($ 232,963)	$8,223,057

The accompanying notes are an integral part of these parent company only financial statements.

TCI CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,049,288	$ 945,305
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(26)	383,193	363,501
Amortisation	6(10)(26)	7,310	7,072
Expected credit impairment loss	12(2)	4,501	-
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(24)	7,793	(17,195)
Interest expense	6(25)	39,000	29,852
Interest income	6(22)	(11,008)	(10,150)
Dividend income	6(23)	(4,558)	(4,893)
Compensation cost arising from employee stock options	6(16)(27)	6,501	5,950
Share of (profit) loss of subsidiaries accounted for under equity method	6(7)	(250,837)	209,676
Gain on disposal of property, plant and equipment	6(24)	(10,244)	(5,529)
Decrease (increase) in investments accounted for using equity method	6(24)	4,349	(2,532)
Realized profit from sales	6(7)	(20,653)	(40,437)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		297	2,850
Accounts receivable		(125,391)	87,470
Accounts receivable - related parties		278,670	(376,091)
Other receivables		12,210	(14,047)
Other receivables - related parties		6,933	(69,545)
Inventories		86,532	(150,173)
Prepayments		(12,712)	(1,361)
Other current assets		(7,979)	20,967
Changes in operating liabilities			
Contract liabilities - current		7,416	39,157
Notes payable		52	(1,440)
Accounts payable		(58,410)	36,615
Accounts payable - related parties		(56,694)	(62,182)
Other payables		126,179	(197,038)
Other payables - related parties		4,228	(12,949)
Other current liabilities		29,348	3,897
Cash inflow generated from operations		1,495,314	786,750
Interest received		11,008	10,150
Dividends received		4,558	4,893
Interest paid		(38,923)	(29,665)
Income tax paid		(197,392)	(173,838)
Net cash flows from operating activities		1,274,565	598,290

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TCI CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of non-current financial assets at fair value through other comprehensive income		$ -	($ 10,000)
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income		-	9,970
Increase in investments accounted for under equity method	6(7)	(15,600)	(73,933)
Earnings distribution of investments accounted for using equity method	6(7)	31,862	901,196
Proceeds from disposal of investments accounted for using the equity method		-	19,541
Acquisition of property, plant and equipment	6(30)	(122,854)	(73,617)
Proceeds from disposal of property, plant and equipment		19,155	18,675
Acquisition of intangible assets	6(10)	-	(6,818)
Acquisition of financial assets at fair value through profit or loss		(38,510)	(153,566)
Proceeds from disposal of financial assets at fair value through profit or loss		131,844	119,754
Decrease (increase) in financial assets at amortised cost	6(4)	3,414	(10,380)
Increase in prepayments for purchase of equipment		(11,825)	(184,652)
Decrease in refundable deposits	6(11)	4,403	256
Net cash flows from investing activities		1,889	556,426
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of short-term borrowings		(2,495,555)	(4,600,080)
Repayments of long-term borrowings		(218,383)	-
Proceeds from short-term borrowings		1,699,235	4,298,162
Lease liabilities paid		(6,634)	(6,993)
Proceeds from long-term borrowings		197,802	-
Cash dividends paid		(591,304)	(1,050,014)
Employee stock options		-	868
Net cash flows used in financing activities		(1,414,839)	(1,358,057)
Net decrease in cash and cash equivalents		(138,385)	(203,341)
Cash and cash equivalents at beginning of year	6(1)	1,162,811	1,366,152
Cash and cash equivalents at end of year	6(1)	$ 1,024,426	$ 1,162,811

The accompanying notes are an integral part of these parent company only financial statements.

TCI CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

TCI Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in manufacturing, wholesale and retail of health food and cosmetics.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized for issuance by the Board of Directors on March 15, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF MATERIAL SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Statements by Securities Issuers".

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Liabilities on cash-settled share-based payment arrangements measured at fair value.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the Company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

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

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

(7) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(8) Financial assets at amortized cost

A. Financial assets at amortized cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

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

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for using equity method / subsidiary

A. Subsidiaries are all entities (including structured entity) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealized gains on transactions between the Company and its subsidiaries are eliminated to the extent of the Company's interest in the subsidiaries. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acqusition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company should continue to recognize losses in proportion to its ownership.

D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transaction with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as 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.

E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if all the related assets or liabilities were disposed of. That is, other comprehensive income in relation to the subsidiary should be reclassified to profit or loss.

F. According to "Regulations Governing the Preparation of Financial Reports by Securities Issuers", profit and other comprehensive income in the separate financial statements should be the same as profit and other comprehensive income attributable to shareholders of the parent in the consolidated financial statements, and the equity in the separate financial statements should be the same as the equity attributable to shareholders of the parent in the consolidated financial statements.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3 ~ 50 years
Machinery and equipment	2 ~ 10 years
Office equipment	1 ~ 16 years
Other	1 ~ 16 years

(15) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Variable lease payments that depend on an index or a rate.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

modifications.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(16) Intangible assets

A. Licenses

Separately acquired licenses are stated at historical cost. Licenses acquired in a business combination are recognized at fair value at the acquisition date. Licenses have a finite useful life and are amortized on a straight-line basis over their estimated useful lives of 3 to 10 years.

B. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 10 years.

C. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(19) Notes and accounts payable

A. Notes and accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(23) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period.

(b) For restricted stocks where those stocks do not restrict distribution of dividends to employees but employees must return the dividends received if they resign during the vesting period, when the Company receives dividends from employees resigning during the vesting period, the Company credits related amounts that were previously debited from retained earnings, legal reserve or capital surplus at the date of dividends declared.

(c) For restricted stocks where employees have to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the Company and the Company must refund their payments on the stocks, the Company recognizes the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognizes the payments from the employees who are expected to be eventually vested with the stocks in 'capital surplus – others'.

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(25) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

A. The Company manufactures and sells health foods and cosmetics products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer who has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B. The products are often sold with price break based on aggregate sales. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated price break.

Accumulated experience is used to estimate and provide for the price break, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognized for expected price break payable to customers in relation to sales made until the end of the reporting period.

(28) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these separate financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

None.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 10,102	$ 10,043
Checking accounts and demand deposits	495,040	622,737
Time deposits	526,250	540,411
	1,031,392	1,173,191
Less: Shown as 'current financial assets at amortised cost'	(6,966)	(10,380)
	$ 1,024,426	$ 1,162,811

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of December 31, 2023 and 2022, the Company recognized time deposits with maturity over 3 months of $6,966 and $10,380, respectively, and shown as 'current financial assets at amortized cost'.

C. In accordance with the IFRSs Q&A regulations amended by the competent authorities on January 5, 2024, the Company will self-amortize the unused balance in the special fund account repatriated under the "Regulations on the Management, Utilization and Taxation of Overseas Fund Repatriation". Financial assets measured at subsequent cost - non-current were reclassified into cash and cash equivalents, and were retrospectively adjusted to January 1, 2022. On December 31, 2022, cash and cash equivalents were respectively increased and financial assets measured at amortized cost were decreased by $530,031.

D. Details of the Company's cash and cash equivalents pledged to others are provided in Note 8.

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

	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 82,787	$ 180,469
Valuation adjustment	(3,457)	4,336
	$ 79,330	$ 184,805

A. The Company's financial assets at fair value through profit or loss are not pledged to others as collateral.

B. The Group has recognized net (losses) gains on investment of equity instrument amounting to $(7,793) and $14,598 for the years ended December 31, 2023 and 2022, respectively.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2023	December 31, 2022
Non-current items:		
Equity instruments		
Listed stocks	$ 12,604	$ 12,604
Unlisted stocks	22,540	22,540
	35,144	35,144
Valuation adjustment	(18,141)	(15,448)
	$ 17,003	$ 19,696

A. The Company has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $17,003 and $19,696 as at December 31, 2023 and 2022, respectively.

B. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company were $17,003 and $19,696, respectively.

C. The Company's financial assets at fair value through other comprehensive income are not pledged to others as collateral.

