TCI CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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 consolidated balance sheets of TCI Co., Ltd. and subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated 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.

Basic 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 consolidated financial statements* section of our report. We are independent of the Group 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 Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated 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 Group's 2023 consolidated financial statements are stated as follows:

Existence and occurrence of top ten customers

Description

The Group's sales revenue arises 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 arising from such transactions has become a major operating item of the Group. And the sales revenue from top ten customers represents a significant portion of operating income to the consolidated 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(30) for accounting policies on revenue recognition and Note 6(23) for details of sales revenue.

How our audit addressed the matter

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

1. Understanding and testing the internal control procedures of the top ten customers and testing the effectiveness of internal control related to sales revenue.
2. 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.
3. Examining sales returns and discounts from the top ten customers after the balance sheet date to confirm the existence of sales revenue.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of TCI Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 consolidated 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

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TCI CO., LTD. AND SUBSIDIARIES
CONSOLIDATED 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)	$ 5,363,426	38	$ 5,932,794	39
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) and 8	212,066	1	25,696	-
1150	Notes receivable, net	6(5)	25,738	-	42,778	-
1170	Accounts receivable, net	6(5)	943,434	7	974,639	7
1180	Accounts receivable - related parties	7	107	-	268	-
1200	Other receivables		28,355	-	47,616	1
1210	Other receivables - related parties	7	68	-	45	-
130X	Inventories	6(6)	941,308	7	1,169,199	8
1410	Prepayments	6(7)	246,092	2	181,133	1
1470	Other current assets		45,488	-	42,352	-
11XX	**Total current assets**		7,885,412	56	8,601,325	57
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	62,966	1	48,410	1
1550	Investments accounted for using equity method	6(8)	19,896	-	27,375	-
1600	Property, plant and equipment	6(9) and 8	4,940,470	35	4,866,995	32
1755	Right-of-use assets	6(10)	192,605	1	199,663	1
1760	Investment property, net	6(11)	-	-	22,063	-
1780	Intangible assets	6(12)	691,149	5	741,180	5
1840	Deferred income tax assets	6(30)	31,950	-	26,627	-
1900	Other non-current assets	6(13)	277,055	2	574,319	4
15XX	**Total non-current assets**		6,216,091	44	6,506,632	43
1XXX	**Total assets**		$ 14,101,503	100	$ 15,107,957	100

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TCI CO., LTD. AND SUBSIDIARIES
CONSOLIDATED 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(14)	$ 350,000	3	$ 1,146,320	8
2130	Current contract liabilities	6(23)	496,528	4	454,107	3
2150	Notes payable		686	-	595	-
2170	Accounts payable		734,188	5	729,866	5
2180	Accounts payable - related parties	7	2,903	-	895	-
2200	Other payables	6(15)	764,932	5	691,132	5
2220	Other payables - related parties	7	-	-	1	-
2230	Current income tax liabilities		563,771	4	619,366	4
2280	Current lease liabilities		64,005	-	63,559	-
2320	Long-term liabilities, current portion	6(17)	200,000	1	650,000	4
2399	Other current liabilities, others		103,000	1	135,226	1
21XX	**Total current liabilities**		3,280,013	23	4,491,067	30
	Non-current liabilities					
2540	Long-term borrowings	6(17)	746,929	5	317,510	2
2570	Deferred income tax liabilities	6(30)	83,303	1	97,625	-
2580	Non-current lease liabilities		106,806	1	111,306	1
2600	Other non-current liabilities		6,510	-	11,425	-
25XX	**Total non-current liabilities**		943,548	7	537,866	3
2XXX	**Total liabilities**		4,223,561	30	5,028,933	33
	Equity attributable to owners of parent					
	Share capital	6(19)				
3110	Share capital - common stock		1,182,608	8	1,182,608	8
	Capital surplus	6(20)				
3200	Capital surplus		2,900,420	21	2,887,265	19
	Retained earnings	6(21)				
3310	Legal reserve		970,582	7	899,210	6
3320	Special reserve		194,104	1	282,347	2
3350	Unappropriated retained earnings		3,491,839	25	3,170,008	21
	Other equity interest	6(22)				
3400	Other equity interest		(283,533)	(2)	(194,104)	(1)
3500	Treasury shares	6(19)	(232,963)	(2)	(118,787)	(1)
31XX	**Equity attributable to owners of the parent**		8,223,057	58	8,108,547	54
36XX	Non-controlling interest		1,654,885	12	1,970,477	13
3XXX	**Total equity**		9,877,942	70	10,079,024	67
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 14,101,503	100	$ 15,107,957	100

The accompanying notes are an integral part of these consolidated financial statements.

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

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(23)	$ 8,015,649	100	$ 7,432,514	100
5000	Operating costs	6(6)(16)(28)(29) and 7	(4,799,114)	(60)	(4,297,047)	(58)
5900	Net operating margin		3,216,535	40	3,135,467	42
	Operating expenses	6(9)(10)(11)(12)(28)(29)				
6100	Selling expenses		(780,423)	(10)	(731,303)	(10)
6200	General and administrative expenses		(803,715)	(10)	(672,150)	(9)
6300	Research and development expenses		(573,009)	(7)	(670,095)	(9)
6450	Impairment loss determined in accordance with IFRS9	12(2)	(4,790)	-	(35,817)	-
6000	Total operating expenses		(2,161,937)	(27)	(2,109,365)	(28)
6900	Operating profit		1,054,598	13	1,026,102	14
	Non-operating income and expenses					
7100	Interest income	6(24)	95,822	1	67,089	1
7010	Other income	6(25)	67,881	1	83,122	1
7020	Other gains and losses	6(26)	10,223	-	152,930	2
7050	Finance costs	6(27)	(46,350)	(1)	(34,599)	(1)
7060	Share of loss of associates and joint ventures accounted for using equity method	6(8)	(7,479)	-	(4,875)	-
7000	Total non-operating income and expenses		120,097	1	263,667	3
7900	**Profit before income tax**		1,174,695	14	1,289,769	17
7950	Income tax expense	6(30)	(182,631)	(2)	(469,007)	(6)
8200	**Profit for the year**		$ 992,064	12	$ 820,762	11
	Other comprehensive (loss) income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans		$ 28	-	$ 1,127	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(22)	10,987	-	(2,590)	-
	Other comprehensive (loss) income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(22)	(92,898)	(1)	95,421	1
8300	**Total other comprehensive (loss) income for the year**		($ 81,883)	(1)	$ 93,958	1
8500	**Total comprehensive income for the year**		$ 910,181	11	$ 914,720	12
	Profit attributable to:					
8610	Owners of the parent		$ 896,258	11	$ 713,494	10
8620	Non-controlling interest		95,806	1	107,268	1
			$ 992,064	12	$ 820,762	11
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 806,835	10	$ 801,964	10
8720	Non-controlling interest		103,346	1	112,756	2
			$ 910,181	11	$ 914,720	12
	Basic earnings per share (In dollars)	6(31)				
9750	Basic earnings per share		$	7.73	$	6.06
9850	Diluted earnings per share		$	7.68	$	6.03

The accompanying notes are an integral part of these consolidated financial statements.

