Maywufa Company Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the consolidated financial statements of affiliates of Maywufa Company Ltd. as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No. 10, "Consolidated Financial Statements". In addition, relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Maywufa Company Ltd. and subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

MAYWUFA COMPANY LTD.

By

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LEE CHEN CHIA
Chairman

February 27, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Maywufa Company Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Maywufa Company Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 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 International Financial Reporting Standards(IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 based on our audits and the report of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Validity of Occurrence of Revenue Recognition

Maywufa Group sales come from various channels, such as e-commerce, medical institutions, wholesalers and retailers, and the transaction terms are customized. For the year ended December 31, 2023, the operating revenue from some customers increased compared to the year ended December 31, 2022. Because revenues from such customers have materially influenced the Company's financial statements, we considered the validity of the occurrence of revenue recognition for the year ended December 31, 2023 a key audit matter.

For accounting policy on revenue recognition, refer to Note 4(l); for operating revenue recognition policy, refer to Note 22.

The audit procedures that we performed with respect to the sales revenue from the aforementioned customers are as follows:

1 We obtained an understanding of the internal controls related to the sales revenue from the aforementioned customers. We also evaluated the design of the controls and tested the operating effectiveness of the controls.

2 We selected samples of sales transactions from the aforementioned customers. We checked the details of the external documentation and confirmed that sales were valid and did occur.

Other Matters

We did not audit the financial statements of PhytoHealth Corporation, AmCad BioMed Corporation, and Broadsound Corporation accounted for using the equity method as of December 31, 2023 and 2022, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts of investments accounted for using the equity method and other comprehensive income included in the consolidated financial statements for these investees, is based solely on the reports of other auditors. According to the reports of other auditors as of December 31, 2023 and 2022, the amounts of the investments accounted for using the equity method of Maywufa Group were NT$505,206 thousand and NT$505,634 thousand, respectively, representing 18% and 20% of the consolidated total assets, respectively; the amounts of the equity accounting method - recognition of losses of Maywufa Group for the years ended December 31, 2023 and 2022 were NT$12,199 thousand and NT$17,673 thousand, respectively, representing (6%) and (8%) of the consolidated total profit before income tax, respectively.

We have also audited the parent company only financial statements of Maywufa Company Ltd. as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion and other matter paragraph on record for reference.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 maintain 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2023 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.

The engagement partners on the audits resulting in this independent auditors’ report are Chao-Mei Chen and Cheng-Chuan Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors’ report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ report and consolidated financial statements shall prevail.

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 178,481	6	$ 177,504	7
Financial assets at fair value through profit or loss (Notes 4 and 7)	-	-	52,004	2
Notes receivable (Notes 4 and 8)	22,522	1	22,025	1
Accounts receivable (Notes 4, 8 and 29)	226,268	8	205,802	8
Other receivables (Notes 4, 8 and 29)	2,927	-	2,045	-
Inventories (Notes 4 and 9)	257,911	9	232,375	9
Prepayments	1,321	-	1,430	-
Other financial assets - current (Notes 4 and 10)	395,130	14	354,870	14
Other current assets (Note 16)	1,576	-	899	-
Total current assets	1,086,136	38	1,048,954	41
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 12)	127,105	5	119,228	5
Investments accounted for using the equity method (Notes 4 and 13)	507,561	18	508,011	20
Property, plant and equipment (Notes 4, 14 and 30)	956,203	34	725,048	29
Right-of-use assets (Notes 4 and 15)	4,588	-	8,404	-
Intangible assets (Note 4)	4,637	-	3,609	-
Deferred tax assets (Notes 4 and 24)	26,117	1	23,993	1
Refundable deposits	5,336	-	5,156	-
Net defined benefit assets - non-current (Notes 4 and 20)	59,742	2	60,152	3
Other non-current assets (Note 16)	54,646	2	27,354	1
Total non-current assets	1,745,935	62	1,480,955	59
TOTAL	$ 2,832,071	100	$ 2,529,909	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable (Note 18)	$ 125	-	$ 250	-
Accounts payable (Notes 18 and 29)	83,514	3	78,255	3
Other payables (Notes 19 and 29)	215,573	7	180,388	7
Current tax liabilities (Notes 4 and 24)	25,631	1	20,265	1
Lease liabilities - current (Notes 4 and 15)	3,564	-	8,168	-
Other current liabilities	25,581	1	25,097	1
Total current liabilities	353,988	12	312,423	12
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 17 and 30)	437,893	16	218,185	9
Deferred tax liabilities (Notes 4 and 24)	5	-	16	-
Lease liabilities - non-current (Notes 4 and 15)	1,084	-	399	-
Guarantee deposits (Note 29)	1,945	-	1,893	-
Total non-current liabilities	440,927	16	220,493	9
Total liabilities	794,915	28	532,916	21
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Note 21)				
Share capital - ordinary shares	1,329,152	47	1,329,152	53
Capital surplus	189,320	7	188,042	7
Retained earnings				
Legal reserve	197,797	7	178,465	7
Special reserve	106,162	3	59,357	2
Unappropriated earnings	304,546	11	348,139	14
Total retained earnings	608,505	21	585,961	23
Other equity	(89,821)	(3)	(106,162)	(4)
Total equity	2,037,156	72	1,996,993	79
TOTAL	$ 2,832,071	100	$ 2,529,909	100

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

(With Deloitte & Touche auditors’ report dated February 27, 2024)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 22 and 29)	$ 1,300,721	100	$ 1,245,105	100
OPERATING COSTS (Notes 4, 9, 20, 23 and 29)	446,349	34	428,548	34
GROSS PROFIT	854,372	66	816,557	66
OPERATING EXPENSES (Notes 4, 20, 23 and 29)				
Selling and marketing expenses	555,166	43	519,603	42
General and administrative expenses	103,859	8	98,447	8
Expected credit impairment loss (gain on reversal) (Note 8)	679	-	(652)	-
Total operating expenses	659,704	51	617,398	50
PROFIT FROM OPERATIONS	194,668	15	199,159	16
NON-OPERATING INCOME AND EXPENSES (Note 23)				
Interest income	7,602	1	5,403	-
Other income (Note 29)	19,299	1	22,694	2
Other gains and losses	992	-	1,364	-
Interest expense	(92)	-	(2,561)	-
Share of profit or loss of associates (Notes 4 and 13)	(12,221)	(1)	(17,706)	(1)
Total non-operating income and expenses	15,580	1	9,194	1
PROFIT BEFORE INCOME TAX	210,248	16	208,353	17
INCOME TAX EXPENSE (Notes 4 and 24)	41,150	3	46,523	4
NET PROFIT	169,098	13	161,830	13

(Continued)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 13, 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	$ (803)	-	$ 10,039	1
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	7,859	-	(28,237)	(2)
Share of the other comprehensive income of associates accounted for using the equity method	11,568	1	768	-
Items that may be reclassified subsequently to profit and loss				
Exchange differences on translation of financial statement of foreign operations	(2,630)	-	2,114	-
Total other comprehensive income (loss) (net of income tax)	15,994	1	(15,316)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 185,092	14	$ 146,514	12
NET INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	$ 169,098	13	$ 161,830	13
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	$ 185,092	14	$ 146,514	12
EARNINGS PER SHARE (Note 25)				
Basic	$ 1.27		$ 1.22	
Diluted	$ 1.27		$ 1.21	

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

(With Deloitte & Touche auditors' report dated February 27, 2024) (Concluded)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