D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortized cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits	$ 6,966	$ 10,380

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	2023	2022
Interest income	$ 18	$ 61

B. As of December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group were $6,966 and $10,380, respectively.

C. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

(5) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 10,887	$ 11,184
Less: Allowance for uncollectible accounts	-	-
	$ 10,887	$ 11,184
Accounts receivable	$ 356,631	$ 231,240
Less: Allowance for uncollectible accounts	(26,333)	(21,832)
	$ 330,298	$ 209,408

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 295,557	$ 189,237
Up to 30 days	23,890	19,203
31 to 90 days	21,738	12,152
	$ 341,185	$ 220,592

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to $296,878.

C. As of December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable were $10,887 and $11,184; $330,298 and $209,408, respectively.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 331,037	($ 30,515)	$ 300,522
Work in progress	114,269	(10,172)	104,097
Finished goods	152,110	(4,649)	147,461
	$ 597,416	($ 45,336)	$ 552,080

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 449,013	($ 16,367)	$ 432,646
Work in progress	6,616	-	6,616
Finished goods	214,154	(14,804)	199,350
	$ 669,783	($ 31,171)	$ 638,612

The cost of inventories recognized as expense for the years ended December 31, 2023 and 2022, were $3,155,777 and $2,880,108, respectively, including $20,977 and $7,007 that the Company wrote down from cost to the net realizable value accounted for as cost of goods sold for the years ended December 31, 2023 and 2022, respectively.

(7) Investments accounted for using equity method

	2023	2022
At January 1	$ 4,443,318	$ 5,010,822
Addition of investments accounted for using equity method	15,600	206,146
Disposal of investments accounted for using equity method	-	(3,580)
Share of profit or loss of investments accounted for using equity method	250,837	(209,676)
Unrealized profit (loss) from sales	(52,292)	(72,945)
Realized (loss) profit from sales	72,945	113,382
Changes in unappropriated earnings (not recognised proportionately to shareholding ratio)	913	201,351
Changes in other equity items	(80,988)	99,014
Earnings distribution of investments accounted for using equity method	(31,862)	(901,196)
Acquisition of parent company's share by subsidiaries recognized as treasury shares	(114,176)	-
Credit balance of investments accounted for using equity method transferred to other non-current liabilities	29,065	-
At December 31	$ 4,533,360	$ 4,443,318

	December 31, 2023	December 31, 2022
Subsidiaries:		
TCI FIRSTEK CORP.	$ 2,673,888	$ 2,548,858
GENE & NEXT INC.	413,744	421,548
MAXIGEN BIOTECH INC.	576,935	671,312
SHANGHAI BIOFUNCTION CO., LTD.	806,764	720,441
TCI HK LIMITED	25,525	19,060
TCI BIOTECH LLC	1,085	2,925
BIOCOSME CO., LTD.	5,042	5,015
TCI JAPAN CO., LTD.	2,343	9,287
PT TCI BIOTEK INDO	78	78
TCI BIOTECH NETHERLANDS B.V.	(29,065)	20,565
QUANTUM BIOLOGY INC.	7,263	7,696
PETFOOD BIOTECHNOLOGY CO., LTD.	15,484	9,706
Associates:		
SMY INTERENT OF PACKAGE CO., LTD.	4,347	4,175
Vegan Joy Global CO., LTD.	862	2,652
	4,504,295	4,443,318
Add: Credit balance of investments accounted for under equity method (shown as '2600 other non-current liabilities')	29,065	-
	$ 4,533,360	$ 4,443,318

A. Information about the Company's subsidiaries is provided in Note 4(3) of the 2023 consolidated financial statements.

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery	Office equipment	Others	Unfinished construction and equipment pending acceptance	Total
At January 1, 2023							
Cost	$ 692,962	$ 1,712,319	$ 1,676,498	$ 552,238	$ 309,215	$ -	$ 4,943,232
Accumulated depreciation	-	(237,306)	(737,465)	(193,121)	(199,430)	-	(1,367,322)
	$ 692,962	$ 1,475,013	$ 939,033	$ 359,117	$ 109,785	$ -	$ 3,575,910
2023							
At January 1	$ 692,962	$ 1,475,013	$ 939,033	$ 359,117	$ 109,785	$ -	$ 3,575,910
Additions	-	-	45,260	51,292	7,041	17,417	121,010
Disposals	(4,190)	(3,860)	(626)	(235)	-	-	(8,911)
Reclassifications	-	-	22,647	66,878	900	357,786	448,211
Depreciation charge	-	(53,256)	(213,581)	(72,779)	(37,222)	-	(376,838)
At December 31	$ 688,772	$ 1,417,897	$ 792,733	$ 404,273	$ 80,504	$ 375,203	$ 3,759,382
At December 31, 2023							
Cost	$ 688,772	$ 1,708,247	$ 1,739,635	$ 669,148	$ 317,156	$ 375,203	$ 5,498,161
Accumulated depreciation	-	(290,350)	(946,902)	(264,875)	(236,652)	-	(1,738,779)
	$ 688,772	$ 1,417,897	$ 792,733	$ 404,273	$ 80,504	$ 375,203	$ 3,759,382

	Land	Buildings and structures	Machinery	Office equipment	Others	Total
At January 1, 2022						
Cost	$ 667,990	$1,677,187	$1,360,357	$ 407,561	$ 306,920	$4,420,015
Accumulated depreciation	-	(184,959)	(537,633)	(130,691)	(174,752)	(1,028,035)
	$ 667,990	$1,492,228	$ 822,724	$ 276,870	$ 132,168	$3,391,980
2022						
At January 1	$ 667,990	$1,492,228	$ 822,724	$ 276,870	$ 132,168	$3,391,980
Additions	-	87	21,724	8,340	6,524	36,675
Disposals	(2,238)	(7,897)	12	(748)	(2,275)	(13,146)
Reclassifications	27,210	43,307	294,434	138,917	13,329	517,197
Depreciation charge	-	(52,711)	(199,861)	(64,262)	(39,962)	(356,796)
At December 31	$ 692,962	$1,475,014	$ 939,033	$ 359,117	$ 109,784	$3,575,910
At December 31, 2022						
Cost	$ 692,962	$1,712,319	$1,676,498	$ 552,238	$ 309,215	$4,943,232
Accumulated depreciation	-	(237,306)	(737,465)	(193,121)	(199,430)	(1,367,322)
	$ 692,962	$1,475,013	$ 939,033	$ 359,117	$ 109,785	$3,575,910

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements－lessee

A. The Company leases various assets including buildings. Rental contracts are typically made for periods of 1 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Buildings	$ 1,059	$ 7,414

	Years ended December 31,	
	2023	2022
	Depreciation charge	Depreciation charge
Buildings	$ 6,355	$ 6,705

C. For the years ended December 31, 2023 and 2022, there were no additions to right-of-use assets.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 77	$ 187
Expense on short-term lease contracts	12,373	10,931
Expense on leases of low-value assets	1,488	2,162

E. For the years ended December 31, 2023 and 2022, the Company total cash outflow for leases were $20,495 and $20,086, respectively.