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

		Equity attributable to owners of the parent										
				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	Non-controlling interest	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	$ 1,506,020	$ 9,622,447
Profit for the year		-	-	-	-	713,494	-	-	-	713,494	107,268	820,762
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	257	95,421	(7,208)	-	88,470	5,488	93,958
Total comprehensive income (loss)	6(21)	-	-	-	-	713,751	95,421	(7,208)	-	801,964	112,756	914,720
Appropriations of 2021 earnings												
Legal reserve		-	-	154,529	-	(154,529)	-	-	-	-	-	-
Special reserve		-	-	-	37,647	(37,647)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(1,050,014)	-	-	-	(1,050,014)	-	(1,050,014)
Exercise of employee stock purchase plans		159	709	-	-	-	-	-	-	868	-	868
Share-based payments		-	5,030	-	-	-	-	-	-	5,030	-	5,030
Changes in equity of associates and joint ventures		-	14,266	-	-	-	-	-	-	14,266	-	14,266
Transaction with non-controlling interests		-	204,044	-	-	-	-	-	-	204,044	(204,044)	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	15,962	-	-	-	-	-	-	15,962	-	15,962
Capital increase of non-controlling interests		-	-	-	-	-	-	-	-	-	577,500	577,500
Adjustment to non-controlling interests		-	-	-	-	-	-	-	-	-	(21,755)	(21,755)
Disposal of investment in equity instrument at fair value through other comprehensive income		-	-	-	-	(30)	-	30	-	-	-	-
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	$ 1,970,477	$ 10,079,024
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	$ 1,970,477	$ 10,079,024
Profit for the year		-	-	-	-	896,258	-	-	-	896,258	95,806	992,064
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	6	(92,473)	3,044	-	(89,423)	7,540	(81,883)
Total comprehensive income (loss)	6(21)	-	-	-	-	896,264	(92,473)	3,044	-	806,835	103,346	910,181
Appropriations of 2022 earnings												
Legal reserve		-	-	71,372	-	(71,372)	-	-	-	-	-	-
Reversal of special reserve		-	-	-	(88,243)	88,243	-	-	-	-	-	-
Cash dividends		-	-	-	-	(591,304)	-	-	-	(591,304)	-	(591,304)
Share-based payments		-	5,017	-	-	-	-	-	-	5,017	-	5,017
Changes in equity of associates and joint ventures		-	8,138	-	-	-	-	-	-	8,138	-	8,138
Acquisition of parent company's share by subsidiaries recognized as treasury shares		-	-	-	-	-	-	-	(114,176)	(114,176)	(385,908)	(500,084)
Adjustment to non-controlling interests		-	-	-	-	-	-	-	-	-	(33,030)	(33,030)
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	$ 1,654,885	$ 9,877,942

The accompanying notes are an integral part of these consolidated financial statements.

TCI CO., LTD. AND SUBSIDIARIES
CONSOLIDATED 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		$ 1,174,695	$ 1,289,769
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(9)(10)(11)(28)	590,798	556,473
Amortisation	6(12)(28)	51,314	70,970
Expected credit impairment loss	12(2)	4,790	35,817
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(26)	7,793	(14,598)
Gain on disposal of property, plant and equipment	6(26)	(10,731)	(6,786)
Loss on disposal of investment property	6(26)	535	-
Loss (gain) on disposal of investments	6(26)	4,349	(2,532)
Interest income	6(24)	(95,822)	(67,089)
Dividend income	6(25)	(14,368)	(5,471)
Interest expense	6(27)	46,350	34,599
Compensation cost arising from employee stock options	6(18)(29)	14,194	19,434
Profit from lease modifications	6(10)(26)	(149)	(409)
Share of profit of associates and joint ventures accounted for under the equity method	6(8)	7,479	4,875
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		17,040	18,885
Accounts receivable		26,421	(64,127)
Accounts receivable - related parties		161	2,758
Other receivables		19,261	2,367
Other receivables - related parties		(23)	(45)
Inventories		227,891	(291,827)
Prepayments		(65,082)	95,527
Other current assets		(3,136)	28,444
Changes in operating liabilities			
Contract liabilities - current		42,421	(37,032)
Notes payable		91	(2,390)
Accounts payable		4,322	(127,153)
Accounts payable - related parties		2,008	(6,467)
Other payables		67,645	(311,471)
Other payables - related parties		(1)	(7)
Other current liabilities		(32,226)	36,624
Cash inflow generated from operations		2,088,020	1,259,138
Interest received		95,822	67,089
Dividends received		14,368	5,471
Interest paid		(40,422)	(29,776)
Income tax paid		(252,562)	(346,286)
Net cash flows from operating activities		1,905,226	955,636

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TCI CO., LTD. AND SUBSIDIARIES
CONSOLIDATED 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
Acquisition of property, plant and equipment	6(32)	(153,210)	(129,454)
Proceeds from disposal of property, plant and equipment		21,032	25,855
Proceeds from disposal of investment property		22,590	-
Decrease (increase) in refundable deposits	6(13)	3,664	(55)
Acquisition of intangible assets		(964)	(8,781)
Decrease in other non-current assets		5,011	5,616
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
(Increase) decrease in financial assets at amortised cost	6(4)	(186,370)	656,776
Increase in prepayments for purchase of equipment		(183,046)	(264,033)
Net cash inflow on acquisition of subsidiaries		-	19,600
Increase in investment accounted for using equity method		-	(27,800)
Net cash flows (used in) from investing activities		(377,959)	243,882
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings		1,699,235	4,298,672
Repayments of short-term borrowings		(2,495,555)	(4,600,590)
Proceeds from long-term borrowings		197,802	-
Lease liabilities paid		(76,098)	(59,702)
Redemption of long-term borrowings		(218,383)	-
Decrease in guarantee deposits		(4,915)	(477)
Cash dividends paid		(591,304)	(1,050,014)
Employee stock options		-	868
Pension actuarial gains and losses		-	1,127
Proceeds from capital increase of non-controlling interests		15,600	577,500
Acquisition of the Company's share by subsidiaries recognized as treasury shares		(500,084)	-
Net cash flows used in financing activities		(1,973,702)	(832,616)
Effects due to changes in exchange rate		(122,933)	86,811
Net (decrease) increase in cash and cash equivalents		(569,368)	453,713
Cash and cash equivalents at beginning of year	6(1)	5,932,794	5,479,081
Cash and cash equivalents at end of year	6(1)	$ 5,363,426	$ 5,932,794

The accompanying notes are an integral part of these consolidated financial statements.

TCI CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 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 and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in manufacturing, wholesale and retail of health foods and cosmetics.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were reported to 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 the 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 Group’s financial condition and financial performance based on the Group’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 Group

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 Group's financial condition and financial performance based on the Group'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 Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", 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").

(2) Basis of preparation

A. Except for the following items, the consolidated 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 and liabilities at fair value through other comprehensive income.

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

(d) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with "IFRSs" requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions 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 Group loses control of a subsidiary, the Group 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 the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2023	December 31, 2022	Description
TCI CO., LTD.	TCI FIRSTEK CORP.	Wholesale and retail of health foods and cosmetics	100	100	
TCI CO., LTD.	GENE & NEXT INC.	Research and development of biotechnology and genetics	41.94	41.94	
TCI CO., LTD.	SHANGHAI BIOSCIENCE CO., LTD.	Producing health foods	36.73	36.73	
TCI CO., LTD.	TCI HK LIMITED	Trading health foods and cosmetics	100	100	
TCI CO., LTD.	BIOCOSME CO., LTD.	Trading health foods and cosmetics	100	100	
TCI CO., LTD.	PETFOOD BIOTECHNOLOGY CO., LTD.	Trading health foods for pets	56	60	
TCI FIRSTEK CORP.	SHANGHAI BIOTRADE CO., LTD.	Wholesale of health foods, cosmetics and chemical productions; cosmetics manufacturing	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
GENE & NEXT INC.	GLUX HK LIMITED	Trading health foods and cosmetics	100	100	
SHANGHAI BIOTRADE CO., LTD.	SHANGHAI BIOSCIENCE CO., LTD.	Wholesale of health foods, cosmetics and chemical productions; cosmetics manufacturing	100	100	
SHANGHAI BIOTRADE CO., LTD.	SHANGHAI BIOCOSME CO., LTD.	Producing cosmetics	100	100	
SHANGHAI BIOSCIENCE CO., LTD.	SHANGHAI BIOSCIENCE CO., LTD.	Producing health foods	63.27	63.27	
GENE & NEXT INC.	TCI LIVING CO., LTD.	Trading health foods and cosmetics	79.31	79.31	
TCI LIVING CO., LTD.	SBI GROUP HK LIMITED	Trading health foods and cosmetics	100	100	
TCI CO., LTD.	TCI JAPAN CO., LTD.	Trading health foods and cosmetics	100	100	
TCI CO., LTD.	PT TCI BIOTEK INDO	Trading health foods and cosmetics	100	100	Note 1
SHANGHAI BIOSCIENCE CO., LTD.	SHANGHAI BIOTECH GENE TECHNOLOGY CO., LTD.	Research and development of biotechnology and genetics	100	100	
TCI CO., LTD.	TCI BIOTECH NETHERLANDS B.V.	Trading health foods and cosmetics	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
TCI LIVING CO., LTD.	TCI LIVING SHANGHAI CO., LTD.	Trading health foods and cosmetics	100	100	
TCI CO., LTD.	QUANTUM BIOLOGY INC.	Research and development of biotechnology	100	100	
TCI CO., LTD.	TCI BIOTECH LLC	Trading health foods and cosmetics	3.85	3.85	
TCI BIOTECH LLC	TCI BIOTECH USA LLC	Trading health foods and cosmetics	100	100	
TCI BIOTECH NETHERLANDS B.V.	TCI BIOTECH LLC	Trading health foods and cosmetics	96.15	96.15	
TCI CO., LTD.	Maxigen Biotech Inc.	Research and development, producing and sales of biotechnology and cosmetics	22.83	22.83	
Maxigen Biotech Inc.	HORAY INC.	Trading of cosmetics and package materials	-	100	Note 2
Maxigen Biotech Inc.	Maxigen Biotech Shanghai Co., Ltd.	Selling medical machinery and trading cosmetics	100	100	

Note 1:There was no capital injection as of December 31, 2023.