			Retained Earnings (Note 21)			Other Equity (Note 21)		
	Share Capital (Note 21)	Capital Surplus (Note 21)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2022	$ 1,329,152	$ 187,953	$ 162,234	$ 147,620	$ 238,299	$ (17,554)	$ (41,803)	$ 2,005,901
Appropriation of 2021 earnings								
Legal reserve	-	-	16,231	-	(16,231)	-	-	-
Special reserve	-	-	-	(88,263)	88,263	-	-	-
Cash dividends - NT$1.17 per share	-	-	-	-	(155,511)	-	-	(155,511)
Other changes in capital surplus								
Changes in capital surplus from investments in associates accounted for using the equity method (Notes 13 and 21)	-	89	-	-	-	-	-	89
Disposal of investments in equity instruments designated at fair value through other comprehensive income/disposal of investments in equity instruments designated at fair value through other comprehensive income by associates (Notes 12, 13 and 21)	-	-	-	-	21,450	-	(21,450)	-
Net profit for the year ended December 31, 2022	-	-	-	-	161,830	-	-	161,830
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	10,039	2,114	(27,469)	(15,316)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	171,869	2,114	(27,469)	146,514
BALANCE AT DECEMBER 31, 2022	1,329,152	188,042	178,465	59,357	348,139	(15,440)	(90,722)	1,996,993
Appropriation of 2022 earnings								
Legal reserve	-	-	19,332	-	(19,332)	-	-	-
Special reserve	-	-	-	46,805	(46,805)	-	-	-
Cash dividends - NT$1.10 per share	-	-	-	-	(146,207)	-	-	(146,207)
Other changes in capital surplus								
Changes in capital surplus from investments in associates accounted for using the equity method (Notes 13 and 21)	-	203	-	-	-	-	-	203
Dividends unclaimed by shareholders (Note 21)	-	1,075	-	-	-	-	-	1,075
Disposal of investments in equity instruments designated at fair value through other comprehensive income/disposal of investments in equity instruments designated at fair value through other comprehensive income by associates (Notes 12, 13 and 21)	-	-	-	-	456	-	(456)	-
Net profit for the year ended December 31, 2023	-	-	-	-	169,098	-	-	169,098
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(803)	(2,630)	19,427	15,994
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	168,295	(2,630)	19,427	185,092
BALANCE AT DECEMBER 31, 2023	$ 1,329,152	$ 189,320	$ 197,797	$ 106,162	$ 304,546	$ (18,070)	$ (71,751)	$ 2,037,156

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 210,248	$ 208,353
Adjustments for:		
Depreciation expense	27,253	28,243
Amortization expense	1,542	1,038
Expected credit impairment loss (gain on reversal)	679	(652)
Net gain on fair value changes of financial assets at fair value through profit or loss	(209)	(95)
Interest expense	92	2,561
Interest income	(7,602)	(5,403)
Dividend income	(5,953)	(7,603)
Share of loss of associates	12,221	17,706
Write-down of inventories	947	244
(Gain) loss on lease modification	(45)	57
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	52,213	(9,908)
Notes receivable	(514)	3,580
Accounts receivable	(21,128)	12,134
Other receivables	(815)	1,186
Inventories	(26,401)	5,650
Net defined benefit assets	(393)	(23)
Prepayments	115	426
Other current assets	(677)	50
Notes payable	(125)	48
Accounts payable	5,259	(10,323)
Other payables	38,317	(36,936)
Other current liabilities	471	4,573
Cash generated from operations	285,495	214,906
Interest paid	(3,257)	(4,027)
Income tax paid	(37,919)	(62,995)
Net cash generated from operating activities	244,319	147,884
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(18)	(1,328)
Disposal of financial assets at fair value through other comprehensive income	-	36,716
Payments for property, plant and equipment	(251,559)	(227,070)
(Increase) decrease in refundable deposits	(179)	1,383
Payments for intangible assets	(2,570)	(3,323)
(Increase) decrease in other financial assets	(40,260)	244,790
Increase in other non-current assets	(27,292)	(27,922)

(Continued)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Interest received	$ 7,535	$ 5,349
Other dividends received	5,953	7,603
Net cash (used in) generated from investing activities	(308,390)	36,198
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	50,000	-
Decrease in short-term borrowings	(50,000)	-
Repayments of bonds payable	-	(300,000)
Proceeds from long-term borrowings	219,708	218,185
Increase in guarantee deposits	52	-
Repayment of the principal portion of lease liabilities	(8,110)	(8,213)
Cash dividends	(146,207)	(155,511)
Dividends unclaimed by shareholders	1,075	-
Net cash generated from (used in) financing activities	66,518	(245,539)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(1,470)	952
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	977	(60,505)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	177,504	238,009
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 178,481	$ 177,504

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

(With Deloitte & Touche auditors' report dated February 27, 2024) (Concluded)

1. GENERAL INFORMATION

Maywufa Company Ltd. (the "Company"), along with the Company-controlled subsidiaries (collectively known as the "Group"), was incorporated in the Republic of China (ROC) in October 1976. The Company's Chinese name was changed on April 30, 1998. The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since September 17, 2001.

The main business of the Company are as follows:

a. Manufacturing, processing and distribution of all kinds of hairdressing products (cleaning agents) soap, wholesale trading and agency.

b. Manufacturing, processing and distribution of all kinds of cosmetics (except highly toxic), wholesale trading and agency, and trading of various department stores (the cosmetics manufacturing and processing department is limited to the main products of the factory).

c. Distribution, wholesale and retail trading of various beauty products, health products and sports equipment.

d. Retail and wholesale business of health food such as vitamin pills and oral liquid nutrients.

e. Trading, wholesale and retail of medical drugs and medical equipment.

f. Wholesale and retail sales of food, baby products and general food products enriched with vitamins, amino acids and minerals.

g. The consulting and analysis business managed by the Pharmaceutical Affairs Bureau.

h. Warehousing.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on February 27, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
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 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

See Notes 11 and 34, Tables 2 and 3 for detailed information on subsidiaries (including percentages of ownership and main business).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity’s functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting the consolidated financial statements, the functional statements of the Company and its foreign operations (including subsidiaries in other countries or those that use currencies different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Inventories

Inventories consist of commodities, finished goods, packaging materials, raw materials and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investment in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group’s share of the equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are included in the initially recognized amount of the financial assets or financial liabilities.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in debt instruments and equity instruments at FVTOCI.

i. Financial asset at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any remeasurement gains or losses on such financial assets are recognized in other gains or losses (does not incorporate any dividends or interest earned on such financial assets). Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit impaired-financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties, defaulted, or where it is probable that the debtor will declare bankruptcy or other financial reorganization, or where an active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including Accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for Accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in gain or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

All financial liabilities are measured at amortized cost using the effective interest method. The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from sales come from various channels, such as e-commerce, medical institutions, wholesalers and retailers. The Group has the right to set the price and use of the products in accordance with the terms of each transaction has the primary responsibility for resale and assumes risk of obsolescence, at the time the Group recognizes revenue and accounts receivable.

m. Lease

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

n. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when the employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost.) and net interest on the net defined benefit assets are recognized as employee benefits expense in the period in which they occur or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit asset represents the actual surplus in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years’ tax liabilities are added to or deducted from the current year’s tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income; in which case, the current and deferred taxes are also recognized in other comprehensive income.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

In the application of the Group’s accounting policies, estimates and underlying assumptions, management of the Group did not recognize material accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand and petty cash	$ 120	$ 120
Checking accounts and demand deposits	119,081	114,294
Cash equivalents		
Time deposits with original maturities of 3 months or less	59,280	63,090
	$ 178,481	$ 177,504

The market interest rate intervals of bank deposits at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Demand deposits	0.05%-1.45%	0.05%-1.15%
Time deposits with original maturities of 3 months or less	1.10%	0.85%-1.035%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	**2022**
Current		
Mutual funds	$ -	$ 52,004

8. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2023	**2022**
Notes receivable		
At amortized cost		
Gross carrying amount	$ 22,749	$ 22,235
Less: Allowance for impairment loss	(227)	(210)
	$ 22,522	$ 22,025
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 228,563	$ 207,834
Less: Allowance for impairment loss	(2,295)	(2,146)
	226,268	205,688
Accounts receivable from related parties	-	114
Less: Allowance for impairment loss	-	-
	-	114
	$ 226,268	$ 205,802
Other receivables		
Interest	$ 254	$ 187
Other	128	210
	382	397
Other receivables from related parties	2,545	1,648
	$ 2,927	$ 2,045

a. Notes receivable

The average credit period of sales of goods is 1-7 months. No interest is charged on notes receivable. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group's customers are scattered and not related to each other; therefore, the concentration of credit risk is limited. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for notes receivable at an amount equal to lifetime ECLs. The expected credit losses on notes receivable are estimated using a provision matrix by reference to the past default records of the customer and the customer's current financial position. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a note receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For notes receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable based on the Group's provision matrix.