(10) Intangible assets

	Software	Royalty	Total
At January 1, 2023			
Cost	$ 30,091	$ 1,500	$ 31,591
Accumulated amortization	(15,472)	(950)	(16,422)
	$ 14,619	$ 550	$ 15,169
2023			
At January 1	$ 14,619	$ 550	$ 15,169
Amortization charge	(7,160)	(150)	(7,310)
At December 31	$ 7,459	$ 400	$ 7,859
At December 31, 2023			
Cost	$ 30,091	$ 1,500	$ 31,591
Accumulated amortization	(22,632)	(1,100)	(23,732)
	$ 7,459	$ 400	$ 7,859

	Software		Royalty		Total	
At January 1, 2022						
Cost	$	38,349	$	1,500	$	39,849
Accumulated amortization	(	25,103)	(	800)	(	25,903)
	$	13,246	$	700	$	13,946
2022						
At January 1	$	13,246	$	700	$	13,946
Additions		6,819		-		6,819
Reclassifications		1,476		-		1,476
Amortization charge	(	6,922)	(	150)	(	7,072)
At December 31	$	14,619	$	550	$	15,169
At December 31, 2022						
Cost	$	30,091	$	1,500	$	31,591
Accumulated amortization	(	15,472)	(	950)	(	16,422)
	$	14,619	$	550	$	15,169

Details of amortization on intangible assets are as follows:

	Years ended December 31,			
	2023		2022	
Overhead	$	2,054	$	1,646
Selling expenses		-		-
Administrative expenses		5,106		5,138
Research and development expenses		150		288
	$	7,310	$	7,072

(11) Other non-current assets

	December 31, 2023		December 31, 2022	
Prepayments for construction business facilities	$	8,659	$	445,045
Guarantee deposits paid		24,063		28,466
	$	32,722	$	473,511

(12) Short-term borrowings

Type of borrowings	December 31, 2023		Interest rate range	Collateral
Bank overdraft				
Unsecured borrowings	$	350,000	1.57%	None

Type of borrowings	December 31, 2022		Interest rate range	Collateral
Bank overdraft				
Unsecured borrowings	$	1,146,320	1.18%～2.30%	None

(13) Other payables

	December 31, 2023	December 31, 2022
Salaries and bonuses payable	$ 121,931	$ 108,619
Employee bonus payable	282,478	180,092
Payable on machinery and equipment	5,441	7,285
Others	133,851	123,368
	$ 543,701	$ 419,364

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from March 3, 2020 to January 15, 2028; interest is repayable monthly.	1.75%	None	$ 99,127
Secured borrowings	Borrowing period is from December 3, 2021 to September 11, 2024; interest is repayable monthly.	1.8831%	Plant	200,000
Secured borrowings	Borrowing period is from March 29, 2023 to Augest 14, 2038; interest is repayable monthly.	2.00%	Land and Buildings	647,802
				946,929
Less: Current portion				(200,000)
				$ 746,929

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from March 3, 2020 to January 15, 2028; interest is repayable monthly.	1.625%	None	$ 117,350
Secured borrowings	Borrowing period is from March 29, 2021 to March 29, 2023; interest is repayable monthly.	1.9649%	Land and Buildings	330,000
Secured borrowings	Borrowing period is from December 3, 2021 to September 11, 2024; interest is repayable monthly.	1.603%	Land and Buildings	200,000
Secured borrowings	Borrowing period is from October 6, 2021 to October 6, 2023; interest is repayable monthly.	1.6615%	Land and Buildings	170,000
Secured borrowings	Borrowing period is from March 29, 2021 to September 11, 2023; interest is repayable monthly.	1.7488%	Land and Buildings	150,000
				967,350
Less: Current portion				(650,000)
				$ 317,350

(15) Pensions

A. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022 were $23,066 and $23,776, respectively.

(16) Share-based payment

A. For the years ended December 31, 2023 and 2022, the Company's share-based payment arrangements were as follows:

Type of arrangement	Issue date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2016.07.01	2,000	6 years	Employees with 1 service year are entitled to 30% Employees with 2 service years are entitled to 60% Employees with 3 service years are entitled to 100%
Restricted stocks to employees	2016.07.20	600	3 years	Employees with 1 service year are entitled to 33% Employees with 2 service years are entitled to 66% Employees with 3 service years are entitled to 100% Operating revenue growth rate 30% (year) Maintaining profit rate after tax above 10% Earnings per share exceeds \$3.0 (including \$3.0)
Employee stock options	2018.05.15	2,000	6 years	Employees with 2 service years are entitled to 40% Employees with 3 service years are entitled to 80% Employees with 4 service years are entitled to 100%
Restricted stocks to employees	2019.09.30	900	3 years	Employees with 1 service year are entitled to 33% Employees with 2 service years are entitled to 66% Employees with 3 service years are entitled to 100% Profit rate before tax in the previous financial statements is no less than 20%

The restricted stocks issued by the Company cannot be transferred during the vesting period, but voting right and dividend right are not restricted on these stocks. Employees are required to return the stocks but not required to return the dividends received if they resign during the vesting period. The share-based payment arrangements above are settled by equity.

B. Details of the share-based payment arrangements are as follows:

	Years ended December 31,					
	2023			2022		
	No. of options		Weighted-average exercise price (in dollars)	No. of options		Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	$	100	21	$	100
Options expired	-		-	(5)		-
Options exercised	-		-	(16)		100
Options outstanding at the end of the year	-	$	100	-	$	100
Options exercisable at the end of the year	-	$	100	-	$	100

	Years ended December 31,					
	2023			2022		
	No. of options		Weighted-average exercise price (in dollars)	No. of options		Weighted-average exercise price (in dollars)
Options outstanding at January 1	1,493	$	448	1,617	$	448
Options expired	(108)		-	(124)		448
Options outstanding at the end of the year	1,385	$	448	1,493	$	448
Options exercisable at the end of the year	1,385	$	448	1,493	$	448

C. The weighted-average stock price of stock options at exercise dates for the years ended December 31, 2023 and 2022 were $185.65 and $160.75, respectively.

D. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		December 31, 2023			December 31, 2022		
Issue date approved	Expiry date	No. of shares (in thousands)		Exercise price (in dollars)	No. of shares (in thousands)		Exercise price (in dollars)
2016.07.01	2022.06.30	-	$	100	-	$	100
2018.05.15	2024.05.14	1,385		448	1,493		448

E. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Issue date	Stock price (in dollars)	Exercise price	Expected price volatility (%)	Expected option life (year)	Expected dividends	Risk-free interest rate(%)	Fair value per unit (in dollars)
Employee stock options	2016.07.01	$ 145.50	$ 100	32.73	4~5	-	0.605~ 0.719	$ 41.55~ 45.10
Restricted stocks to employee	2016.07.20	$ 139.00	$ 10	32.73	-	-	0.52	$ 111.65
Employee stock options	2018.05.15	$ 440.00	$ 448	26.10~ 30.25	5.75	-	0.5636~ 0.6814	$ 63.16~ 106.15
Restricted stocks to employee	2019.09.30	$ 282.00	$ 10	-	0.25	-	-	$ 272.00

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

F. Expenses incurred on share-based payment transactions are shown below:

	Years ended December 31, 2023	Years ended December 31, 2022
Equity-settled	$ 6,501	$ 5,950

F. On June 26, 2019, the Company issued 900 thousand shares of employee restricted ordinary shares as approved by the regulatory authority. The exercise price is $10 (in dollars) per share and the fair value is determined based on the closing price of $282 at the grant date less the exercise price of $10. The information relating to the restrictions on the shareholder's right is provided in the aforementioned details. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares.

(17) Share capital

A. As of December 31, 2023, the Company's authorized capital was $2,000,000, and the paid-in capital was $1,182,608, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows: (Share in thousands)

	2023		
	Private placement of ordinary share	Unrestricted shares	Total
At January 1	-	118,261	118,261
Employee stock options exercised	-	-	-
Restricted stocks to employee - stocks redeemed	-	-	-
Retirement of treasury shares	-	-	-
At December 31	-	118,261	118,261

	2022		
	Private placement of ordinary share	Unrestricted shares	Total
At January 1	-	118,245	118,245
Employee stock options exercised	-	-	-
Restricted stocks to employee - stocks redeemed	-	16	16
Retirement of treasury shares	-	-	-
At December 31	-	118,261	118,261

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		December 31, 2023	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	532,000	$ 118,787
Subsidiaries-MAXIGEN BIOTECH INC.	To improve the group's operational efficiency	2,531,000	500,084
Less: Shown as consolidated financial statements ' 36XX non-controlling interests'			(385,908)
			$ 232,963

		December 31, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	532,000	$ 118,787

Note: The company's subsidiary MAXIGEN BIOTECH INC. is a subsidiary of the company that has substantial control. However, the company's shareholding of 22.83% does not reach 50%. Therefore, the company's repurchase of the company's shares is not subject to Restrictions under Article 167 of the Company Law.

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company’s issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

C. To enhance the Company’s credit rating and the stockholders’ equity, on February 6, 2020, the Board of Directors of the Company during their meeting resolved to proceed with repurchasing of its own shares from the over-the-counter market in the amount of 2 million shares within 2 months from the reported date. On April 30, 2020, the Board of Directors of the Company resolved to retire all the repurchased shares. As of December 31, 2023, all the repurchased shares have been retired.