Note 2:The company was in the process of dissolution in 2023, but the process had not been completed as of December 31, 2023.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions:

Cash and short-term deposits of $2,780,766 deposited in mainland China are under local foreign exchange control which restricts the capital to be remitted outside the borders (except for normal dividend distribution).

F. Subsidiaries that have non-controlling interests that are material to the Group:

Information on subsidiaries that have non-controlling interests that are material to the Group is as follows:

Name of subsidiary	Principal place of business	Non-controlling interests December 31, 2023 Amount	Non-controlling interests December 31, 2023 Ownership (%)	Non-controlling interests December 31, 2022 Amount	Non-controlling interests December 31, 2022 Ownership (%)
GENE & NEXT INC.	Taiwan	$ 596,650	58.06%	$ 583,714	58.06%
MAXIGEN BIOTECH INC.	Taiwan	1,046,070	77.17%	1,380,293	77.17%

Note 1: The Group's subsidiary, GENE & NEXT INC., raised additional capital amounting to $577,500 by issuing 5,000 thousand common shares through private placement at an issuance price of $115.5 (in dollars) per share with the effective date set on May 25, 2022. The Group's non-controlling interest increased by $577,500.

Summarized financial information of the subsidiaries:

Balance sheets

	GENE & NEXT INC. December 31, 2023	GENE & NEXT INC. December 31, 2022
Current assets	$ 1,068,720	$ 1,076,053
Non-current assets	97,220	87,276
Current liabilities	(155,548)	(143,169)
Total net assets	$ 1,010,392	$ 1,020,160

	MAXIGEN BIOTECH INC. December 31, 2023	MAXIGEN BIOTECH INC. December 31, 2022
Current assets	$ 619,563	$ 993,246
Non-current assets	873,423	454,477
Current liabilities	(131,373)	(151,500)
Non-current liabilities	(510)	(566)
Total net assets	$ 1,361,103	$ 1,295,657

Statements of comprehensive income

	GENE & NEXT INC.	
	Years ended December 31,	
	2023	2022
Revenue	$ 333,855	$ 424,022
Profit before income tax	8,775	90,131
Income tax benefit (expense)	8,179	(15,794)
Profit for the period	16,954	74,337
Other comprehensive income, net of tax	17,214	10,497
Total comprehensive income for the period	$ 34,168	$ 84,834
Comprehensive income attributable to non-controlling interest	$ 12,059	$ 38,462
Dividends paid to non-controlling interest	$ 30,724	$ 31,148

	MAXIGEN BIOTECH INC.	
	Years ended December 31,	
	2023	2022
Revenue	$ 622,115	$ 604,431
Profit before income tax	193,142	165,780
Income tax expense	(27,314)	(26,376)
Profit for the period	165,828	139,404
Other comprehensive (loss) income	(66,683)	1,051
Total comprehensive income for the period, net of tax	$ 99,145	$ 140,455
Comprehensive income attributable to non-controlling interest	$ 91,539	$ 74,335
Dividends paid to non-controlling interest	$ 32,681	$ -

Statements of cash flows

	GENE & NEXT INC.	
	Years ended December 31,	
	2023	2022
Net cash provided by operating activities	$ 17,849	$ 110,353
Net cash used in investing activities	(203,862)	(39,995)
Net cash (used in) provided by financing activities	(50,644)	535,725
Effect of exchange rate changes on cash and cash equivalents	(35)	468
(Decrease) increase in cash and cash equivalents	(236,692)	606,551
Cash and cash equivalents at beginning of period	932,738	326,187
Cash and cash equivalents at end of period	$ 696,046	$ 932,738

	MAXIGEN BIOTECH INC.	
	Years ended December 31,	
	2023	2022
Net cash provided by operating activities	$ 171,200	$ 268,338
Net cash (used in) provided by investing activities	(490,246)	10,432
Net cash used in financing activities	(41,393)	(1,051)
Effect of exchange rate changes on cash and cash equivalents	573	(76)
(Decrease) increase in cash and cash equivalents	(359,866)	277,643
Cash and cash equivalents at beginning of period	790,948	513,305
Cash and cash equivalents at end of period	$ 431,082	$ 790,948

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the Company's functional and the Group's presentation 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 group entities 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 Group 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.

(5) 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 settle within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settle 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.

(6) 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.

(7) 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 Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) 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 Group 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 Group’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 Group measures the financial assets at fair value plus transaction costs. The Group 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 Group 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.

(9) 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 Group'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 Group'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.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group 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.

(11) 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 Group 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 Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group 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 Group 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 Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor)－lease receivables/ operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) 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 labor, 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 the estimated costs necessary to make the sale.

(15) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group’s share of its associates’ post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate’s equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group’s ownership percentage of the associate, the Group recognizes the Group’s share of change in equity of the associate in ‘capital surplus’ in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group’s ownership percentage of the associate but maintains significant influence on the associate, then ‘capital surplus’ and ‘investments accounted for under the equity method’ shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group’s ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) 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 Group 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
Others	1 ~ 16 years

(17) 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 Group. 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; and

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

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized 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; and

(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.

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.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model over its estimated useful life of 15 ~ 50 years.

(19) Intangible assets

A. Trademarks and royalties

Separately acquired trademarks and royalties are stated at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. Trademarks and royalties 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.

(20) Impairment of non-financial assets

A. The Group 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.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(21) 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.

(22) 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.

(23) Derecognition of financial liabilities

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

(24) 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.

(25) 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

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group’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 Group recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes 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.

(26) 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 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, and the Group recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost 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 Group and the Group must refund their payments on the stocks, the Group 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'.

(27) 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 Group 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 acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

G. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

H. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

(28) 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.

(29) Dividends

The distribution of cash dividends was recognized as liabilities in the financial statements after the special resolution of the Board of Directors according to Article 240 of the amended Company Act and the Company's Articles of Incorporation.

(30) Revenue recognition

A. The Group 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 Group 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.

C. Service revenue

The Group provides health examination services for customers. Revenue from providing services is recognized at a point in time in which the services are rendered.

D. Rental revenue

Rental revenue from an operating lease is recognized in profit or loss on a straight-line basis over the lease term.

(31) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received.

(32) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured at the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(33) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group'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 Group'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	$ 15,517	$ 13,107
Checking accounts and demand deposits	2,758,561	3,576,067
Time deposits	2,801,414	2,369,316
	5,575,492	5,958,490
Less: Shown as 'current financial assets at amortised cost'	(208,066)	(21,696)
Less: Shown as 'current financial assets at amortised cost - pledged'	(4,000)	(4,000)
	$ 5,363,426	$ 5,932,794

A. The Group 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 Group recognized time deposits with maturity over 3 months of $212,066 and $25,696, respectively, and shown as 'current financial assets at amortized cost'.

C. The Group complies with the IFRSs Q&A regulations revised by the competent authorities on January 5, 2024. Reclassify the unused balance in the special fund account repatriated under the "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" from financial assets measured non-current financial assets at amortized cost into cash and equivalents cash and adjusted retroactively to January 1, 2022. As of December 31, 2022, the bank deposits amounting to $530,031, have been transferred to non-current financial assets at amortized cost.

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

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

Items	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. Amounts recognized in profit or loss in relation to financial assets/liabilities at fair value through profit or loss are listed below:

	Years ended December 31,	
	2023	2022
Financial assets/liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	($ 7,793)	$ 14,598

B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

C. Information relating to price risk and fair value 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	27,054	27,054
	39,658	39,658
Valuation adjustment	23,308	8,752
	$ 62,966	$ 48,410

A. The Group 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 $62,966 and $48,410 as at December 31, 2023 and 2022, respectively.