December 31, 2023

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss rate	1%	-	-	-	-	
Gross carrying amount	$ 22,749	$ -	$ -	$ -	$ -	$ 22,749
Loss allowance (Lifetime ECLs)	(227)	-	-	-	-	(227)
Amortized cost	$ 22,522	$ -	$ -	$ -	$ -	$ 22,522

December 31, 2022

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss rate	0.94%	-	-	-	-	
Gross carrying amount	$ 22,235	$ -	$ -	$ -	$ -	$ 22,235
Loss allowance (Lifetime ECLs)	(210)	-	-	-	-	(210)
Amortized cost	$ 22,025	$ -	$ -	$ -	$ -	$ 22,025

The movements of the loss allowance of notes receivable were as follows:

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	$ 210	$ 422
Add (less): Provision (reversal)	17	(212)
Balance at December 31	$ 227	$ 210

b. Accounts receivable

The average credit period of sales of goods is 1-7 months. No interest is charged on accounts receivable. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group's customers are scattered and not related to each other; therefore the concentration of credit risk is limited. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix and reference to the past default records of the customer and the customer's current financial position. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group different customer base.

The Group writes off an account receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For example, if the counterparty is in liquidation or the debt is more than 180 days past due, the related accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable based on the Group's provision matrix:

December 31, 2023

	Not Past Due	**1 to 60 Days Past Due**	**61 to 90 Days Past Due**	**91 to 120 Days Past Due**	**Over 120 Days Past Due**	**Total**
Expected credit loss rate	1%	1%-1.02%	1.7%	-	-	-
Gross carrying amount	$ 223,209	$ 5,350	$ 4	$ -	$ -	$ 228,563
Loss allowance (Lifetime ECLs)	(2,241)	(54)	-	-	-	(2,295)
Amortized cost	$ 220,968	$ 5,296	$ 4	$ -	$ -	$ 226,268

December 31, 2022

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss rate	1.01%	1.1%-3.63%	-	-	-	-
Gross carrying amount	$ 198,544	$ 9,404	$ -	$ -	$ -	$ 207,948
Loss allowance (Lifetime ECLs)	(2,042)	(104)	-	-	-	(2,146)
Amortized cost	$ 196,502	$ 9,300	$ -	$ -	$ -	$ 205,802

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 2,146	$ 2,586
Add (less): Provision (reversal)	662	(440)
Amounts written off	(513)	-
Balance at December 31	$ 2,295	$ 2,146

c. Other receivables

The Group measures the loss allowance for other receivables at an amount equal to lifetime ECLs. The Group estimated the loss allowance by reference to the past default experience of the customer, the customer’s current financial position used other publicly available financial information or its own trading records to rate default risk of different receivables. As of December 31, 2023 and 2022, the management estimates that there were no expected credit losses on the other receivables.

9. INVENTORIES

	December 31	
	2023	2022
Commodities	$ 66,589	$ 62,676
Finished goods	102,502	83,172
Raw materials	40,989	36,461
Packaging materials	35,337	39,190
Work in progress	12,494	10,876
	$ 257,911	$ 232,375

The nature of the cost of goods sold were as follows:

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	$ 438,634	$ 420,424
Inventory write-downs	947	244
Inventory obsolescence loss	6,836	8,163
Gain on physical inventory	(68)	(283)
	$ 446,349	$ 428,548

10. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2023	2022
Time deposits with original maturities of more than 3 months	$ 395,130	$ 354,870

The market intervals of time deposits with original maturities of more than 3 months in the bank at the end of the reporting period were as follows:

	December 31	
	2023	2022
Time deposits	1.16%-1.565%	1.025%-1.440%

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

			Percentage % Ownership December 31	
Investor	Investee	Nature of Activities	2023	2022
Maywufa Company Ltd.	Maywufa Corporation (Samoa Maywufa)	Investment Holdings	100.00	100.00
Maywufa Corporation (Samoa Maywufa)	Maywufa Hongkong Corporation Limited (Hong Kong Maywufa)	Investment Holdings	100.00	100.00
Maywufa Hongkong Corporation Limited (Hong Kong Maywufa)	Maywufa Cosmetics (Shanghai) Co., Ltd. (Maywufa (Shanghai) Company)	Cosmetics and household goods wholesale	100.00	100.00

The main business risks of Samoa Maywufa and its subsidiaries are political risk and exchange rate risk due to changes in government regulations and cross-strait relations.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31 2023	December 31 2022
Non-current		
Domestic investments		
Listed shares	$ 42,524	$ 36,265
Unlisted shares	77,966	76,364
Foreign investments		
Unlisted shares	6,615	6,599
	$ 127,105	$ 119,228

Refer to Note 34, Table 1 of marketable securities held, for information relating to above investments.

Refer to Note 21 (e) for information relating to financial assets at fair value through other comprehensive income.

These investments in equity instruments are held for strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

After capital reduction, the unlisted domestic investees offset the amount of shares returnable to shareholders with the shares of other companies at a fair value of $268 thousand, resulting in an unrealized loss of $1,815 thousand on the related other equity - financial assets at fair value through other comprehensive income and loss transferred to retained earnings in 2023. The Group adjusted the portion of the investment and sold certain listed ordinary shares at the fair value of $36,716 thousand, resulting in an unrealized gain of $20,197 thousand on the related other equity - financial assets at fair value through other comprehensive income and loss transferred to retained earnings in 2022.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31 2023	December 31 2022
Listed company		
PhytoHealth Corporation	$ 457,071	$ 454,824
AmCad BioMed Corporation	24,811	27,713
Unlisted company		
Broadsound Corporation	23,324	23,097
Lu Te Na Company Limited	2,355	2,377
	$ 507,561	$ 508,011

The Group's percentage of ownership and voting rights in associates as of the balance sheet date were as follows:

Name of Companies	December 31 2023	December 31 2022
PhytoHealth Corporation	17.69%	17.69%
AmCad BioMed Corporation	6.52%	6.53%
Broadsound Corporation	10.00%	10.00%
Lu Te Na Company Limited	35.00%	35.00%

The Group holds less than 20% of the shares of PhytoHealth Corporation, AmCad BioMed Corporation, and Broadsound Corporation, but obtains some of the seats of directors of these companies, so it has significant influence over these companies, which they are all accounted for using the equity method.

Refer to Note 34 and Table 2 of the notes to financial statements for more information on the investees.

For the years ended December 31, 2023 and 2022, the Group's investment income or loss recognized using the equity method in its affiliated companies was as follows:

	December 31 2023	December 31 2022
PhytoHealth Corporation	$ (9,478)	$ (13,912)
AmCad BioMed Corporation	(2,948)	(3,490)
Broadsound Corporation	227	(271)
Lu Te Na Company Limited	(22)	(33)
	$ (12,221)	$ (17,706)

The Group recognized an increase of $171 thousand and $89 thousand in capital surplus for the changes in other equity of the associates in proportion to its shareholding as of December 31, 2023 and 2022, respectively.

As a result of the change in paid-in capital due to the exercise of employee stock options issued by the AmCad BioMed Corporation for the year ended December 31, 2023, the Group's shareholding in AmCad BioMed Corporation was reduced to 6.52%, which resulted in a change in the net value of the Group's investment in the Company's net assets, and the capital surplus should be adjusted for an increase of $32 thousand.

The Group recognized $2,271 thousand and $1,253 thousand of equity instruments measured at fair value through other comprehensive income for the years ended December 31, 2023 and 2022, respectively, based on the percentage of ownership of the associates, and the related other equity - unrealized gain was transferred to retained earnings.