D. To be reissued to employees, on March 23, 2020, the Board of Directors of the Company during their meeting resolved to proceed with repurchasing of its own shares from the over-the-counter market in the amount of 3 million shares within 2 months from the reported date. Treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within the five-year period are to be retired. As of December 31, 2023, the Company has repurchased 1,016 thousand shares, considering the efficiency of capital utilization and the employees’ willingness to subscribe for the shares, the Company will not repurchase more shares.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings

A. Under the Company’s Articles of Incorporation, the current year’s earnings, if any, shall first be used to pay all taxes and offset prior years’ operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders’ meeting.

B. The Company's dividend policy is summarized below: as the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans, and cash dividends shall account for at least 10% of the total dividends distributed. However, if the Company has sufficient retained earnings and capital, the Company may increase cash dividends in proportion to total dividends.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. Special reserve

(a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. On June 27, 2023, the shareholders at the shareholders' meeting approved the distribution of dividends from the 2022 earnings in the amount of $591,304, with cash dividends of $5 (in dollars) per share.

(20) Other equity items

	2023			
	Unrealized gains (losses) on valuation	Currency translation	Unearned employee compensation	Total
At January 1	($ 6,196)	($ 187,908)	$ -	($ 194,104)
Currency translation differences	-	(92,473)	-	(92,473)
Subsidiaries accounted for using equity method	5,737	-	-	5,737
Revaluation	(2,693)	-	-	(2,693)
At December 31	($ 3,152)	($ 280,381)	$ -	($ 283,533)

	2022			
	Unrealized gains (losses) on valuation	Currency translation	Unearned employee compensation	Total
At January 1	$ 982	($ 283,329)	$ -	($ 282,347)
Currency translation differences	-	95,421	-	95,421
Subsidiaries accounted for using equity method	3,336	-	-	3,336
Revaluation	(10,544)	-	-	(10,544)
Revaluation transferred to retained earnings	30	-	-	30
At December 31	($ 6,196)	($ 187,908)	$ -	($ 194,104)

Amounts that the Company recognized in other comprehensive income due to the change in fair value and the amounts that the Company transferred from other equity to profit and loss for years ended December 31, 2023 and 2022 are all $0.

(21) Operating revenue

	Years ended December 31,	
	2023	2022
Revenue from contracts with customers	$ 4,994,176	$ 4,957,274

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time in the following major geographical regions:

Year ended December 31, 2023	Europe and America region	Asia Pacific region	Total
Timing of revenue			
At a point in time	$ 2,156,824	$ 2,837,352	$ 4,994,176

Year ended December 31, 2022	Europe and America region	Asia Pacific region	Total
Timing of revenue			
At a point in time	$ 1,807,835	$ 3,149,439	$ 4,957,274

B. Contract assets and liabilities

As of December 31, 2023, December 31, 2022 and January 1, 2022, the Company has not recognized any revenue-related contract assets, while the Company has recognized contract liabilities below:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities – advance sales receipts	$ 225,373	$ 217,957	$ 178,800

(a) Significant changes in contract assets and liabilities: None.

(b) Revenue recognized that was included in the contract liability balance at the beginning of the period:

	Years ended December 31,	
	2023	2022
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Advance sales receipts	$ 125,067	$ 157,190

(22) Interest income

	Years ended December 31,	
	2023	2022
Interest income from bank deposits	$ 11,008	$ 10,150

(23) Other income

	Years ended December 31,	
	2023	2022
Service income	$ 900	$ 1,050
Rent income	3,001	3,064
Dividend income	4,558	4,893
Other income - others	9,807	12,802
	$ 18,266	$ 21,809

(24) Other gains and losses

	Years ended December 31,	
	2023	2022
(Losses) gains on disposals of investments	($ 4,349)	$ 2,532
Gains on disposal of property, plant and equipment	10,244	5,529
(Losses) gains on financial assets at fair value through profit or loss	(7,793)	14,598
Foreign exchange (losses) gains	(4,862)	88,378
Miscellaneous disbursements	(6,414)	-
	($ 13,174)	$ 111,037

(25) Finance costs

	Years ended December 31, 2023		Years ended December 31, 2022	
Interest expense				
Bank borrowings	$	38,923	$	29,665
Convertible bonds		-		-
Leases		77		187
	$	39,000	$	29,852

(26) Expenses by nature

	Years ended December 31, 2023		Years ended December 31, 2022	
Employee benefit expense	$	697,683	$	606,302
Depreciation charges on property, plant and equipment		383,193		363,501
Amortisation charges on intangible assets		7,310		7,072
	$	1,088,186	$	976,875

(27) Employee benefit expense

	Years ended December 31, 2023		Years ended December 31, 2022	
Wages and salaries	$	597,718	$	500,105
Employee stock options (Note)		6,501		5,950
Labour and health insurance fees		48,879		52,461
Pension costs		23,066		23,776
Other personnel expenses		21,519		24,010
	$	697,683	$	606,302

Note: It was equity-settled.

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 5%~15% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2023 and 2022, employees' compensation were accrued at $117,054 and $49,974, respectively; while directors' and supervisors' remuneration were accrued at $4,200 and $4,200, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 5%~15% and not be higher than 3% of distributable profit of current year for the year ended December 31, 2023. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were $117,054 and $4,200, respectively, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration of 2022 as resolved by the Board of Directors were $49,974 and $4,200, respectively, and were in agreement with those amounts recognized in the 2022 financial statements.

C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

Components of income tax expense:

	Years ended December 31, 2023	2022
Current tax:		
Current tax on profits for the year	$ 169,462	$ 244,036
Tax on undistributed surplus earnings	6,964	15,154
Effect from investment tax credits	(6,964)	(10,460)
Prior year income tax overestimation	(8,420)	(25,076)
Total current tax	161,042	223,654
Deferred tax:		
Origination and reversal of temporary differences	(8,012)	8,157
Remittance of earnings	-	-
Total deferred tax	(8,012)	8,157
Income tax expense	$ 153,030	$ 231,811

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31, 2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 209,858	$ 189,061
Effect from items not recognised in accordance with tax regulation	(48,408)	63,132
Effect from investment tax credits	(6,964)	(10,460)
Prior year income tax overestimation	(8,420)	(25,076)
Tax on undistributed earnings	6,964	15,154
Income tax expense	$ 153,030	$ 231,811

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2023		
	January 1	Recognised in profit or loss	December 31
Temporary differences:			
-Deferred tax assets:			
Allowance for obsolescence and decline in market value of inventories	$ 6,234	$ 2,833	$ 9,067
Unrealised exchange loss	-	4,055	4,055
Unrealised gross profit	14,589	(4,130)	10,459
	$ 20,823	$ 2,758	$ 23,581
-Deferred tax liabilities:			
Unrealised exchange gain	($ 5,254)	$ 5,254	$ -
	($ 5,254)	$ 5,254	$ -
	$ 15,569	$ 8,012	$ 23,581

	2022		
	January 1	Recognised in profit or loss	December 31
Temporary differences:			
-Deferred tax assets:			
Allowance for obsolescence and decline in market value of inventories	$ 6,234	$ -	$ 6,234
Unrealised exchange loss	-	-	-
Unrealised gross profit	22,676	(8,087)	14,589
	$ 28,910	($ 8,087)	$ 20,823
-Deferred tax liabilities:			
Unrealised exchange gain	($ 5,184)	($ 70)	($ 5,254)
	($ 5,184)	($ 70)	($ 5,254)
	$ 23,726	($ 8,157)	$ 15,569

D. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.