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 fair value through other comprehensive income held by the Group amounted to $62,966 and $48,410, respectively.

C. The Group's financial assets at fair value through other comprehensive income were 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	$ 212,066	$ 25,696

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

	Years ended December 31,	
	2023	2022
Interest income	$ 1,383	$ 405

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 amortized cost held by the Group was $212,066 and $25,696 respectively.

C. Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 25,738	$ 42,778
Less: Allowance for uncollectible accounts	-	-
	$ 25,738	$ 42,778
Accounts receivable	$ 1,010,797	$ 1,037,218
Less: Allowance for uncollectible accounts	(67,363)	(62,579)
	$ 943,434	$ 974,639

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	$ 799,950	$ 689,823
Up to 30 days	49,451	134,236
31 to 90 days	101,652	130,557
Over 90 days	18,119	62,801
	$ 969,172	$ 1,017,417

The above ageing analysis was based on past due date.

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 Group’s notes and accounts receivable amounted to $25,738 and $42,778; $943,434 and $974,639, respectively.

C. 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	$ 484,016	($ 49,086)	$ 434,930
Work in progress	190,219	(13,051)	177,168
Finished goods	354,094	(29,227)	324,867
Inventory in transit	4,343	-	4,343
	$ 1,032,672	($ 91,364)	$ 941,308

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 743,881	($ 22,872)	$ 721,009
Work in progress	42,010	(7)	42,003
Finished goods	425,914	(19,727)	406,187
	$ 1,211,805	($ 42,606)	$ 1,169,199

The cost of inventories recognized as expense for the years ended December 31, 2023 and 2022, were $4,799,114 and $4,297,047, respectively, including the amount of $70,893 and $9,278 respectively, that the Group wrote down from cost to net realizable value accounted for as cost of goods sold.

(7) Prepayments

	December 31, 2023	December 31, 2022
Prepaid expenses	$ 148,022	$ 95,863
Prepayments to suppliers	45,406	17,343
Excess business tax paid (or Net Input VAT)	52,664	67,927
	$ 246,092	$ 181,133

(8) Investments accounted for using equity method

	2023	2022
At January 1	$ 27,375	$ 2,396
Increase in investments accounted for using equity method	-	33,434
Disposal of investments accounted for using equity method	-	(3,580)
Share of loss of investments accounted for using equity method	(7,479)	(4,875)
At December 31	$ 19,896	$ 27,375

	December 31, 2023	December 31, 2022
Associates	$ 19,896	$ 27,375

(9) Property, plant and equipment

	Land	Buildings and structures	Machinery	Machinery for lease	Office equipment	Others	Unfinished construction	Total
At January 1, 2023								
Cost	$ 962,162	$2,426,176	$2,293,253	$ 35,982	$ 672,628	$ 416,789	$ 21,601	$ 6,828,591
Accumulated depreciation	-	(411,947)	(994,633)	(35,951)	(244,863)	(274,202)	-	(1,961,596)
	$ 962,162	$2,014,229	$1,298,620	$ 31	$ 427,765	$ 142,587	$ 21,601	$ 4,866,995
2023								
At January 1	$ 962,162	$2,014,229	$1,298,620	$ 31	$ 427,765	$ 142,587	$ 21,601	$ 4,866,995
Additions	-	5,092	53,697	-	54,937	10,198	23,131	147,055
Disposals	(4,190)	(3,860)	(1,681)	-	(307)	(263)	-	(10,301)
Transfers	-	-	42,340	-	73,045	1,014	348,141	464,540
Depreciation charge	-	(92,884)	(287,968)	(31)	(86,156)	(50,872)	-	(517,911)
Net exchange differences	-	(5,423)	(4,211)	-	37	(311)	-	(9,908)
At December 31	$ 957,972	$1,917,154	$1,100,797	$ -	$ 469,321	$ 102,353	$ 392,873	$ 4,940,470
At December 31, 2023								
Cost	$ 957,972	$2,419,408	$2,371,004	$ 35,982	$ 798,239	$ 421,919	$ 392,873	$ 7,397,397
Accumulated depreciation	-	(502,254)	(1,270,207)	(35,982)	(328,918)	(319,566)	-	(2,456,927)
	$ 957,972	$1,917,154	$1,100,797	$ -	$ 469,321	$ 102,353	$ 392,873	$ 4,940,470

	Land	Buildings and structures	Machinery	Machinery for lease	Office equipment	Others	Unfinished construction	Total
At January 1, 2022								
Cost	$937,190	$ 2,371,606	$ 1,944,240	$ 35,982	$ 514,966	$442,600	$ 18,793	$ 6,265,377
Accumulated depreciation	-	(325,272)	(729,217)	(23,768)	(176,301)	(274,512)	-	(1,529,070)
	$937,190	$ 2,046,334	$ 1,215,023	$ 12,214	$ 338,665	$168,088	$ 18,793	$ 4,736,307
2022								
At January 1	$937,190	$ 2,046,334	$ 1,215,023	$ 12,214	$ 338,665	$168,088	$ 18,793	$ 4,736,307
Additions	-	13,557	38,152	-	19,143	14,584	4,101	89,537
Disposals	(2,238)	(7,898)	(5,678)	-	(779)	(2,476)	-	(19,069)
Transfers	27,210	43,307	311,993	-	140,763	16,323	(1,293)	538,303
Depreciation charge	-	(85,865)	(271,828)	(12,183)	(75,060)	(54,500)	-	(499,436)
Net exchange differences	-	4,794	10,958	-	5,033	568	-	21,353
At December 31	$962,162	$ 2,014,229	$ 1,298,620	$ 31	$ 427,765	$142,587	$ 21,601	$ 4,866,995
At December 31, 2022								
Cost	$962,162	2,426,176	$ 2,293,253	$ 35,982	$ 672,628	$416,789	$ 21,601	$ 6,828,591
Accumulated depreciation	-	(411,947)	(994,633)	(35,951)	(244,863)	(274,202)	-	(1,961,596)
	$962,162	$ 2,014,229	$ 1,298,620	$ 31	$ 427,765	$142,587	$ 21,601	$ 4,866,995

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

(10) Leasing arrangements-lessee

A. The Group leases various assets including land, buildings and business vehicles. 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	
Land	$	26,365	$	27,549
Buildings		166,240		172,114
	$	192,605	$	199,663

	Years ended December 31,			
	2023		2022	
	Depreciation charge		Depreciation charge	
Land	$	688	$	692
Buildings		72,191		56,314
	$	72,879	$	57,006

C. In March 2013, the Group signed a land use right contract with Shanghai Municipal Planning, Land and Resources Administration for use of the land in Jinshan District, Shanghai City with a term of 50 years. All rentals had been paid on the contract date.

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use amounted to $89,210 and $176,592, respectively.

E. 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	$	5,916	$	4,823
Expense on short-term lease contracts	$	42,955	$	44,139
Expense on leases of low-value assets	$	1,743	$	2,603
Gain or loss on lease modification	$	149	$	409

For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases amounted to $120,796 and $106,444, respectively.

(11) Investment property

	2023		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 21,190	$ 1,572	$ 22,762
Accumulated depreciation and impairment	-	(699)	(699)
	$ 21,190	$ 873	$ 22,063
Opening net book amount as at January 1	$ 21,190	$ 873	$ 22,063
Disposals	(21,190)	(865)	(22,055)
Depreciation charge	-	(8)	(8)
Closing net book amount as At December 31	$ -	$ -	$ -
At December 31			
Cost	$ -	$ -	$ -
Accumulated depreciation and impairment	-	-	-
	$ -	$ -	$ -

	2022		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 21,190	$ 1,572	$ 22,762
Accumulated depreciation and impairment	-	(668)	(668)
	$ 21,190	$ 904	$ 22,094
Opening net book amount as at January 1	$ 21,190	$ 904	$ 22,094
Depreciation charge	-	(31)	(31)
Closing net book amount as At December 31	$ 21,190	$ 873	$ 22,063
At December 31			
Cost	$ 21,190	$ 1,572	$ 22,762
Accumulated depreciation and impairment	-	(699)	(699)
	$ 21,190	$ 873	$ 22,063

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Years ended December 31, 2023	2022
Rental income from investment property	$ -	$ 238
Direct operating expenses arising from the investment property that generated rental income during the period	$ -	$ 16
Direct operating expenses not arising from the investment property that generated rental income during the period	$ 8	$ 15

B. The fair value of the investment property held by the Group as at December 31, 2023 and 2022 were $0 and $22,839, respectively, which was valued based on the average transaction price in local area, and was categorized as Level 3 in the fair value hierarchy.