Share of the other comprehensive income (loss) of associates accounted for using the equity method is recognized based on the financial statements of each associates audited by accountants for the same period.

The summarized information on the Group's associates is summarized as follows:

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Loss from continuing operations	$ (12,221)	$ (17,706)
Other comprehensive income (loss)	11,568	768
Total comprehensive income (loss) for the year	$ (653)	$ (16,938)

Information on the Level 1 fair value of related companies with open market quotations is as follows:

	For the Year Ended December 31	
	2023	2022
PhytoHealth Corporation	$ 762,336	$ 670,996
AmCad BioMed Corporation	$ 92,750	$ 55,407

14. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Land	$ 293,932	$ 293,932
Buildings	176,113	188,802
Machinery and equipment	13,269	15,123
Income-generating equipment	739	1,163
Other equipment	25	108
Construction in progress	472,125	225,920
	$ 956,203	$ 725,048

	Land	Buildings	Machinery and Equipment	Income-generating equipment	Other Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2023	$ 293,932	$ 389,364	$ 49,270	$ 2,517	$ 2,181	$ 225,920	$ 963,184
Additions	-	2,857	2,497	-	-	246,205	251,559
Effects of foreign currency exchange differences	-	(2,293)	-	(2)	-	-	(2,295)
Balance at December 31, 2023	$ 293,932	$ 389,928	$ 51,767	$ 2,515	$ 2,181	$ 472,125	$ 1,212,448
Accumulated depreciation and impairment							
Balance at January 1, 2023	$ -	$ (200,562)	$ (34,147)	$ (1,354)	$ (2,073)	$ -	$ (238,136)
Depreciation expenses	-	(14,344)	(4,351)	(423)	(83)	-	(19,201)
Effects of foreign currency exchange differences	-	1,091	-	1	-	-	1,092
Balance at December 31, 2023	$ -	$ (213,815)	$ (38,498)	$ (1,776)	$ (2,156)	$ -	$ (256,245)
Carrying amount at December 31, 2023	$ 293,932	$ 176,113	$ 13,269	$ 739	$ 25	$ 472,125	$ 956,203

(Continued)

	Land	Buildings	Machinery and Equipment	Income-generating equipment	Other Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2022	$ 293,932	$ 403,980	$ 94,918	$ 3,508	$ 2,081	$ -	$ 798,419
Additions	-	256	705	89	100	225,920	227,070
Disposals	-	(16,684)	(46,353)	(1,081)	-	-	(64,118)
Effects of foreign currency exchange differences	-	1,812	-	1	-	-	1,813
Balance at December 31, 2022	$ 293,932	$ 389,364	$ 49,270	$ 2,517	$ 2,181	$ 225,920	$ 963,184
Accumulated depreciation and impairment							
Balance at January 1, 2022	$ -	$ (202,015)	$ (75,683)	$ (1,937)	$ (1,908)	$ -	$ (281,543)
Depreciation expenses	-	(14,532)	(4,817)	(497)	(165)	-	(20,011)
Disposals	-	16,684	46,353	1,081	-	-	64,118
Effects of foreign currency exchange differences	-	(699)	-	(1)	-	-	(700)
Balance at December 31, 2022	$ -	$ (200,562)	$ (34,147)	$ (1,354)	$ (2,073)	$ -	$ (238,136)
Carrying amount at December 31, 2022	$ 293,932	$ 188,802	$ 15,123	$ 1,163	$ 108	$ 225,920	$ 725,048

(Concluded)

On May 12, 2021, the Group's board of directors approved the building of a GMP factory on its own land in the Yangmei factory area in response to the Group's operational development. The contract was signed with a construction company on February 10, 2022 for a total contract amount of $699,300 thousand. On November 8, 2023, taking into account factors, such as changes in construction costs and other factors, the budget proposal of factory construction was increased. This proposal has been approved by the board of directors.

There was no indication of impairment of the property, plant and equipment for the years ended December 31, 2023 and 2022.

Property, plant and equipment of the combined companies were depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main building	20-60 years
Mechanical and electrical engineering	3-20 years
Decoration engineering	3-15 years
Machinery and equipment	5-15 years
Income-generating equipment	2-5 years
Other equipment	2-5 years

The property and plant pledged as collateral for bank borrowings are set out in Note 30.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amount		
Buildings	$ 2,698	$ 6,382
Transportation equipment	1,890	2,022
	$ 4,588	$ 8,404

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 4,422	$ -
Depreciation charge for right-of-use assets		
Buildings	$ 6,421	$ 6,383
Transportation equipment	1,631	1,849
	$ 8,052	$ 8,232

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 3,564	$ 8,168
Non-current	$ 1,084	$ 399

Range of discount rate for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	1.079%-1.596%	1.596%
Transportation equipment	1.079%-1.596%	1.596%

c. Material leasing activities and terms

The Group leases buildings for operating purposes for a period of 2.75 years.

The Group leases transportation equipment for general operating activities for a period of 3 to 5 years.

At the end of the lease terms, the Group does not have bargain purchase options to acquire the above lease subjects.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 2,599	$ 1,154
Expenses relating to low-value asset leases	$ 347	$ 347
Total cash outflow for leases	$ (11,142)	$ (9,922)

The Group elected to apply the exemption from recognition to certain leases of office equipment that qualify as short-term leases of buildings and construction and that qualify as low-value leases of assets, and not to recognize the related right-of-use assets and lease liabilities for these leases.

16. OTHER ASSETS

	December 31	
	2023	2022
Current		
Temporary payments	$ 1,576	$ 899
Non-current		
Prepayments for equipment	$ 54,646	$ 27,350
Others	-	4
	$ 54,646	$ 27,354

17. BORROWINGS

Long-term Borrowing

	December 31	
	2023	2022
Secured borrowings (Note 30)		
Bank loans	$ 437,893	$ 218,185

Bank loan’s floating rates of the bank loans, which the Group used to build a factory, are calculated monthly on the balance of the principal, with interest paid monthly for the first 66 months and the principal repayable in equal monthly installments from the 67th month (February 2028) onward, at an effective interest rate of 0.68% to 1.08% per annum, and the loan period is eight years. The Group used the loan to build a factory.

18. NOTES PAYABLE AND ACCOUNTS PAYABLE

	December 31	
	2023	**2022**
Notes payable		
Operating	$ 125	$ 250
Accounts payable		
Operating	$ 59,329	$ 57,152
Related parties	24,185	21,103
	$ 83,514	$ 78,255

Accounts Payable

The Group has a financial risk management policy to ensure that all accounts payable are repaid within the prearranged credit period, which ranges from one to six months.

19. OTHER PAYABLES

	December 31	
	2023	**2022**
Payables for promotion fee	$ 69,002	$ 61,057
Payables for salaries and bonuses	50,639	47,451
Payables for advertising fee	49,362	49,843
Others	46,570	22,037
	$ 215,573	$ 180,388

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiary in Mainland China are members of a retirement benefit plan operated by the government in Mainland China. The subsidiary is required to contribute a specified percentage of payroll costs to the Retirement Benefit Plan to fund the plan. The Group's obligation to this government-operated retirement benefit plan is only to contribute a specified amount.