(29) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 896,258	115,961	$ 7.73
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 896,258		
Assumed conversion of all dilutive potential ordinary shares			
Employee stock option	-	15	
Employees' compensation	-	745	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 896,258	116,721	$ 7.68

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 713,494	117,717	$ 6.06
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 713,494		
Assumed conversion of all dilutive potential ordinary shares			
Employee stock option	-	14	
Employees' compensation	-	577	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 713,494	118,308	$ 6.03

(30) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31,	
	2023	2022
Purchase of property, plant and equipment	$ 121,010	$ 36,675
Add: Opening balance of payable on equipment	7,285	44,227
Less: Ending balance of payable on equipment	(5,441)	(7,285)
Cash paid during the year	$ 122,854	$ 73,617

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
GENE & NEXT INC. (GENE & NEXT)	Subsidiary
SHANGHAI BIOFUNCTION CO., LTD. (BIOFUNCTION)	Subsidiary
TCI BIOTECH NETHERLANDS B.V.(TCI NL)	Subsidiary
TCI BIOTECH LLC(TCI BIOTECH)	Subsidiary
TCI JAPAN CO., LTD. (TCI JAPAN)	Subsidiary
MAXIGEN BIOTECH INC.	Subsidiary
PETFOOD BIOTECHNOLOGY CO.,	Subsidiary
SHANGHAI BIOTRADE CO., LTD. (BIOTRADE)	Second-tier subsidiary
SHANGHAI BIOSCIENCE CO., LTD. (BIOSCIENCE)	Second-tier subsidiary
SHANGHAI BIOCOSME CO., LTD. (BIOCOSME)	Second-tier subsidiary
GLUX HK LTD. TAIWAN BRANCH. (GLUX HK)	Second-tier subsidiary
TCI LIVING CO., LTD. (TCI LIVING) (Former name is SBI CO., LTD.)	Second-tier subsidiary
TCI BIOTECH USA LLC(TCI BIOTECH USA)	Second-tier subsidiary
SMY INTERNET OF PACKAGE CO., LTD.	Associate
Daido Pharmaceutical Corporation	Other related party
PURE MILK CO., LTD.	Other related party
CHUN LING INTERNATIONAL CO.,	Other related party

(2) Significant related party transactions

A. Operating revenue:

	Years ended December 31, 2023	Years ended December 31, 2022
Sales of goods:		
Subsidiary		
BIOTRADE	$ 244,384	$ 507,358
BIOFUNCTION	958,777	1,239,512
TCI BIOTECH LLC	1,265,516	1,099,261
TCI NL	185,290	162,366
Other	127,216	138,162
Associate	26	-
Other related party	8,284	4,577
	$ 2,789,493	$ 3,151,236

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Purchases:

	Years ended December 31, 2023	Years ended December 31, 2022
Purchases of goods:		
Subsidiary		
TCI JAPAN	$ 8,419	$ 22,872
BIOTRADE	65,638	76,404
Other	33,056	105,853
	$ 107,113	$ 205,129

Goods are purchased from the related party on normal commercial terms and conditions.

C. Service and rent revenue: (shown as ‘other income’)

	Years ended December 31,	
	2023	2022
Service revenue:		
Subsidiary		
TCI LIVING CO., LTD.	$ 720	$ 870
GENE & NEXT	180	180
Rent revenue:		
Subsidiary		
GENE & NEXT	2,286	2,286
Other	684	684
Associate	31	77
Other income - others		
Subsidiary		
GENE & NEXT	163	166
TCI LIVING CO., LTD.	466	153
MAXIGEN BIOTECH INC.	8	-
Other	46	27
Associate	171	171
Other related party	9	-
	$ 4,764	$ 4,614

Service revenue pertain to providing human resources and operating management assistance, R&D services and rights and patents to subsidiaries. Rent revenue pertain to leasing offices to subsidiaries and the rental is determined in accordance with mutual agreements and paid on a monthly basis.

D. Service expenses: (shown as ‘operating cost’ and ‘operating expense’)

	Years ended December 31,	
	2023	2022
Purchases of services:		
Subsidiary		
GENE & NEXT	$ 60,847	$ 106,243
Other	-	62
	$ 60,847	$ 106,305

Service expense pertain to consulting services such as drug inspection, clinical trial and registration guidance provided by subsidiaries.

E. Receivables from related parties:

	December 31, 2023	December 31, 2022
Accounts receivable:		
Subsidiary		
TCI BIOTECH	$ 294,621	$ 710,669
BIOTRADE	7,877	1,076
BIOFUNCTION	138,763	7,432
TCI LIVING	48,073	31,481
TCI JAPAN	32,430	33,769
BIOSCIENCE	-	6,735
TCI NL	181,488	187,886
Other	59,493	62,198
Other related party	98	267
	762,843	1,041,513
Other receivables:		
Subsidiary		
BIOFUNCTION	8,889	10,562
TCI BIOTECH	-	50
TCI BIOTECH USA	64,860	67,183
PETFOOD	8,072	9,278
TCI NL	4,150	4,454
Other	4,075	5,475
Associate	68	45
	90,114	97,047
	$ 852,957	$ 1,138,560

The receivables from related parties arise mainly from sale transactions. The receivables are due 60-90 days after the date of sales. The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

F. Payables to related parties:

	December 31, 2023	December 31, 2022
Accounts payable:		
Subsidiary		
BIOTRADE	$ 23,095	$ 88,967
TCI JAPAN	26,638	23,824
Other	37,567	31,203
Associate	2,502	2,502
	$ 89,802	$ 146,496

Payables to related parties are incurred from purchases and expired two months after the purchase date and do not have collateral nor bear interests.

G. Other payables to related parties:

	December 31, 2023	December 31, 2022
Other payables:		
Subsidiary		
Other	$ 35,222	$ 30,994

Other payables to related parties are incurred from services received.

H. Endorsements and guarantees provided to related parties:

	December 31, 2023	December 31, 2022
Subsidiary	$ 153,526	$ 153,550

(3) Key management compensation

	Years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 37,059	$ 56,242
Share-based payments	1,143	3,832
	$ 38,202	$ 60,074

8. PLEDGED ASSETS

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

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Property, plant and equipment	$ 1,829,734	$ 1,923,743	Short-term and long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 92,627	$ 118,925

B. As of December 31, 2023 and 2022, the Company's total unused letters of credit were $945 and $0, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are based on the Company's operating industrial scale, considering the future growth of the industry and product development, setting up appropriate market share, and planning corresponding capital expenditures. Then, determining the required working capital based on the financial operation plan. Finally, taking into consideration the operating income and cash flows that can be generated by the product competitiveness to decide the appropriate capital structure.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 79,330	$ 184,805
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 17,003	$ 19,696
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	$ 1,024,426	$ 1,162,811
Financial assets at amortised cost	6,966	10,380
Notes receivable	10,887	11,184
Accounts receivable	330,298	209,408
Accounts receivable-related parties	762,843	1,041,513
Other receivables	18,896	31,106
Other receivables-related parties	90,114	97,047
Guarantee deposits paid	24,063	28,466
	$ 2,268,493	$ 2,591,915

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 350,000	$ 1,146,320
Notes payable	52	-
Accounts payable	506,651	565,061
Accounts payable-related parties	89,802	146,496
Other accounts payable	543,701	419,364
Other accounts payable-related parties	35,222	30,994
Corporate bonds payable (including current portion)	-	-
Long-term borrowings (including current portion)	946,929	967,510
	$ 2,472,357	$ 3,275,745
Lease liability	$ 1,103	$ 7,660

B. Financial risk management policies

Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

ii. The Company's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
RMB:NTD	$ 173,759	4.3270	$ 751,855
USD:NTD	22,836	30.7100	701,294
EUR:NTD	4,788	33.9800	162,696
JPY:NTD	238,507	0.2172	51,804
SGD:NTD	1,288	23.29	29,998
Financial liabilities			
Monetary items			
RMB:NTD	$ 25,491	4.327	$ 110,300
JPY:NTD	489,198	0.2172	106,254
USD:NTD	2,439	30.71	74,902
EUR:NTD	1,882	33.98	63,950

	December 31, 2022		
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
RMB:NTD	$ 229,526	4.4080	$ 1,011,751
USD:NTD	37,752	30.7100	1,159,364
EUR:NTD	4,584	32.7200	149,988
JPY:NTD	416,915	0.2324	96,891
SGD:NTD	1,462	22.88	33,451
Financial liabilities			
Monetary items			
RMB:NTD	$ 32,507	4.408	$ 143,291
JPY:NTD	739,686	0.2324	171,903
USD:NTD	2,299	30.71	70,602
EUR:NTD	2,452	32.72	80,229

iii. The total exchange (loss) gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to ($4,862) and $88,378, respectively.

iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2023		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
RMB:NTD	1%	$ 7,519	$ -
USD:NTD	"	7,013	-
EUR:NTD	"	1,627	-
JPY:NTD	"	518	-
SGD:NTD	"	300	-
Financial liabilities			
Monetary items			
RMB:NTD	1%	$ 1,103	$ -
JPY:NTD	"	1,063	-
USD:NTD	"	749	-
EUR:NTD	"	640	-

	Year ended December 31, 2022		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
RMB:NTD	1%	$ 10,118	$ -
USD:NTD	"	11,594	-
EUR:NTD	"	1,500	-
JPY:NTD	"	969	-
SGD:NTD	"	335	-
Financial liabilities			
Monetary items			
RMB:NTD	1%	$ 1,433	$ -
JPY:NTD	"	1,719	-
USD:NTD	"	706	-
EUR:NTD	"	802	-

Price risk

i. The Company’s equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

ii. The Company’s investments in equity securities comprise shares issued by the domestic or foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $793 and $1,848, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $170 and $197, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Company’s main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 2023 and 2022, the Company’s borrowings at variable rate were mainly denominated in New Taiwan dollars, United States dollars and Chinese Renminbi.

ii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 0.1% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by $1,038 and $1,691, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.

ii. The Company manages their credit risk taking into consideration the entire Company’s concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company’s credit policy, each local entity in the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.

iii. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

v. The Company classifies customers' accounts receivable in accordance with credit risk. The Company applies the modified approach using loss rate methodology to estimate expected credit loss.

vi. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2023 and 2022, the loss rate methodology is as follows:

	Group A	Group B	Group C	Group D	Total
At December 31, 2023					
Expected loss rate	0%~1.44%	0%~20.23%	0%~100%	100.00%	
Total book value	$ 295,557	$ 48,570	$ 12,440	$ 10,951	$ 367,518
Loss allowance	$ 4,090	$ 2,973	$ 8,319	$ 10,951	$ 26,333

	Group A	Group B	Group C	Group D	Total
At December 31, 2022					
Expected loss rate	0%~0.23%	0%~20.23%	0%~100%	100.00%	
Total book value	$ 189,237	$ 31,672	$ 15,949	$ 5,566	$ 242,424
Loss allowance	$ -	$ 6,234	$ 10,032	$ 5,566	$ 21,832

vii. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2023	
	Accounts receivable	Notes receivable
At January 1	$ 21,832	$ -
Provision for impairment	4,501	-
At December 31	$ 26,333	$ -

	2022	
	Accounts receivable	Notes receivable
At January 1	$ 21,832	$ -
Provision for impairment	-	-
At December 31	$ 21,832	$ -

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

ii. As of December 31, 2023 and 2022, the Company has undrawn borrowing facilities of $7,978,371 and $7,561,429, respectively.

iii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Short term borrowings	$ 350,000	$ -	$ -
Notes payable	-	-	-
Accounts payable (including related parties)	596,453	-	-
Other payables (including related parties)	578,923	-	-
Lease liability	1,103	-	-
Long-term borrwings	200,000	746,929	-
Convertible bonds	-	-	-

Non-derivative financial liabilities:

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
Short term borrowings	$ 1,146,320	$ -	$ -
Notes payable	-	-	-
Accounts payable (including related parties)	711,557	-	-
Other payables (including related parties)	450,358	-	-
Lease liability	6,557	1,103	-
Long-term borrwings	650,000	317,510	-
Convertible bonds	-	-	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 79,330	$ -	$ -	$ 79,330
Financial assets at fair value through other comprehensive income				
Equity securities	5,346	-	11,657	17,003
	$ 84,676	$ -	$ 11,657	$ 96,333
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Call and put options of corporate bonds	$ -	$ -	$ -	$ -

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 184,805	$ -	$ -	$ 184,805
Financial assets at fair value through other comprehensive income				
Equity securities	4,183	-	15,513	19,696
	$ 188,988	$ -	$ 15,513	$ 204,501
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Call and put options of corporate bonds	$ -	$ -	$ -	$ -

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

i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

iv. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2023 and 2022, no Level 3 financial instrument was changed.

F. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

G. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 11,657	Discounted cash flow	Long-term revenue growth rate	2%	The higher the long-term revenue growth rate, the higher the fair value;
			Weighted average cost of capital	8.85%	the higher the discount rate, the lower the fair value.

	Fair value at December 31, 2022		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted shares	$	15,513	Discounted cash flow	Long-term revenue growth rate	2%	The higher the long-term revenue growth rate, the higher the fair value;
				Weighted average cost of capital	8.69%	the higher the discount rate, the lower the fair value.

I. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±5%	$ -	$ -	$ 583	$ 583

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±5%	$ -	$ -	$ 776	$ 776

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 10.

(4) Major shareholders information

Major shareholders information: None.

14. SEGMENT INFORMATION

None.

TCI CO., LTD.

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 3)	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for uncollectible accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
1	TCI BIOTECH LLC	TCI BIOTECH USA LLC	Other receivables - related parties	Y	$ 17,441	$ 6,853	$ 6,853	2.00%	2	$ -	For operating capital	$ -	None	$ -	$ 5,640	$ 5,640	Notes 6,7,11
1	SHANGHAI BIOFUNCTION CO., LTD.	TCI BIOTECH USA LLC	Other receivables - related parties	Y	$ 591,200	$ 591,200	$ 335,343	1.20%	2	$ -	For operating capital	$ -	None	$ -	$ 1,761,008	$ 1,761,008	Notes 8,9,10,11

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2023. The amount is calculated at the closing rate of USD$1:NTD$30.7050; RMB$1:NTD$4.3270, the exchange rate used in original transaction shall be adopted if there was no movement.

Note 4: The total amount of loans shall not exceed 20% of the net value of the Company's latest financial statements, and the amount of loans to a single enterprise shall not exceed the amount of business transactions between the two parties in the most recent year and shall not exceed 20% of the net value of the Company's latest financial statements.

Note 5: The total amount of loans shall not exceed 30% of the net value of the Company's latest financial statements, and the amount of loans to a single enterprise shall not exceed the amount of business transactions between the two parties in the most recent year and shall not exceed 30% of the net value of the Company's latest financial statements.

Note 6: For short-term financing with other entities, ceiling on total loans granted by the Company's subsidiary to others is 20% of the subsidiary's net assets based on the latest financial statements, and limit on loans granted by the Company's subsidiary to a single party is 20% of the subsidiary's net assets based on the latest financial statements.

Note 7: The aggregate amount of capital loans to business associates and the total amount of short-term financing facilities and other correspondents or banks shall not exceed 40% of the net value of the Company's latest financial statements, and the amount of loans to a single enterprise shall not exceed 20% of the net value of the Company's latest financial statements.

Note 8: For short-term financing with other entities, ceiling on total loans granted by the Company's subsidiary to others is 30% of the subsidiary's net assets based on the latest financial statements, and limit on loans granted by the Company's subsidiary to a single party is 30% of the subsidiary's net assets based on the latest financial statements.

Note 9: The aggregate amount of capital loans to business associates and the total amount of short-term financing facilities and other correspondents or banks shall not exceed 40% of the net value of the Company's latest financial statements, and the amount of loans to a single enterprise shall not exceed 30% of the net value of the Company's latest financial statements.

Note 10: Non-Taiwan companies that directly and indirectly hold 100% of the voting shares of the same ultimate parent company as the Company shall not be subject to the restrictions in Notes 5, 8 and 9, and the total amount of loans and the limit of loans for a single enterprise shall not exceed 80% of the net value of the enterprises lent to the Company.

Note 11: The amounts were approved by the Board of Directors.

TCI CO., LTD.