C. On February 23, 2023, the company's subsidiary, MAXIGEN BIOTECH INC signed a sale and purchase contract with Huachuang International Development Co., Ltd. on Minquan East Road, Songshan District. The total price agreed by the two parties was $22,590. The transfer of property rights was completed on March 31, 2023. The Group recognized a disposal benefit of $535 in 2023 (listed in "7020 Other Benefits and Losses"), and the relevant transaction payment was received on April 12, 2023.

(12) Intangible assets

	Goodwill	Trademarks	Customer relation	Software	Royalty	Others	Total
At January 1, 2023							
Cost	$ 299,689	$ 132,722	$ 220,000	$ 34,985	$ 7,400	$ 143,836	$ 838,632
Accumulated amortisation	-	(12,111)	(33,000)	(18,284)	(6,288)	(27,769)	(97,452)
	$ 299,689	$ 120,611	$ 187,000	$ 16,701	$ 1,112	$ 116,067	$ 741,180
2023							
At January 1	$ 299,689	$ 120,611	$ 187,000	$ 16,701	$ 1,112	$ 116,067	$ 741,180
Additions－ acquired separately	-	-	-	964	-	-	964
Transfers	-	-	-	409	-	-	409
Amortisation charge	-	(6,963)	(22,000)	(8,609)	(260)	(13,482)	(51,314)
Net exchange differences	-	(2)	-	(69)	-	(19)	(90)
At December 31	$ 299,689	$ 113,646	$ 165,000	$ 9,396	$ 852	$ 102,566	$ 691,149
At December 31, 2023							
Cost	$ 299,689	$ 132,720	$ 220,000	$ 36,358	$ 7,400	$ 143,817	$ 839,984
Accumulated amortisation	-	(19,074)	(55,000)	(26,962)	(6,548)	(41,251)	(148,835)
	$ 299,689	$ 113,646	$ 165,000	$ 9,396	$ 852	$ 102,566	$ 691,149

	Goodwill	Trademarks	Customer relation	Software	Royalty	Others	Total
At January 1, 2022							
Cost	$ 299,689	$ 132,719	$ 220,000	$ 41,688	$ 7,400	$ 147,769	$ 849,265
Accumulated amortisation	-	(1,981)	-	(27,247)	(6,028)	(14,698)	(49,954)
	$ 299,689	$ 130,738	$ 220,000	$ 14,441	$ 1,372	$ 133,071	$ 799,311
2022							
At January 1	$ 299,689	$ 130,738	$ 220,000	$ 14,441	$ 1,372	$ 133,071	$ 799,311
Additions－							
acquired separately	-	-	-	8,681	-	100	8,781
Transfers	-	-	-	1,476	-	2,561	4,037
Amortisation charge	-	(10,130)	(33,000)	(7,899)	(260)	(19,681)	(70,970)
Net exchange differences	-	3	-	2	-	16	21
At December 31	$ 299,689	$ 120,611	$ 187,000	$ 16,701	$ 1,112	$ 116,067	$ 741,180
At December 31, 2022							
Cost	$ 299,689	$ 132,722	$ 220,000	$ 34,985	$ 7,400	$ 143,836	$ 838,632
Accumulated amortisation	-	(12,111)	(33,000)	(18,284)	(6,288)	(27,769)	(97,452)
	$ 299,689	$ 120,611	$ 187,000	$ 16,701	$ 1,112	$ 116,067	$ 741,180

Details of amortisation on intangible assets are as follows:

	Years ended December 31, 2023	Years ended December 31, 2022
Overhead	$ 11,057	$ 13,287
Selling expenses	3,313	3,698
Administrative expenses	33,695	48,434
Research and development expenses	3,249	5,551
	$ 51,314	$ 70,970

(13) Other non-current assets

	December 31, 2023	December 31, 2022
Prepayments for construction business facilities	$ 232,057	$ 520,734
Guarantee deposits paid	40,917	44,581
Net defined benefit asset	4,081	3,993
Other non-current assets	-	5,011
	$ 277,055	$ 574,319

(14) Short-term borrowings

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

Type of Borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 1,146,320	1.185%~2.30%	None

(15) Other payables

	December 31, 2023	December 31, 2022
Employee bonus payable	$ 328,801	$ 215,824
Salaries and bonuses payable	268,395	207,654
Payable on machinery and equipment	10,127	16,282
Tax payables	19,873	22,193
Other payables	137,736	229,179
	$ 764,932	$ 691,132

(16) Pensions

A.(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognized in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 137)	($ 127)
Fair value of plan assets	4,218	4,120
Net defined benefit liability	$ 4,081	$ 3,993

(c) Movements in net defined benefit liabilities are as follows:

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 127)	$ 4,120	$ 3,993
Interest (expense) income	(2)	61	59
	(129)	4,181	4,052
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	36	36
Change in financial assumptions	(2)	-	(2)
Experience adjustments	(6)	-	(6)
	(8)	36	28
Pension fund contribution	-	1	1
At December 31	($ 137)	$ 4,218	$ 4,081

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 2,715)	$ 5,616	$ 2,901
Interest (expense) income	(21)	42	21
Settlement profit or loss	1,604	(1,661)	(57)
	(1,132)	3,997	2,865
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	427	427
Change in financial assumptions	184	-	184
Experience adjustments	516	-	516
	700	427	1,127
Pension fund contribution	-	1	1
Paid pension	305	(305)	-
At December 31	($ 127)	$ 4,120	$ 3,993

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 21, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31, 2023	
	2023	2022
Discount rate	1.375%	1.50%
Future salary increases	2.00%	2.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
December 31, 2023	Increase 25%	Decrease 25%	Increase 25%	Decrease 25%
Effect on present value of defined benefit obligation	($ 4)	$ 4	$ 4	($ 4)

	Discount rate		Future salary increases	
December 31, 2022	Increase 25%	Decrease 25%	Increase 25%	Decrease 25%
Effect on present value of defined benefit obligation	($ 4)	$ 4	$ 4	($ 4)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to $1.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 12 years.

B.(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 Group for the years ended December 31, 2023 and 2022 were $56,291 and $54,443, respectively.

C. The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2023 and 2022, were both 16%. Other than the monthly contributions, the Group has no further obligations.

(17) 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%	Factory		200,000
Secured borrowings	Borrowing period is from March 29, 2023, to August 14, 2038; interest is repayable monthly.	2%	Land and Building		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	$	117,510
Secured borrowings	Borrowing period is from March 29, 2021, to March 29, 2023; interest is repayable monthly.	1.9649%	Land and Building		330,000
Secured borrowings	Borrowing period is from December 3, 2021, to September 11, 2024; interest is repayable monthly.	1.603%	〃		200,000
Secured borrowings	Borrowing period is from October 6, 2021, to October 6, 2023; interest is repayable monthly.	1.6615%	〃		170,000
Secured borrowings	Borrowing period is from March 29, 2021, to September 11, 2023; interest is repayable monthly.	1.7488%	〃		150,000
					967,510
Less:Current portion				(	650,000)
				$	317,510

(18) Share-based payment

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

Type of arrangement	Issuance date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2016.07.01	2,000	6 years	Employees with 2 service years are entitled to 30% Employees with 3 service years are entitled to 60% Employees with 4 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%

Type of arrangement	Issuance date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2021.11.03	2,630	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%
Employee stock options	2022.08.03	770	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%

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 period	-	$ 100	-	$ 100
Options exercisable at the end of the period	-	$ 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 period	1,385	$ 448	1,493	$ 448
Options exercisable at the end of the period	1,385	$ 448	1,493	$ 448

	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	3,035	$ 48.62	2,630	$ 50.80
Options granted	-	-	770	41.20
Options exercised	(23)	51.00	-	-
Options expired	(250)	47.00	(365)	48.70
Options outstanding at the end of the period	2,762	$ 49.17	3,035	$ 48.62
Options exercisable at the end of the period	2,762	$ 49.17	3,035	$ 48.62

C. 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
2021.11.03	2027.11.02	2,122	50.8	2,345	50.8
2022.08.03	2028.08.03	640	41.2	690	41.2

D. 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	Issuance date	Stock price (in dollars)	Exercise price (in dollars)	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	-	-	-	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
Employee stock options	2021.7.31	$ 25.25	$ 20	22.95	0.13	-	0.11	$ 5.25
Employee stock options	2021.11.03	$ 50.80	$ 50.80	43.63~ 47.84	5.00	-	0.41~ 0.44	$ 18.94~ 19.37
Employee stock options	2022.08.03	$ 41.20	$ 41.20	45.89~ 48.46	5.00	-	1.00~ 1.03	$ 15.11~ 16.98

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.