Hong Kong Maywufa and Samoa Maywufa do not have a retirement plan for their employees and no pension costs are recognized because they do not have regular employees.

b. Defined benefit plan

The defined benefit plans adopted by the Group in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	December 31	
	2023	**2022**
Present value of defined benefit obligation	$ 49,015	$ 52,912
Fair value of plan assets	(108,757)	(113,064)
Net defined benefit asset	$ (59,742)	$ (60,152)

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2023	$ 52,912	$ (113,064)	$ (60,152)
Service costs			
Current service costs	344	-	344
Net interest expense (income)	612	(1,338)	(726)
Recognized in profit or loss	956	(1,338)	(382)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,066)	(1,066)
Actuarial losses - experience adjustments	1,869	-	1,869
Recognized in other comprehensive income	1,869	(1,066)	803
Contributions from the employer		(11)	(11)
Benefits paid	(6,722)	6,722	-
Balance at December 31, 2023	$ 49,015	$ (108,757)	$ (59,742)
Balance at January 1, 2022	$ 65,648	$ (115,738)	$ (50,090)
Service costs			
Current service costs	455	-	455
Net interest expense (income)	417	(745)	(328)
Recognized in profit or loss	872	(745)	127

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	$ -	$ (9,103)	$ (9,103)
Actuarial losses - experience adjustments	983	-	983
Actuarial losses - change in financial assumptions	(1,919)	-	(1,919)
Recognized in other comprehensive income	(936)	(9,103)	(10,039)
Contributions from the employer	-	(150)	(150)
Benefits paid	(12,672)	12,672	-
Balance at December 31, 2022	$ 52,912	$ (113,064)	$ (60,152)

(Concluded)

Through the defined benefit plan under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in both domestic and foreign equity and debt securities, bank deposits, etc. The investments are conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rates will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2023	2022
Discount rate	1.20%	1.20%
Expected rate of salary increase	2.00%	2.00%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rates		
0.25% increase	$ (731)	$ (834)
0.25% decrease	$ 751	$ 857
Expected rates of salary increase		
0.25% increase	$ 749	$ 859
0.25% decrease	$ (733)	$ (840)

The above sensitivity analysis presented may not be representative of actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	**2022**
Expected contributions to the plans for the next year	$ -	$ 647
Average duration of the defined benefit obligation	6 years	6 years

21. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	**2022**
Shares authorized (in thousands of shares)	300,000	300,000
Shares authorized	$ 3,000,000	$ 3,000,000
Shares issued and fully paid (in thousands of shares)	132,915	132,915
Shares issued and fully paid	$ 1,329,152	$ 1,329,152

b. Capital surplus

	December 31	
	2023	**2022**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)		
Issuance of ordinary shares	$ 161,940	$ 161,940
May only be used to offset a deficit		
Share of changes in capital surplus of associates	26,305	26,102
Dividends unclaimed by shareholders (Note 2)	1,075	-
	$ 189,320	$ 188,042

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

Note 2: According to the letter Jingshangzi No. 10602420200 issued by the Ministry of Economic Affairs on September 21, 2017, unclaimed dividends should be recognized as capital reserves.

A reconciliation of the carrying amount at the beginning and at the end of the years ended December 31, 2023 and 2022, for each class of capital surplus was as follows:

	Issuance of Ordinary Shares	**Changes in Capital Surplus from Investment in Associates Accounted for Using Equity Method**	**Dividends Unclaimed By Shareholders**	**Total**
Balance at January 1, 2023	$ 161,940	$ 26,102	$ -	$ 188,042
Changes in Capital surplus from Investment in Associates Accounted for Using Equity Method	-	203	-	203
Dividends unclaimed by shareholders	-	-	1,075	1,075
Balance at December 31, 2023	$ 161,940	$ 26,305	$ 1,075	$ 189,320
Balance at January 1, 2022	$ 161,940	$ 26,013	$ -	$ 187,953
Changes in capital surplus from investment in associates accounted for using equity method	-	89	-	89
Balance at December 31, 2022	$ 161,940	$ 26,102	$ -	$ 188,042

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings at least used 50% by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 23 (g).

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders' meetings on May 26, 2023 and May 25, 2022, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	2021
Legal reserve	$ 19,332	$ 16,231
Special reserve	$ 46,805	$ (88,263)
Cash dividends	$ 146,207	$ 155,511
Cash dividends per share (NT$)	$ 1.10	$ 1.17

The Board of Directors of the Company proposed the following distribution of earnings for 2023 on February 27, 2024, were as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 16,875
Reversal of special reserve	$ (16,341)
Cash dividends	$ 152,852
Cash dividends per share (NT$)	$ 1.15

The appropriation of earnings for 2023 is subject to the resolution of the shareholders' meeting to be held on May 29, 2024.

d. Special reserve

The cumulative translation adjustment transferred to retained earnings was $8,874 thousand when the Company initially adopted IFRSs. The increase in retained earnings from the initial adoption of IFRSs was not enough to provide for the increase in retained earnings, so only a special reserve of $1,875 thousand was provided for the increase in retained earnings from the conversion to IFRSs.

e. Other equity items

	For the Year Ended December 31	
	2023	2022
Exchange differences on translation of foreign financial statements		
Attributable to the Company	$ (18,070)	$ (15,440)
Unrealized valuation gain (loss) on financial assets at FVTOCI		
Attributable to the Company	(94,208)	(103,882)
Share from associates accounted for using the equity method	22,457	13,160
	(71,751)	(90,722)
	$ (89,821)	$ (106,162)

1) Exchange differences on translation of financial statements of foreign operations

Translation differences arising from the translation of the net assets of foreign operations from their functional currency into the Company's presentation currency (i.e., New Taiwan dollars) are recognized directly in other comprehensive income as translation differences in the financial statements of foreign operations. The cumulative translation differences on the financial statements of foreign operations are transferred to profit or loss upon disposal of the foreign operations.

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (15,440)	$ (17,554)
Recognized for the year		
Exchange differences on translation of foreign financial statements	(2,630)	2,114
Other comprehensive income recognized for the year	(2,630)	2,114
Balance at December 31	$ (18,070)	$ (15,440)

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (90,722)	$ (41,803)
Recognized for the year		
Unrealized gain (loss) - equity instruments	7,859	(28,237)
Share from associates accounted for using the equity method	11,568	768
Other comprehensive income	19,472	(27,469)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(456)	(21,450)
Balance at December 31	$ (71,751)	$ (90,722)

Unrealized gains and losses on financial assets at fair value through other comprehensive income. Please refer to Note 28 (b) for the reconciliation of the fair value measurements in Level 3.

22. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods		
Consumer Business Unit	$ 891,012	$ 883,115
Pharmaceutical Business Unit	409,709	361,990
	$ 1,300,721	$ 1,245,105

Revenue from sale of goods

The Group's sales come from various channels, such as e-commerce, medical institutions, wholesalers and retailers, and discounts are granted to different sales targets on different terms. Revenue is measured at the fair value of the consideration received or receivable, less estimated customer returns, discounts and other similar discounts.

Refer to Note 8 for the explanation of accounts receivable generated from contracts.

23. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 7,602	$ 5,403

b. Other income

	For the Year Ended December 31	
	2023	2022
Rental income	$ 11,105	$ 11,121
Dividend income	5,953	7,603
Other income	2,241	3,970
	$ 19,299	$ 22,694

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Fair value changes of financial assets		
Financial assets mandatorily classified as at FVTPL	$ 209	$ 95
Gain (loss) on lease modification	45	(57)
Net foreign exchange gains	738	2,446
Others	-	(1,120)
	$ 992	$ 1,364

d. Interest expense

	For the Year Ended December 31	
	2023	2022
Interest on bonds	$ -	$ 1,128
Interest on bank loans	3,296	510
Interest on deferred issue costs of corporate bonds	-	1,225
Interest on lease liabilities	86	208
Less: Capitalized interest	(3,290)	(510)
	$ 92	$ 2,561

Information on capitalized interest is as follows:

	For the Year Ended December 31	
	2023	2022
Capitalized interest amount	$ 3,290	$ 510
Capitalization rate	0.68%-1.08%	0.68%-0.95%

e. Depreciation and amortization expense

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ 14,567	$ 15,345
Operating expenses	12,686	12,898
	$ 27,253	$ 28,243
An analysis of amortization by function		
Operating costs	$ 701	$ 108
Operating expenses	841	930
	$ 1,542	$ 1,038

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits (Note 20)		
Defined contribution plan	$ 7,009	$ 6,356
Defined benefit plans	(382)	127
Other employee benefits		
Salaries and bonuses	171,330	162,801
Labor and health insurance	14,544	13,813
Other	6,372	6,497
Total employee benefits expense	$ 198,873	$ 189,594
An analysis of employee benefits expense by function		
Operating costs	$ 39,910	$ 38,758
Operating expenses	158,963	150,836
	$ 198,873	$ 189,594