Provision of endorsements and guarantees to others

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount	Outstanding endorsement/ guarantee amount	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary (Note 4)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 4)	Provision of endorsements/ guarantees to the party in Mainland China (Note 4)	Footnote
0	TCI CO., LTD.	TCI BIOTECH LLC	2	$ 1,644,611	$ 16,154	$ 15,353	$ 15,353	$ -	0.19	$ 4,111,529	Y	N	N	Note 3
0	TCI CO., LTD.	TCI BIOTECH USA LLC	2	$ 1,644,611	145,390	138,173	138,173	-	1.67	4,111,529	Y	N	N	Note 3

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: In accordance with the Company's policy, the total guarantee amount shall not exceed 50% of Company's net assets based on the latest financial statements, and the guarantee to a single party shall not exceed 20% of the Company's net assets.

Note 4: The amount of the endorsement guarantee of the Company and its subsidiaries to a single enterprise shall not exceed 30% of the net value of the Company's latest financial statements, and the total amount of the endorsement guarantee shall not exceed 50% of the net value of the Company's latest financial statements.

Note 5: The financial report is prepared in accordance with the International Financial Reporting Standards, and the term "net value" refers to the equity attributable to the owner of the parent company on the balance sheet stipulated in the Financial Reporting Standards of the securities issuer

TCI CO., LTD.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
TCI CO., LTD.	BILLION ELECTRIC CO., LTD.	None	Financial assets at fair value through other comprehensive income - non-current	125,039	$ 5,346	0.11	$ 5,346	
TCI CO., LTD.	LIN LIE INTEGRATION CO., LTD.	None	Financial assets at fair value through other comprehensive income - non-current	54,000	372	3.48	372	
TCI CO., LTD.	PURE MILK CO., LTD.	The Company was an institutional shareholder of PURE MILK CO., LTD..	Financial assets at fair value through other comprehensive income - non-current	403,333	11,285	9.17	11,285	
TCI LIVING CO., LTD.	CHUN LING INTERNATIONAL CO., LTD.	None	Financial assets at fair value through other comprehensive income - non-current	774,046	45,963	18.62	45,963	
MAXIGEN BIOTECH INC.	TCI CO., LTD.	The Company was the parent company of MAXIGEN BIOTECH INC.	Financial assets at fair value through other comprehensive income - non-current	2,531,000	432,800	2.14	432,800	
TCI CO., LTD.	Globus Medical Inc	None	Financial assets at fair value through profit or loss - current	525	859	0.00	859	Note 1
TCI CO., LTD.	SEIKAGAKU CORPORATION	None	Financial assets at fair value through profit or loss - current	78,500	12,975	0.14	12,975	
TCI CO., LTD.	Abnova Holding Corporation	None	Financial assets at fair value through profit or loss - current	1,866,000	65,496	3.08	65,496	

Note 1: NuVasive INC was eliminated after the merger of Globus Medical Inc on September 1, 2023, and originally held 700 shares of NuVasive INC, while the merger converted 525 shares of Globus Medical Inc

TCI CO., LTD.

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

					Balance as at January 1, 2023		Addition		Disposal				Balance as at December 31, 2023	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Number of shares / units	Amount	Number of shares / units	Amount	Number of shares / units	Selling price	Book value	Gain (loss) on disposal	Number of shares / units	Amount (Note 1)
MAXIGEN BIOTECH INC.	TCI CO., LTD.	Financial assets at fair value through other comprehensive income -	Not applicable	Not applicable	-	$ -	2,531,000	$ 500,084	-	$ -	$ -	$ -	2,531,000	$ 432,800

Note 1: The balance amount as at December 31, 2023 included unrealised gains or losses from financial assets.

TCI CO., LTD.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
TCI CO., LTD.	SHANGHAI BIOFUNCTION CO., LTD.	Subsidiary	(Sales)	958,777	(19.20)	60-90 days	The prices and terms of sales and purchases are available to third parties.	Terms for collections are approximately the same as those with third parties.	$ 138,763	12.57	
TCI CO., LTD.	SHANGHAI BIOTRADE CO., LTD.	Subsidiary	(Sales)	244,384	(4.89)	60-90 days	The prices and terms of sales and purchases are available to third parties.	Terms for collections are approximately the same as those with third parties.	7,877	0.71	
TCI CO., LTD.	TCI BIOTECH LLC	Subsidiary	(Sales)	1,265,516	(25.34)	60-90 days	The prices and terms of sales and purchases are available to third parties.	Terms for collections are approximately the same as those with third parties.	294,621	26.69	
TCI CO., LTD.	TCI BIOTECH NETHERLANDS B.V.	Subsidiary	(Sales)	185,290	(3.71)	60-90 days	The prices and terms of sales and purchases are available to third parties.	Terms for collections are approximately the same as those with third parties.	181,488	16.44	
TCI BIOTECH USA LLC	TCI BIOTECH LLC	Subsidiary	(Sales)	369,067	(97.00)	60-90 days	The prices and terms of sales and purchases are available to third parties.	Terms for collections are approximately the same as those with third parties.	89,103	89.68	

Note: Regarding percentage of transaction amount to total operating revenues or total assets, it is computed based on period-end balance of transaction to total assets for balance sheet accounts and based on accumulated transaction amount for the period to total operating revenues for income statement accounts.

TCI CO., LTD.

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty		Balance as at December 31, 2023	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
TCI CO., LTD.	SHANGHAI BIOFUNCTION CO., LTD.	Subsidiary	Accounts receivable	$ 138,763	0.12	-	-	$ 138,763	$ -
TCI CO., LTD.	TCI BIOTECH LLC	Subsidiary	Accounts receivable	294,621	0.25	-	-	294,621	-
TCI CO., LTD.	TCI BIOTECH NETHERLANDS B.V.	Subsidiary	Accounts receivable	181,488	0.15			181,488	
TCI BIOTECH USA LLC	TCI BIOTECH LLC	Subsidiary	Accounts receivable	89,103	1.30			89,103	

Note: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity.

TCI CO., LTD.

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	TCI CO., LTD.	SHANGHAI BIOTRADE CO., LTD.	1	Sales of goods	$ 244,384	The prices and terms of sales and purchases are available to third parties.	3.05
0	TCI CO., LTD.	SHANGHAI BIOTRADE CO., LTD.	1	Accounts receivable	7,877	The prices and terms of sales and purchases are available to third parties.	0.06
0	TCI CO., LTD.	SHANGHAI BIOFUNCTION CO., LTD.	1	Sales of goods	958,777	The prices and terms of sales and purchases are available to third parties.	11.96
0	TCI CO., LTD.	SHANGHAI BIOFUNCTION CO., LTD.	1	Accounts receivable	138,763	The prices and terms of sales and purchases are available to third parties.	0.98
0	TCI CO., LTD.	TCI BIOTECH LLC	1	Sales of goods	1,265,516	The prices and terms of sales and purchases are available to third parties.	15.79
0	TCI CO., LTD.	TCI BIOTECH LLC	1	Accounts receivable	294,621	The prices and terms of sales and purchases are available to third parties.	2.09
0	TCI CO., LTD.	TCI BIOTECH NETHERLANDS B.V.	1	Sales of goods	185,290	The prices and terms of sales and purchases are available to third parties.	2.31
0	TCI CO., LTD.	TCI BIOTECH NETHERLANDS B.V.	1	Accounts receivable	181,488	The prices and terms of sales and purchases are available to third parties.	1.29
3	TCI BIOTECH USA LLC	TCI BIOTECH LLC	2	Sales of goods	369,067	The prices and terms of sales and purchases are available to third parties.	4.60
3	TCI BIOTECH USA LLC	TCI BIOTECH LLC	2	Accounts receivable	89,103	The prices and terms of sales and purchases are available to third parties.	0.63

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories :

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to total operating revenues or total assets, it is computed based on period-end balance of transaction to total assets for balance sheet accounts and based on accumulated transaction amount for the period to total operating revenues for income statement accounts.

TCI CO., LTD.