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

	Years ended December 31, 2023	Years ended December 31, 2022
Equity-settled	$ 14,194	$ 19,434

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 (in dollars) at the grant date less the exercise price of $10 (in dollars). 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.

(19) Share capital

A. As of December 31, 2023, the Company's authorized capital was $3,000,000, 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	2022
	Unrestricted shares	Unrestricted shares
At January 1	118,261	118,245
Employee stock options exercised	-	16
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(Note)
The Company	To be reissued to employees	532,000	$ 118,787
Subsidiary- MAXIGEN BIOTECH INC.	To improve the group's operational efficiency	2,531,000	500,084
Less:Non-controlling interest			(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 with substantial control, but the company's shareholding in it is 22.83% but not up to 50%. Therefore, the company's repurchase of the company's stock is not subject to the Company Law Section 167 Restrictions.

(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.

(20) 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.

(21) 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.

In accordance with Article 240 of the Company Act, the Board of Directors is authorized by the Company to resolve the distribution of dividends and bonuses or legal reserve and capital reserve, in whole or in part, in accordance with Article 241 of the Company Act in the form of cash by the resolution adopted by the majority vote at its meeting attended by two-thirds of the total number of directors, and then reported it to the shareholders. The aforesaid requirement that resolution shall be resolved at the shareholders' meeting is not applicable.

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 according to 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 29, 2022, the shareholders at the shareholders' meeting approved the distribution of dividends from the 2021 earnings in the amount of $1,050,014, with cash dividends of $8.88 (in dollars) per share. 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.

(22) Other equity items

	2023		
	Unrealised gains (losses) on valuation	Currency translation	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 - gross	(2,693)	-	(2,693)
At December 31	($ 3,152)	($ 280,381)	($ 283,533)

	2022		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	$ 982	($ 283,329)	($ 282,347)
Currency translation differences	-	95,264	95,264
Subsidiaries accounted for using equity method	3,336	157	3,493
Revaluation - gross	(10,544)	-	(10,544)
Revaluation transferred to retained earnings	30	-	30
At December 31	($ 6,196)	($ 187,908)	($ 194,104)

(23) Operating revenue

	Years ended December 31,	
	2023	2022
Revenue from contracts with customers	$ 8,015,649	$ 7,412,107
Others–rent revenue	-	20,407
	$ 8,015,649	$ 7,432,514

A. Disaggregation of revenue from contracts with customers

The Group 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
Segment revenue	$ 4,904,880	$ 6,586,683	$ 11,491,563
Inter-segment revenue	(1,850,634)	(1,625,280)	(3,475,914)
Revenue from external customer contracts	$ 3,054,246	$ 4,961,403	$ 8,015,649

Year ended December 31, 2022	Europe and America region	Asia Pacific region	Total
Segment revenue	$ 4,106,784	$ 7,271,953	$ 11,378,737
Inter-segment revenue	(1,658,881)	(2,307,749)	(3,966,630)
Revenue from external customer contracts	$ 2,447,903	$ 4,964,204	$ 7,412,107

Timing of revenue mentioned above is all at a point in time.

B. Contract assets and liabilities

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

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities – advance sales receipts	$ 496,528	$ 454,107	$ 491,139

(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	Years ended December 31, 2022
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Advance sales receipts	$ 322,930	$ 360,199

(24) Interest income

	Years ended December 31, 2023	Years ended December 31, 2022
Interest income from bank deposits (Note)	$ 95,822	$ 67,089

Note: Including interest income from financial assets measured at amortized cost.

(25) Other income

	Years ended December 31,	
	2023	2022
Dividend income	$ 14,368	$ 5,471
Subsidy income	27,385	296
Other income - others	26,128	77,355
	$ 67,881	$ 83,122

(26) Other gains and losses

	Years ended December 31,	
	2023	2022
Gains on disposal of property, plant and equipment	$ 10,731	$ 6,786
Gains on disposals of investment property	535	-
(Losses) gains on disposal of investments	(4,349)	2,532
Gains arising from lease modifications	149	409
Foreign exchange gains	17,740	128,814
Net (losses) gains on financial assets at fair value through profit or loss	(7,793)	14,598
Miscellaneous disbursements	(6,790)	(209)
	$ 10,223	$ 152,930

(27) Finance costs

	Years ended December 31,	
	2023	2022
Interest expense		
Bank borrowings	$ 40,422	$ 29,776
Interest from lease liabilities	5,916	4,823
Imputed interest on rent deposit	12	-
	$ 46,350	$ 34,599

(28) Expenses by nature

	Years ended December 31,	
	2023	2022
Employee benefit expense	$ 1,511,438	$ 1,256,563
Depreciation charges on property, plant and equipment and depreciation charges on right-of-use assets	590,790	556,442
Depreciation charges on investment property	8	31
Amortisation charges on intangible assets	51,314	70,970

(29) Employee benefit expense

	Years ended December 31,	
	2023	2022
Wages and salaries	$ 1,273,052	$ 1,015,623
Employee stock options (Note)	14,194	19,434
Labour and health insurance fees	119,329	118,925
Pension costs	56,232	54,479
Other personnel expenses	48,631	48,102
	$ 1,511,438	$ 1,256,563

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 was accrued at $117,054 and $49,974, respectively; while directors' and supervisors' remuneration was accrued at $4,200 and $4,200, respectively. The aforementioned amounts were recognized in salary expenses.

C. 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 years ended December 31, 2023. The Board of Directors resolved that the actual distribution amount is $117,054 and $4,200, and the employees' compensation was distributed in the form of cash.

D. Employees' compensation and directors' and supervisors' remuneration of 2022 as resolved by the Board of Directors were $49,974 and $4,200, respectively, and the employees' compensation was distributed in the form of cash.

E. 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.

(30) Income tax

A. Income tax expense

Components of income tax expense:

	Years ended December 31, 2023	Years ended December 31, 2022
Current tax:		
Current tax on profits for the year	$ 232,814	$ 292,521
Tax on undistributed surplus earnings	9,670	16,791
Effect from investment tax credits	(9,112)	(10,847)
Prior year income tax under (over) estimation	(31,096)	(53,172)
Total current tax	202,276	245,293
Deferred tax:		
Origination and reversal of temporary differences	(19,645)	4,814
Remittance of earnings	-	218,900
Total deferred tax	(19,645)	223,714
Income tax expense	$ 182,631	$ 469,007

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31, 2023	Years ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	$ 268,739	$ 214,628
Effect from items not recognised in accordance with tax regulation	(66,327)	41,954
Use of unrecognized deferred tax assets in previous years	-	(1,060)
Effect from investment tax credits	(9,112)	(10,847)
Tax on undistributed earnings	9,670	16,791
Prior year income tax overestimation	(31,096)	(53,172)
Change in assessment of realization of deferred tax assets	(12,259)	(2,878)
Taxable loss not recognised as deferred tax assets	23,016	40,572
Remittance of earnings	-	218,900
Others	-	4,119
Income tax expense	$ 182,631	$ 469,007

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	$ 6,431	$ 2,840	$ 9,271
Unused vacation time bonus tax differences	203	41	244
Unrealised exchange loss	28	4,498	4,526
Unrealised gross profit	17,353	(1,980)	15,373
Others	2,612	(76)	2,536
	$ 26,627	$ 5,323	$ 31,950
-Deferred tax liabilities:			
Pension tax differences	($ 479)	($ 12)	($ 491)
Unrealised exchange gain	(5,321)	5,321	-
Others	(91,825)	9,013	(82,812)
	($ 97,625)	$ 14,322	($ 83,303)
	($ 70,998)	$ 19,645	($ 51,353)