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 3%-6% and no higher than 4%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended 2023 and 2022, which were approved by the Company's board of directors on February 27, 2024 and February 24, 2023, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	**2022**
Compensation of employees	3%	3%
Remuneration of directors	2%	2%

Amount

	For the Year Ended December 31	
	2023	**2022**
	Cash	**Cash**
Compensation of employees	$ 6,639	$ 6,580
Remuneration of directors	4,426	4,386

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

Information on compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	**2022**
Foreign exchange gains	$ 1,057	$ 3,529
Foreign exchange losses	(319)	(1,083)
Net gains	$ 738	$ 2,446

24. INCOME TAXES RELATING

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 47,216	$ 42,976
Income tax on unappropriated earnings	-	3,942
Adjustments for prior year	(3,931)	(2,141)
	43,285	44,777
Deferred tax		
In respect of the current year	(2,135)	1,746
Income tax expense recognized in profit or loss	$ 41,150	$ 46,523

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 210,248	$ 208,353
Income tax expense calculated at the statutory rate	$ 42,050	$ 41,671
Nondeductible expenses in determining taxable income	1,194	1,189
Tax-exempt income	(1,231)	(1,539)
Income tax on unappropriated retained earnings	-	3,942
Unrecognized deductible temporary differences	3,068	3,401
Adjustments for prior years' tax	(3,931)	(2,141)
Income tax expense recognized in profit or loss	$ 41,150	$ 46,523

b. Current tax liabilities

	December 31	
	2023	2022
Current tax liabilities		
Income tax payable	$ 25,631	$ 20,265

c. Deferred tax assets and liabilities

The movements of deferred tax assets and liabilities were as follows:

For the year ended December 31, 2023

	Balance at January 1	Recognized in Profit or Loss	Balance at December 31
Deferred tax assets			
Temporary difference			
Inventory write-downs	$ 1,188	$ 189	$ 1,377
Unrealized sales discounts and allowances	2,514	23	2,537
Unrealized promotion expense	12,170	1,574	13,744
Unrealized advertisement expense	7,412	535	7,947
Unrealized impairment loss of property, plant and equipment	555	(196)	359
Others	154	(1)	153
	$ 23,993	$ 2,124	$ 26,117
Deferred tax liabilities			
Temporary difference			
Unrealized exchange gains	$ 16	$ (11)	$ 5

For the year ended December 31, 2022

	Balance at January 1	Recognized in Profit or Loss	Balance at December 31
Deferred tax assets			
Temporary difference			
Inventory write-downs	$ 1,055	$ 133	$ 1,188
Unrealized sales discounts and allowances	1,990	524	2,514
Unrealized promotion expense	10,044	2,126	12,170
Unrealized advertisement expense	11,698	(4,286)	7,412
Unrealized impairment loss of property, plant and equipment	751	(196)	555
Others	185	(31)	154
	$ 25,723	$ (1,730)	$ 23,993
Deferred tax liabilities			
Temporary difference			
Unrealized exchange gains	$ -	$ 16	$ 16

d. Deductible temporary differences for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2023	2022
Deductible temporary difference		
Losses of subsidiaries and affiliates recognized under the equity method	$ 83,337	$ 80,269
Impairment loss on financial assets measured at fair value through other comprehensive income	17,807	17,807
	$ 101,144	$ 98,076

e. Income tax assessment

The income tax returns through 2021 have been assessed by the tax authorities, and there is no difference between the amount of approved and declared tax.

25. EARNINGS PER SHARE

The earning and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2023	2022
Net profit attributable to owners of the Company	$ 169,098	$ 161,830

Shares

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	132,915	132,915
Effect of potentially dilutive ordinary shares		
Compensation of employees	352	380
Weighted average number of ordinary shares used in the computation of diluted earnings per share	133,267	133,295

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2023

	Balance at January 1	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Lease Modifications	Non-cash Changes: Amortization of Interest	Non-cash Changes: Others	Balance at December 31
Lease liabilities	$ 8,567	$ (8,110)	$ 4,422	$ (231)	$ 86	$ (86)	$ 4,648
Guarantee deposits	1,893	52	-	-	-	-	1,945
	$ 10,460	$ (8,058)	$ 4,422	$ (231)	$ 86	$ (86)	$ 6,593

For the year ended December 31, 2022

	Balance at January 1	Cash Flows	Non-cash Changes: Lease Modifications	Non-cash Changes: Amortization of Interest	Non-cash Changes: Others	Balance at December 31
Lease liabilities	$ 16,957	$ (8,213)	$ (177)	$ 208	$ (208)	$ 8,567
Guarantee deposits	1,893	-	-	-	-	1,893
	$ 18,850	$ (8,213)	$ (177)	$ 208	$ (208)	$ 10,460

27. CAPITAL RISK MANAGEMENT

The objective of the Group’s capital management is to ensure that the companies in the Group can continue to operate, and maximize shareholder returns by optimizing the balance of debt and equity.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings, and other equity).

28. Income-generating equipment

a. Fair value of financial instruments not measured at fair value

   Among the financial assets and financial liabilities not measured at fair value, there is no material difference between the carrying amount and the fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial asset at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	$ 42,524	$ -	$ -	$ 42,524
Domestic unlisted shares	-	-	77,966	77,966
Foreign unlisted shares	-	-	6,615	6,615
	$ 42,524	$ -	$ 84,581	$ 127,105

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 52,004	$ -	$ -	$ 52,004
Financial asset at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	$ 36,265	$ -	$ -	$ 36,265
Domestic unlisted shares	-	-	76,364	76,364
Foreign unlisted shares	-	-	6,599	6,599
	$ 36,265	$ -	$ 82,963	$ 119,228

There were no transfers between Level 1 and Level 2 in the current and prior years.

2) Reconciliation of Level 3 fair value measurements of financial instruments

Financial asset at FVTOCI - equity instruments

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 82,963	$ 91,156
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	1,600	(8,193)
Purchase	286	-
Disposal	(286)	-
Balance at December 31	$ 84,581	$ 82,963

3) Valuation techniques and assumptions for measuring fair value

When the Group is trading mutual funds or stocks in the market, their fair values are based on their net asset value and the market closing prices at the balance sheet date.

Investments in domestic unlisted equity is calculated by the market approach or asset approach, and the fair value of the investment target is calculated.

In the market approach, the fair value of the investment target is determined based on the transaction price of the stock of companies engaged in similar businesses in the active market, the value multiplier implied by the price, and the discount for lack of marketability.

In the asset approach, the market value of individual assets and liabilities covered by the investment target is used to reflect the value of the business or activities.

c. Categories of financial instruments

	December 31	
	2023	**2022**
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ -	$ 52,004
Financial assets at amortized cost (Note 1)	830,664	767,402
Financial assets recognized at FVTOCI		
Equity instruments	127,105	119,228
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	688,411	431,520

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise notes payable, accounts payable, other payables (excluding salaries and bonuses payable), long-term borrowing and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, accounts receivable, other financial assets, accounts payable, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risks.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Group is mainly exposed to the USD, RMB and EUR.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative (positive).

	USD Impact For the Year Ended December 31		**RMB Impact For the Year Ended December 31**		**EUR Impact For the Year Ended December 31**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Profit or loss	$ (18)	$ (175)	$ -	$ (144)	$ (9)	$ 146

The above effects of profit and loss were mainly derived from the Group's foreign currency deposits, accounts receivable and accounts payable valued in the USD, RMB and EUR which were still circulating at the balance sheet date.

The significant change in the sensitivity to exchange rates during the year compared to the same period last year was mainly due to the change in bank deposits.

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 46,000	$ 20,000
Financial liabilities	4,648	8,567
Cash flow interest rate risk		
Financial assets	527,443	512,010
Financial liabilities	437,893	218,185

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 12.5 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 12.5 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $112 thousand and $367 thousand, respectively, which was mainly a result of demand deposits, foreign currency deposits, time deposits and long-term borrowing risk of interest rate risk.