Information on investees

Year ended December 31, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income(loss) recognised by the Company for the year ended December 31, 2023	Footnote
TCI CO., LTD.	TCI FIRSTEK CORP.	Taiwan	Wholesale and retail of health foods and cosmetics	$ 43,685	$ 43,685	214,885,489	100.00	$ 2,673,888	$ 180,278	$ 180,278	None
TCI CO., LTD.	GENE & NEXT INC.	Taiwan	Research and development of biotechnology and genetics	32,963	32,963	11,096,692	41.94	413,744	11,673	4,896	None
TCI CO., LTD.	TCI HK LIMITED	Hong Kong	Trading health foods and cosmetics	21,046	21,046	-	100.00	25,525	6,568	6,568	None
TCI CO., LTD.	TCI BIOTECH LLC	U.S.A.	Trading health foods and cosmetics	8,778	8,778	300	3.85	1,085	(48,579)	(1,868)	None
TCI CO., LTD.	BIOCOSME CO., LTD.	Taiwan	Trading health foods and cosmetics	5,000	5,000	500,000	100.00	5,042	27	27	None
TCI CO., LTD.	TCI JAPAN CO., LTD.	JAPAN	Trading health foods and cosmetics	15,626	15,626	5,500	100.00	2,343	(6,473)	(6,473)	None
TCI CO., LTD.	PT TCI BIOTEK INDO	Indonesia	Trading health foods and cosmetics	-	-	-	100.00	78	-	-	Note 3
TCI CO., LTD.	TCI BIOTECH NETHERLANDS B.V.	Netherlands	Trading health foods and cosmetics	210,955	210,955	6,592,950	100.00	(29,065)	(48,284)	(48,284)	None
TCI CO., LTD.	SMY INTERENT OF PACKAGE CO., LTD.	Taiwan	Producing, manufacturing and selling of packaging containers	1,900	1,900	190,000	15.39	4,347	1,121	172	None
TCI CO., LTD.	QUANTUM BIOLOGY INC.	Taiwan	Research and development of biotechnology	30,000	30,000	3,000,000	100.00	7,263	(684)	(684)	None
TCI CO., LTD.	MAXIGEN BIOTECH INC.	Taiwan	Wholesale of cosmetics and research and development, producing and sales of biologicals	480,478	480,478	20,304,762	22.83	576,935	165,828	27,355	None
TCI CO., LTD.	PETFOOD BIOTECHNOLOGY CO.,	Taiwan	Producing and sales of pet supplies	33,600	18,000	3,360,000	56.00	15,484	(18,526)	(10,735)	None
TCI CO., LTD.	VEGAN JOY GLOBAL COMPANY LIMITED	Taiwan	Wholesale and retail of food, grocery and beverage	3,800	3,800	380,000	19.00	862	(9,420)	(1,790)	None
TCI BIOTECH NETHERLANDS B.V.	TCI BIOTECH LLC	U.S.A	Trading health foods and cosmetics	207,588	207,588	7,500	96.15	27,111	(48,579)	(46,711)	None
TCI BIOTECH LLC	TCI BIOTECH LLC USA	U.S.A	Producing and manufacturing health foods and cosmetics	207,588	207,588	7,500	100.00	(38,079)	(103,171)	(103,171)	None

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income(loss) recognised by the Company for the year ended December 31, 2023	Footnote
GENE & NEXT INC.	GLUX HK LIMITED	Hong Kong	Trading health foods and cosmetics	29,542	29,542	-	100.00	769	2	2	None
GENE & NEXT INC.	TCI LIVING CO., LTD.	Taiwan	Trading health foods and cosmetics	43,175	43,175	2,760,000	79.31	93,007	25,525	20,243	None
GENE & NEXT INC.	ASIA PATHOGENOMIC CO., LTD.	Taiwan	Wholesale of chemical industrial and medical devices	24,000	24,000	1,600,000	20.00	14,687	(29,304)	(5,861)	None
TCI LIVING CO., LTD.	SBI GROUP HK LIMITED	Hong Kong	Trading health foods and cosmetics	5,847	5,847	-	100.00	3,094	74	74	None

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1)The columns of ‘Investee’, ‘Location’, ‘Main business activities’, Initial investment amount’ and ‘Shares held as at December 31, 2023’ should fill orderly in the Company’s (public company’s) information on investees and every directly or indirectly controlled investee’s investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the ‘footnote’ column.

(2)The ‘Net profit (loss) of the investee for the year ended December 31, 2023’ column should fill in amount of net profit (loss) of the investee for this period.

(3)The ‘Investment income (loss) recognised by the Company for the year ended December 31, 2023’ column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary’s net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3: There was no capital injection as of December 31, 2023.

TCI CO., LTD.

Information on investments in Mainland China

Year ended December 31, 2023

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023: Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
SHANGHAI BIOTRADE CO., LTD.	Wholesale of health foods, cosmetics and chemical productions; cosmetic manufacturing	$ 14,117	Note 3	$ 15,440	$ -	$ -	$ 15,440	$ 179,882	100.00	$ 179,882	$ 2,720,921	$ 1,383,547	Note 5 Note 6
SHANGHAI BIOSCIENCE CO., LTD.	Wholesale of health foods, cosmetics and chemical productions; cosmetics manufacturing	26,064	Note 2	-	-	-	-	176,935	100.00	176,935	2,348,469	-	Note 5 Note 6
SHANGHAI BIOCOSME CO., LTD.	Producing cosmetics	143,352	Note 2	-	-	-	-	(227)	100.00	(227)	154,044	-	Note 5 Note 6
SHANGHAI BIOFUNCTION CO., LTD.	Producing health foods	1,131,425	Note 1	438,307	-	-	438,307	274,459	100.00	274,459	2,201,261	942,055	Note 5 Note 6
SHANGHAI BIOTECHGENE TECHNOLOGY CO., LTD.	Research and development of biotechnology and genetics	43,440	Note 4	-	-	-	-	497	100.00	497	45,511	-	Note 5 Note 6
TCI LIVING SHANGHAI CO., LTD.	Trading health foods and cosmetics	8,916	Note 3	8,916	-	-	8,916	(884)	79.31	(701)	1,398	-	Note 5 Note 6
Hekang Biotech Shanghai Co., Ltd.	Selling medical machinery and trading cosmetics	USD$1,800	Note 3	58,193	-	-	58,193	(34,938)	100.00	(34,938)	(36,819)	-	Note 5 Note 6

Note 1：Reinvestments in a company in Mainland China through parent company in Taiwan and Shanghai BioScience Co., Ltd.. (USD$14,400 and RMB$168,700)

Note 2：Reinvestments in a company in Mainland China through Shanghai BioTrade Co., Ltd.

Note 3：Reinvestments in a company in Mainland China through domestic subsidiary company.

Note 4：Reinvestments in a company in Mainland China through Shanghai BioScience Co., Ltd.

Note 5：The financial statements that are reviewed and attested by R.O.C. parent company's CPA.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
TCI CO., LTD.	$ 438,307	$ 692,000	$ 5,926,765
TCI FIRSTEK CORP.	15,440	15,440	1,635,708
MAXIGEN BIOTECH INC.	58,193	552,769	816,662
TCI LIVING CO., LTD.	8,916	31,484	58,903

Note 6：The numbers in this table are expressed in New Taiwan dollars, except for: assets and liabilities presented at RMB$1：NTD$4.3270, USD$1：NTD$30.7050; income presented at RMB$1：NTD$4.3933, USD$1：NTD$31.1773;

Note 7：The amount is the higher of limits on accumulated investment amounts or 60% of consolidated net assets was based on Investment Commission, MOEA Regulation No. 09704604680 announced on August 29, 2008.

TCI CO., LTD.

Significant transactions , either directly or indirectly through a third area, with investee companies in the Mainland Area

Year ended December 31, 2023

Table 10

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
	Amount	%	Amount	%	Balance at December 31, 2023	%	Balance at December 31, 2023	Purpose	Maximum balance during the year ended December 31, 2023	Balance at December 31, 2023	Interest rate	Interest during the year ended December 31, 2023	Others
SHANGHAI BIOTRADE CO., LTD.	$ 244,384	4.89	$ -	-	$ 7,877	0.71	$ -	-	$ -	$ -	-	$ -	
SHANGHAI BIOFUNCTION CO., LTD.	958,777	19.20	-	-	138,763	12.57	-	-	-	-	-	-	
							-	-	-	-	-	-	

Note: Regarding percentage of transaction amount to total operating revenues or total assets, it is computed based on period-end balance of transaction to total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.