	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	$ 6,562	($ 131)	$ 6,431
Pension tax differences	(476)	476	-
Unused vacation time bonus tax differences	275	(72)	203
Unrealised exchange loss	266	(238)	28
Unrealised gross profit	22,676	(5,323)	17,353
Others	4,430	(1,818)	2,612
	$ 33,733	($ 7,106)	$ 26,627
-Deferred tax liabilities:			
Pension tax differences	$ -	($ 479)	($ 479)
Unrealised exchange gain	(5,183)	(138)	(5,321)
Others	(104,362)	12,537	(91,825)
	($ 109,545)	$ 11,920	($ 97,625)
	($ 75,812)	$ 4,814	($ 70,998)

D. The amounts of deductible temporary differences that were not recognized as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 227,168	$ 240,875

E. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(31) 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 the parent	$ 896,258	115,961	$ 7.73
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 896,258		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	745	
Employee stock options	-	15	
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 the parent	$ 713,494	117,717	$ 6.06
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 713,494		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	577	
Employee stock options	-	14	
Shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 713,494	118,308	$ 6.03

(32) Supplemental cash flow information

Investing activities with partial cash payments

	Year ended December 31,	
	2023	2022
Purchase of property, plant and equipment	$ 147,055	$ 89,537
Add: Opening balance of payable on equipment	16,282	56,199
Less: Ending balance of payable on equipment	(10,127)	(16,282)
Cash paid during the period	$ 153,210	$ 129,454

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Daido Pharmaceutical Corporation	Other related party (The company's parent company is the Company's institutional shareholder)
PURE MILK CO., LTD.	Other related party (The company is the Company's institutional shareholder)
CHUN LING INTERNATIONAL CO.,	Other related party
SMY INTERNET OF PACKAGE CO., LTD.	Associate

(2) Significant related party transactions

A. Operating revenue:

	Years ended December 31, 2023	Years ended December 31, 2022
Sales of goods:		
Other related parties	$ 8,284	$ 4,607
Associates	34	-
	$ 8,318	$ 4,607

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
Purchase and processing fees:		
Other related parties	$ 4,035	$ 12,792
Associates	229	-
	$ 4,264	$ 12,792

The transaction prices and payment terms to associates have no similar transactions for comparison. The payment term is 30~60 days after monthly billings.

C. Other income

	Years ended December 31, 2023	Years ended December 31, 2022
Rent income:		
Associates	$ 31	$ 77

The Company leases offices to associates. Rents are negotiated based on the mutual agreement and are collected monthly.

D. Receivables from related parties:

	December 31, 2023	December 31, 2022
Accounts receivable:		
Other related parties	$ 98	$ 268
Associates	9	-
	107	268
Other receivables:		
Associates	$ 68	$ 45
	$ 175	$ 313

The receivables from related parties arise mainly from sales of goods. The receivables are due 60 to 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.

E. Payables to related parties:

	December 31, 2023		December 31, 2022	
Accounts payable:				
Other related parties	$	11	$	895
Associates		2,892		-
	$	2,903	$	895
Other payables:				
Other related parties	$	-	$	1
	$	2,903	$	896

The payables to related parties arise mainly from purchase transactions and are due two months after the date of purchase. The payables bear no interest.

(3) Key management compensation

	Years ended December 31,			
	2023		2022	
Salaries and other short-term employee benefits	$	101,249	$	93,824
Share-based payments		6,678		12,515
	$	107,927	$	106,339

8. PLEDGED ASSETS

The Group'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
Current financial assets at amortised cost		4,000		4,000	Contract security deposit account for government grants and performance guarantee
	$	1,833,734	$	1,927,743	

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	$ 97,516	$ 123,226

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

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are based on the Group'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 - current	$ 79,330	$ 184,805
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 62,966	$ 48,410
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	$ 5,363,426	$ 5,932,794
Financial assets at amortised cost-current	212,066	25,696
Notes receivable	25,738	42,778
Accounts receivable	943,434	974,639
Accounts receivable - related parties	107	268
Other receivables	28,355	47,616
Other receivables - related parties	68	45
Guarantee deposits paid	40,917	44,581
	$ 6,614,111	$ 7,068,417
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 350,000	$ 1,146,320
Notes payable	686	595
Accounts payable	734,188	729,866
Accounts payable - related parties	2,903	895
Other accounts payable	764,932	691,132
Other accounts payable - related parties	-	1
Long-term borrowings (including current portion)	946,929	967,510
Deposits received	6,491	11,406
	$ 3,006,129	$ 3,547,725
Lease liability	$ 170,811	$ 174,865

B. Financial risk management policies

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group'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 Group 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, recognised assets and liabilities and net investments in foreign operations.

ii. The Group'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				
USD:NTD	USD	29,567	30.705	$ 907,855
RMB:NTD	RMB	196,539	4.327	850,424
EUR:NTD	EUR	5,137	33.98	174,555
JPY:NTD	JPY	298,545	0.2172	64,844
Financial liabilities				
Monetary items				
JPY:NTD	JPY	489,203	0.2172	$ 106,255
RMB:NTD	RMB	25,524	4.327	110,442
USD:NTD	USD	2,755	30.705	84,592
EUR:NTD	EUR	1,893	33.98	64,324

(Foreign currency: functional currency)		December 31, 2022 Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets				
Monetary items				
USD:NTD	USD	44,147	30.71	$ 1,355,754
RMB:NTD	RMB	251,267	4.408	1,107,585
EUR:NTD	EUR	4,847	32.72	158,594
JPY:NTD	JPY	417,466	0.2324	97,019
Financial liabilities				
Monetary items				
JPY:NTD	JPY	739,686	0.2324	$ 171,903
RMB:NTD	RMB	33,593	4.408	148,078
USD:NTD	USD	2,854	30.71	87,646
EUR:NTD	EUR	2,495	32.72	81,636

iii. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to $17,740 and $128,814, 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			
USD:NTD	1%	$ 9,079	$ -
RMB:NTD	"	8,504	-
EUR:NTD	"	1,746	-
JPY:NTD	"	648	-
Financial liabilities			
Monetary items			
JPY:NTD	1%	$ 1,063	$ -
RMB:NTD	"	1,104	-
USD:NTD	"	846	-
EUR:NTD	"	643	-

	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			
USD:NTD	1%	$ 13,558	$ -
RMB:NTD	"	11,076	-
EUR:NTD	"	1,586	-
JPY:NTD	"	970	-
Financial liabilities			
Monetary items			
JPY:NTD	1%	$ 1,719	$ -
RMB:NTD	"	1,481	-
USD:NTD	"	876	-
EUR:NTD	"	816	-

Price risk

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

ii. The Group'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 $630 and $484, 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 Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the years ended December 31, 2023 and 2022, the Group's borrowings at variable rate were denominated in New Taiwan 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 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 Group 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 Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group 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 Group 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. In accordance with the Group's credit risk management policies, the default occurs when the contract payments are past due over certain days.

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

vi. The Group 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:

At December 31, 2023	Group A	Group B	Group C	Group D	Total
Expected loss rate	0%~1.44%	0%~20.23%	0%~100%	100.00%	
Total book value	$ 800,074	$ 152,051	$ 20,489	$ 63,921	$ 1,036,535
Loss allowance	$ 4,118	$ 4,024	$ 9,206	$ 50,015	$ 67,363

At December 31, 2022	Group A	Group B	Group C	Group D	Total
Expected loss rate	0%~0.23%	0%~20.23%	0%~100%	100.00%	
Total book value	$ 690,282	$ 265,993	$ 110,565	$ 13,156	$ 1,079,996
Loss allowance	$ 323	$ 7,254	$ 41,846	$ 13,156	$ 62,579

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

	2023			
	Accounts receivable		Notes receivable	
At January 1	$	62,579	$	-
Provision for impairment		4,790		-
Effect of foreign exchange	(	6)		-
At December 31	$	67,363	$	-

	2022			
	Accounts receivable		Notes receivable	
At January 1	$	27,533	$	-
Provision for impairment		35,817		-
Write-offs	(	1,676)		-
Effect of foreign exchange		905		-
At December 31	$	62,579	$	-

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group’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 Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group’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 Group has undrawn borrowing facilities of $7,978,371 and $7,581,429, respectively.

iii. The table below analyses the Group'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	686	-	-
Accounts payable (including related parties)	737,091	-	-
Other payables	764,932	-	-
Lease liability	64,005	60,365	46,441
Guarantee deposits received	-	6,491	-
Long-term borrowings (including current portion)	200,000	-	746,929

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	595	-	-
Accounts payable (including related parties)	730,761	-	-
Other payables	691,133	-	-
Lease liability	63,559	40,488	70,818
Guarantee deposits received	-	11,406	-
Long-term borrowings (including current portion)	650,000	-	317,510

(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 Group'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 Group'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	-	57,620	62,966
	$ 84,676	$ -	$ 57,620	$ 142,296

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	4,184	-	44,226	48,410
	$ 188,989	$ -	$ 44,226	$ 233,215

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

i. The instruments the Group 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 Group'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 Group'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 Group 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 Group's credit quality.