The Group's sensitivity to interest rates decreased during the current year mainly due to the increase in long-term borrowing.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed or unlisted equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 5% higher/lower, pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by $6,355 thousand and $5,961 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to the listed equity securities increased, mainly due to the increase in securities valuation held by the Group.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and due to financial guarantee provided by the Group, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheet.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's notes receivable and accounts receivable covers a wide range of customers in different industries and geographical areas, the Group does not have significant credit risk to any single counterparty or any group of counterparties with similar characteristics.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods that has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2023

	Within 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 248,573	$ -	$ 1,945	$ -
Lease liabilities	2,074	1,513	1,095	-
Variable interest rate liabilities	1,181	3,542	204,622	266,046
	$ 251,828	$ 5,055	$ 207,662	$ 266,046

December 31, 2022

	Within 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 211,137	$ 305	$ 1,893	$ -
Lease liabilities	2,081	6,098	400	-
Variable interest rate liabilities	516	1,549	71,479	160,871
	$ 213,734	$ 7,952	$ 73,772	$ 160,871

Financing facilities

	December 31	
	2023	2022
Secured bank facilities		
Amount used	$ 437,893	$ 218,185
Amount unused	248,107	467,815
	$ 686,000	$ 686,000

29. TRANSACTIONS WITH RELATED PARTIES

a. Related parties

Related Party Name	Related Party Category
PhytoHealth Corporation	Investments accounted for using the equity method (associate)
AmCad BioMed Corporation	Investments accounted for using the equity method (associate)
Broadsound Corporation	Investments accounted for using the equity method (associate)
Lu Te Na a Limited	Investments accounted for using the equity method (associate)
Taiwan Incubator SME Development Corp.	The chairman is the same as the company (other related parties)

b. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

1) Sales

Line Item	Related Party Category	For the Year Ended December 31 2023	2022
Operating revenue	Associates	$ 5,932	$ 5,940
	Other related parties	$ 2	$ 3

The Group had signed a contract with PhytoHealth Corporation to sell its products. The Group is responsible for sell its promotion business of medicine and health care products. According to the terms of the contract, service will be charged monthly.

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Operating costs	Purchases of goods		
	PhytoHealth Corporation	$ 96,859	$ 73,611
	Other operation costs - associates	$ 311	$ 435

The Group had signed a contract with PhytoHealth Corporation to sell its products "PG2® Lyo. Injection", "Epipen F.C.," and other drugs in Taiwan. The contract term is set to start in January 1, 2014 to December 31, 2016. If a party is not notified the contract would not be renewed in writing by the expiration date, and the contract would automatically be renewed for one more year.

The Group had signed a contract with AmCad BioMed Corporation to sell its products "AmCAD-Ute" in Taiwan. The contract term is set to start on April 24, 2015 and end on March 31, 2018. If a party is not notified the contract would not be renewed in writing by the expiration date, and the contract would automatically be renewed for one more year. PhytoHealth Corporation requested the Group to issue a guarantee note for $10,000 thousand as collateral of payment.

The purchase and sales prices and collection and payment terms to related parties were not significantly different from those purchase and sales to third parties.

Line Item	Related Party Category	For the Year Ended December 31 2023	2022
Selling and marketing expenses	Associates	$ 3	$ 25

Selling expenses are the commissions paid by the Group to associates.

2) Receivables from related parties

Line Item	Related Party Category/Name	December 31 2023	2022
Accounts receivable	Associates	$ -	$ 114
Other receivables	Associates		
	PhytoHealth Corporation	$ 1,848	$ 946
	AmCad BioMed Corporation	48	53
		$ 1,896	$ 999

The outstanding accounts receivable from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment losses were recognized for accounts receivable from related parties.

Other receivables represent payments made on behalf of the Group.

3) Payables to related parties

Line Item	Related Party Category/Name	December 31 2023	2022
Accounts payable	Associates		
	PhytoHealth Corporation	$ 24,171	$ 21,000
	Other	14	103
		$ 24,185	$ 21,103
Other payables	Associates	$ 366	$ 17

4) Refundable deposits

Related Party Category/Name	December 31 2023	2022
Associates		
PhytoHealth Corporation	$ 1,448	$ 1,448
AmCad BioMed Corporation	249	249
	$ 1,697	$ 1,697

The refundable deposits are deposits received from PhytoHealth Corporation and AmCad BioMed Corporation for the rental of a plant and warehouse.

5) Lease arrangements

Lease arrangements - the Group is lessor under an operating lease

The Group leases the right of using part of the plant to AmCad BioMed Corporation and PhytoHealth Corporation under an operating lease. Part of the lease agreement is specified three months prior to the expiration of the lease period each year. The lease period will be automatically extended for one year if there are no objections.

Lease receivables were as follows:

	For the Year Ended December 31	
Related Party Category/Name	**2023**	**2022**
Related parties		
PhytoHealth Corporation	$ 551	$ 551
AmCad BioMed Corporation	98	98
	$ 649	$ 649

Lease payments to be received in the future were as follows:

	December 31	
Related Party Category/Name	**2023**	**2022**
Associates		
PhytoHealth Corporation	$ 10,472	$ 5,591
AmCad BioMed Corporation	652	711
Lu Te Na Company Limited	72	36
	$ 11,196	$ 6,338

Total lease revenue was as follows:

	For the Year Ended December 31	
Related Party Category/Name	**2023**	**2022**
Associates		
PhytoHealth Corporation	$ 6,301	$ 6,301
AmCad BioMed Corporation	1,118	1,118
Lu Te Na Company Limited	36	36
	$ 7,455	$ 7,455

The rental amounts and collection methods are similar to that of general leasing transactions.

c. Remuneration of key management personnel

	For the Year Ended December 31	
	2023	**2022**
Short-term employee benefits	$ 43,546	$ 43,114
Post-employment benefits	681	680
	$ 44,227	$ 43,794

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged as collateral for long-term borrowings:

	December 31	
	2023	**2022**
Land	$ 74,189	$ 74,189
Buildings	65,439	67,930
	$ 139,628	$ 142,119

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group were as follows:

a. As of December 31, 2023 and 2022, the Group issued and deposited guarantee notes as purchase and performance guarantee, both of which are $10,000 thousand.

b. As of December 31, 2023 and 2022, the Group had unrecognized contractual commitments of $236,709 thousand and $510,608 thousand for the acquisition of property, plant and equipment, respectively.

32. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

(In Thousands of New Taiwan Dollars and Foreign Currency)

December 31, 2023

	Foreign Currency	**Exchange Rate**	**Carrying Amount**
Financial assets			
Monetary items			
USD	$ 33	30.71 (USD:NTD)	$ 1,028
EUR	263	33.98 (EUR:NTD)	9,033

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	$ 21	30.71 (USD:NTD)	$ 670
EUR	258	33.98 (EUR:NTD)	8,860

(Concluded)

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 180	30.71 (USD:NTD)	$ 5,537
EUR	105	32.72 (EUR:NTD)	3,448
RMB	656	4.392 (RMB:NTD)	2,883
Financial liabilities			
Monetary items			
USD	66	30.71 (USD:NTD)	2,037
EUR	204	32.72 (EUR:NTD)	6,377

Refer to Note 23 (h) for the foreign currency exchange gains and losses (realized and unrealized) of the Group in 2023 and 2022. Due to the wide variety of foreign currency transactions, it is impractical to disclose the exchange gains and losses by each foreign currency.

34. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others: None;

2) Endorsements/guarantees provided: None;

3) Marketable securities held (excluding investments in subsidiaries and associates): (Table 1);

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None;

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None;

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None;

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None;

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None;

9) Trading in derivative instruments: None;

10) Intercompany relationships and significant intercompany transactions: (Table 4)

b. Information on investees (Table 2)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 3)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: None;

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year (Table 3);

c) The amount of property transactions and the amount of the resultant gains or losses: None;

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: None;

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds: None;

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None;

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 5)

35. SEGMENT INFORMATION

Information reported to the Group’s chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided. The reporting departments of the Group are as follows: Management Department, and MeiwuHair department, Medical drugs department.

a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Department Income For the Year Ended December 31		Department Gain/Loss For the Year Ended December 31	
	2023	2022	2023	2022
Consumer Business Unit	$ 891,012	$ 883,115	$ 187,885	$ 198,409
Pharmaceutical Business Unit	409,709	361,990	100,553	89,052
Total from continuing operations	$ 1,300,721	$ 1,245,105	288,438	287,461
Inseparable general and administrative expense (Including other revenue and expenses, net)			(93,770)	(88,302)
Interest income			7,602	5,403
Rental income			11,105	11,121
Dividend income			5,953	7,603
Other income			2,286	2,793
Foreign exchange gains, net			738	2,446
Gain on financial assets at fair value through profit or loss			209	95
Interest expenses			(92)	(2,561)
Share of loss of associates			(12,221)	(17,706)
Profit before taxes (Continue to operate unit)			$ 210,248	$ 208,353

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales for the years ended December 31, 2023 and 2022.

Segment profit represented the profit before tax earned by each segment without interest income, rental income, dividend income, other income, net foreign exchange gain or loss, gain on financial assets at fair value through profit or loss, interest expense and share of profit or loss of associates accounted for using the equity method. This measured amount was reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment assets

The Group had not reported segment assets and liabilities information to the chief operating decision maker. Thus, no disclosure is made.

c. Information on major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2023	**2022**
Customer A	$ 142,483	$ 120,557
Customer B	99,506	126,475
	$ 241,989	$ 247,032

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 1)	
Maywufa Company Ltd.	Share							
	Cathay Financial Holdings Co., Ltd.	-	Financial assets at fair value through other comprehensive income	503	$ 23,010	-	$ 23,010	Listed shares
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income	301	19,514	-	19,514	Listed shares
	Taiwan Incubator SME Development Corp.	Same chairman of the board of directors	Financial assets at fair value through other comprehensive income	8,526	67,713	12.08	67,713	
	Miho International Cosmetic Co., Ltd.	-	Financial assets at fair value through other comprehensive income	333	2,669	0.39	2,669	
	Career Consulting Co., Ltd.	-	Financial assets at fair value through other comprehensive income	505	7,304	3.23	7,304	
	Amersen Bioscience International, Inc.	-	Financial assets at fair value through other comprehensive income	568	-	8.43	-	
	Biowell Technology, Inc.	-	Financial assets at fair value through other comprehensive income	3,272	-	7.56	-	
	WS Fashion Group Co., Ltd.	-	Financial assets at fair value through other comprehensive income	13	280	0.45	280	
	Amkey Biotechnology Venture Capital Inc.	-	Financial assets at fair value through other comprehensive income	147	6,615	6.66	6,615	
					$ 127,105			

Note 1: Reference of fair value: Listed (over the counter) stocks of financial assets measured by fair value through other comprehensive income are the closing prices at the end of December 2023, and unlisted (over the counter) stocks are estimated market prices based on the fair value evaluation method.

Note 2: For information of subsidiaries and associates, refer to Tables 2 and 3 below.

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars and Foreign Currency, except shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2023	December 31, 2022	Shares (In Thousands)	%	Carrying Amount			
Maywufa Company Ltd.	Related company										
	PhytoHealth Corporation	Fuxing N. Rd., Taipei City, Taiwan (R.O.C.)	Pharmaceutical research and development, production, manufacturing and sales	$ 1,016,963	$ 1,016,963	35,131	17.69	$ 457,071	$ (47,117)	$ (9,478)	
	AmCad BioMed Corporation	Fuxing N. Rd., Taipei City, Taiwan (R.O.C.)	Medical materials and equipment manufacturing	65,749	65,749	3,474	6.52	24,811	(45,314)	(2,948)	
	Broadsound Corporation	Xintai Rd., Zhubei City, Taiwan (R.O.C.)	Medical materials and equipment manufacturing	26,360	26,360	2,019	10.00	23,324	6,059	227	
	Lu Te Na Company Limited	Fuxing N. Rd., Taipei City, Taiwan (R.O.C.)	Cosmetics Sales	7,000	7,000	700	35.00	2,355	(62)	(22)	
	Subsidiaries										
	Maywufa Corporation	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investment	US$ 8,500	US$ 8,500	8,500	100.00	138,823	(3,124)	(3,124)	
Maywufa Corporation	Maywufa Hongkong Corporation Limited	Room 06, G/F, 535 Canton Road, Kowloon, Hong Kong	Investment	US$ 8,500	US$ 8,500	8,500	100.00	139,532	(3,124)	(3,124)	
Maywufa Hongkong Corporation Limited	Maywufa Cosmetics (Shanghai) Co., Ltd.	Room 902, No. 777, Hongqiao Road, Xuhui District, Shanghai	Cosmetics and household goods wholesale	US$ 7,500	US$ 7,500	-	100.00	139,529	(3,124)	(3,124)	

Note 1: Recognition of investment gains (losses) was based on the investee's audited financial statements.

Note 2: For the information on investment in mainland China, refer to Table 3.

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars and US Dollars)

1. Name of the investee company in mainland China, main business, paid-in capital, investment method, capital remittance, shareholding ratio, investment profit and loss, book value of investment at the end of the period, and repatriated investment profit and loss were as follow:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Accumulated Repatriation of Investment Income as of December 31, 2023	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance for Investment from Taiwan as of December 31, 2023
					Outward	Inward						
Maywufa Cosmetics (Shanghai) Co., Ltd.	Cosmetics and household goods wholesale	$ 226,459 (US$ 7,500)	Investing in mainland China through companies located in a third region (Note 1)	$ 226,459 (US$ 7,500)	$ -	$ -	$ 226,459 (US$ 7,500)	$ (3,124)	100	$ (3,124) (Note 2)	$ 139,529	$ -

Note 1: The Company located in a third region is Maywufa Hongkong Corporation Limited.

Note 2: Investment gains and losses are recognized according to the audited financial statements.

2. Investment limit in mainland China

(Amounts in Thousands of New Taiwan Dollars and US Dollars)

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$226,459 (US$7,500)	$337,755 (US$11,000)	$1,222,294

Note: Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA = $2,037,156 × 60% = $1,222,294

3. The significant transactions with investee companies in mainland China either directly or indirectly through a third region.

Investee Company	Relationship with the Company	Transaction Type	Price	Transaction Details			Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss
				Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Maywufa Cosmetics (Shanghai) Co., Ltd	Subsidiaries	Sales revenue	$ 12,584	Determined by contract or negotiation	The credit period for hairdressing products is 3 months	Similar to general transaction	$ -	-	$ 710

4. Endorsements, guarantees or collateral provided to mainland investment companies directly or indirectly through companies in a third region businesses: None.

5. Financing of funds provided to mainland investment companies directly or indirectly through companies a third region businesses.: None.

6. Other transactions that have a significant impact on the current profit or loss or financial position: None.

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transactions Details			
				Financial Statement Accounts	Amount (Note 1)	Payment Terms	% of Total Sales or Assets (Note 2)
0	Maywufa Company Ltd.	Maywufa cosmetics (Shanghai) Co., Ltd	Parent company to subsidiary	Operating income	$ 12,584	Similar to general transaction The credit period for hairdressing products is 3 months	1

Note 1: The table only shows one-way transactions, and the transactions have been eliminated.

Note 2: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, if it is an asset - liability account, it is calculated as the ending balance of the consolidated total assets; if it is a profit and loss account, it is calculated as the cumulative amount to the consolidated total revenue.

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares Held (Shares)	Percentage of Ownership (%)
Cheng Yi Investment Company Ltd.	23,594,819	17.75
PhytoHealth Corporation	16,737,700	12.59
Li Ling Investment Company Ltd.	14,946,556	11.24

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.