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

E. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	Non-derivative equity instrument	
	2023	2022
At January 1	$ 44,226	$ 46,044
Gain or loss recognized in other comprehensive income	13,394	(1,818)
Acquired in the period	-	10,000
Sold in the period	-	(10,000)
At December 31	$ 57,620	$ 44,226

F. 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.

G. 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	$ 57,620	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	$ 44,226	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 Group 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%	$ -	$ -	$ 2,881	($ 2,881)

			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%	$ -	$ -	$ 2,211	($ 2,211)

(4) Other matter

In response to the Covid-19 outbreak, the Group had adopted related preventive measures and complied with various guidelines imposed by the government. Based on the Group’s assessment, there was no significant impact on the Group’s operation and business for the year ended December 31, 2023.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

B. Provision of endorsements and guarantees to others: 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: 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

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this period.

(2) Measurement of segment information

The Group's chief operating decision-maker evaluates the performances of the operating segments based on their net profit after tax.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Taiwan	Asia	America	Other	Adjustment and reversal	Total
Year ended December 31, 2023						
Revenue from external customers	$ 3,105,095	$ 2,762,027	$ 1,897,281	$ 251,246	$ -	$ 8,015,649
Revenue from internal customers	2,856,260	223,472	396,182	-	(3,475,914)	-
Segment revenue	$ 5,961,355	$ 2,985,499	$ 2,293,463	$ 251,246	($ 3,475,914)	$ 8,015,649
Segment (loss) income	$ 1,241,709	$ 631,144	($ 48,579)	($ 48,284)	($ 783,926)	$ 992,064
Segment income / loss, including:						
Depreciation and amortisation	$ 479,734	$ 98,472	$ 63,212	$ 4,538	($ 3,844)	$ 642,112
Interest income	33,697	61,833	-	292	-	95,822
Interest expense	40,841	938	4,463	108	-	46,350
Income tax expense	172,264	18,113	-	-	(7,746)	182,631
Investment profit or loss which is adopting equity method	243,011	169,585	(103,171)	(46,709)	(270,195)	(7,479)
Segment total assets	$ 15,764,958	$ 9,151,501	$ 1,181,104	$ 188,926	($ 12,184,986)	$ 14,101,503
Segment assets including:						
Investment which is adopting equity method	$ 4,521,500	$ 1,363,075	($ 38,080)	$ 27,113	($ 5,853,712)	$ 19,896
Capital expenditure of non-current asset	170,854	78,194	88,172	-	-	337,220
Segment total liabilities	$ 3,437,339	$ 1,667,659	$ 1,152,906	$ 217,990	($ 2,252,333)	$ 4,223,561

	Taiwan	Asia	America	Other	Adjustment and reversal	Total
Year ended December 31, 2022						
Revenue from external customers	$ 2,708,371	$ 3,007,369	$ 1,559,669	$ 157,105	$ -	$ 7,432,514
Revenue from internal customers	3,283,156	328,476	354,998	-	(3,966,630)	-
Segment revenue	$ 5,991,527	$ 3,335,845	$ 1,914,667	$ 157,105	($ 3,966,630)	$ 7,432,514
Segment (loss) income	$ 697,792	$ 245,360	($ 141,218)	($ 178,765)	$ 197,593	$ 820,762
Segment income / loss, including:						
Depreciation and amortisation	$ 494,181	$ 95,286	$ 40,288	$ 1,555	($ 3,867)	$ 627,443
Interest income	16,815	50,270	1	3	-	67,089
Interest expense	31,237	1,587	1,738	37	-	34,599
Income tax expense	476,406	2,843	527	-	(10,769)	469,007
Investment profit or loss which is adopting equity method	(238,060)	68,050	(151,206)	(135,788)	452,129	(4,875)
Segment total assets	$ 16,277,603	$ 8,487,136	$ 1,373,407	$ 253,909	($ 11,284,098)	$ 15,107,957
Segment assets including:						
Investment which is adopting equity method	$ 4,414,935	$ 1,239,168	$ 63,539	$ 73,130	($ 5,763,397)	$ 27,375
Capital expenditure of non-current asset	278,824	16,426	54,871	52,147	-	402,268
Segment total liabilities	$ 4,264,702	$ 1,518,413	$ 1,297,354	$ 233,344	($ 2,284,880)	$ 5,028,933

For the years ended December 31, 2023 and 2022, sales to Europe and America of reporting department-Taiwan amounted to $678,982 and $ 512,526, respectively, and sales to Europe and America of reporting department-Asia and others amounted to $2,375,264 and $1,935,376, respectively.

(4) Reconciliation for segment income

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. The reportable segment income or loss is in accordance with the income before tax from continuing operations for the years ended December 31, 2023 and 2022.

(5) Information on products

The Group operates business only in a single industry with business scope of healthy foods and beauty products; disclosure of financial information on industry is not applicable.

(6) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Years ended December 31,			
	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 3,105,095	$ 5,067,099	$ 2,708,371	$ 5,405,453
Mainland China	2,758,854	723,050	3,003,715	712,391
USA	1,897,281	299,584	1,559,669	268,545
Others	254,419	43,496	160,759	44,458
	$ 8,015,649	$ 6,133,229	$ 7,432,514	$ 6,430,847

Revenue is reported based on the countries in which the Group's subsidiaries are located.

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Years ended December 31,			
	2023		2022	
	Revenue	Segment	Revenue	Segment
A	$ 871,525	USA	$ 248,410	USA
B	$ 609,790	Asia	$ 1,098,148	Asia
C	383,200	USA	578,494	USA
	$ 1,864,515		$ 1,925,052	

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		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	TCI BIOTECH LLC	TCI BIOTECH USA LLC	Other receivables - related parties	Y	$ 17,441	$ 6,853	$ 6,853	0.02	2	$ -	For operating capital	$ -	None	$ -	$ 5,640	$ 5,640	Notes 6、7 and 11
2	SHANGHAI BIOFUNCTION CO., LTD.	TCI BIOTECH USA LLC	Other receivables - related parties	Y	591,200	591,200	335,343	0.012	2	-	For operating capital	-	None	-	1,761,008	1,761,008	Notes 8、9、10 and 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: For lending funds to 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 5: For lending funds to 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 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: For short-term financing with other entities, ceiling on total loans granted by the Company’s subsidiary to others is 40% 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 8: For lending funds or 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: For lending funds or short-term financing with other entities, ceiling on total loans granted by the Company’s subsidiary to others is 40% 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 10: Non-Taiwan companies that directly and indirectly hold 100% of the voting shares of the same ultimate parent company as our company are not subject to the restrictions of Notes 5, 8, and 9 when engaging in fund lending. The total amount of loans and the limit of loans to a single enterprise must not exceed the loan limit. It is limited to 80% of the net worth of the enterprise.

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: In accordance with the Company and subsidiaris'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 30% of the Company's net assets.

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.	Parent company	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 by Globus Medical Inc on September 1, 2023. It originally held 700 shares of NuVasive INC, but the merger converted to hold 525 shares of Globus Medical Inc.

TCI CO., LTD.

Accumulative purchase or sale of the same securities amounted to NT$300 million or more than 20% of the paid-in capital

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

					As of January 1, 2023		Bought		sold		As of December 31, 2023	
Securities bought by	Marketable securities	General ledger account	Counterparty	Relationship	Number of shares	Book value	Number of shares	Book value	Number of shares	Book value	Number of shares	Book value
MAXIGEN BIOTECH INC.	TCI CO., LTD.	Financial assets at fair value through other comprehensive income - non-current	None	None	-	$ -	2,531,000	$ 500,084	-	$ -	2,531,000	$ 432,800

Note 1: The ending amount includes unrealized gains and losses on 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)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
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	Transaction: Amount	Transaction: Transaction terms	Transaction: 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

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
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	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023: 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	55,269	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.