

Maywufa Company Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2024 and 2023 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, 2024, 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

LEE CHEN CHIA
Chairman

February 27, 2025

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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, 2024, the operating revenue from some customers increased compared to the year ended December 31, 2023. Because revenues from such customers have materially influenced the Group's financial statements, we considered the validity of the occurrence of revenue recognition for the year ended December 31, 2024 a key audit matter.

For accounting policy on revenue recognition, refer to Note 4(1); 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, 2024 and 2023, 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, 2024 and 2023, the amounts of the investments accounted for using the equity method of Maywufa Group were NT\$510,639 thousand and NT\$505,206 thousand, respectively, representing 16% and 18% 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, 2024 and 2023 were NT\$17,315 thousand and NT\$12,199 thousand, respectively, representing (8%) and (6%) 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, 2024 and 2023, 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, 2024 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 Hai-Yueh Huang and Cheng-Chuan Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2025

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 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, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 175,367	6	\$ 178,481	6
Financial assets at fair value through profit or loss (Notes 4 and 7)	12,000	-	-	-
Notes receivable (Notes 4 and 8)	11,145	-	22,522	1
Accounts receivable (Notes 4, 8 and 29)	239,286	8	226,268	8
Other receivables (Notes 4, 8 and 29)	1,889	-	2,927	-
Inventories (Notes 4 and 9)	279,750	9	257,911	9
Prepayments	2,160	-	1,321	-
Other financial assets - current (Notes 4 and 10)	418,120	13	395,130	14
Other current assets (Note 16)	<u>380</u>	<u>-</u>	<u>1,576</u>	<u>-</u>
Total current assets	<u>1,140,097</u>	<u>36</u>	<u>1,086,136</u>	<u>38</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 12)	135,606	5	127,105	5
Investments accounted for using the equity method (Notes 4 and 13)	512,968	16	507,561	18
Property, plant and equipment (Notes 4, 14, 29 and 30)	1,269,968	40	956,203	34
Right-of-use assets (Notes 4 and 15)	4,255	-	4,588	-
Intangible assets (Note 4)	7,072	-	4,637	-
Deferred tax assets (Notes 4 and 24)	31,669	1	26,117	1
Refundable deposits	5,163	-	5,336	-
Net defined benefit assets - non-current (Notes 4 and 20)	71,508	2	59,742	2
Other non-current assets (Note 16)	<u>-</u>	<u>-</u>	<u>54,646</u>	<u>2</u>
Total non-current assets	<u>2,038,209</u>	<u>64</u>	<u>1,745,935</u>	<u>62</u>
TOTAL	<u>\$ 3,178,306</u>	<u>100</u>	<u>\$ 2,832,071</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ 35,000	1	\$ -	-
Notes payable (Note 18)	10	-	125	-
Accounts payable (Notes 18 and 29)	96,398	3	83,514	3
Other payables (Notes 19 and 29)	249,975	8	215,573	7
Current tax liabilities (Notes 4 and 24)	27,100	1	25,631	1
Lease liabilities - current (Notes 4 and 15)	1,818	-	3,564	-
Other current liabilities	<u>22,255</u>	<u>1</u>	<u>25,581</u>	<u>1</u>
Total current liabilities	<u>432,556</u>	<u>14</u>	<u>353,988</u>	<u>12</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 17 and 30)	634,464	20	437,893	16
Deferred tax liabilities (Notes 4 and 24)	18	-	5	-
Lease liabilities - non-current (Notes 4 and 15)	2,504	-	1,084	-
Guarantee deposits (Note 29)	<u>1,945</u>	<u>-</u>	<u>1,945</u>	<u>-</u>
Total non-current liabilities	<u>638,931</u>	<u>20</u>	<u>440,927</u>	<u>16</u>
Total liabilities	<u>1,071,487</u>	<u>34</u>	<u>794,915</u>	<u>28</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Note 21)				
Share capital - ordinary shares	<u>1,329,152</u>	<u>42</u>	<u>1,329,152</u>	<u>47</u>
Capital surplus	<u>192,157</u>	<u>6</u>	<u>189,320</u>	<u>7</u>
Retained earnings				
Legal reserve	214,672	6	197,797	7
Special reserve	89,821	3	106,162	3
Unappropriated earnings	<u>343,379</u>	<u>11</u>	<u>304,546</u>	<u>11</u>
Total retained earnings	<u>647,872</u>	<u>20</u>	<u>608,505</u>	<u>21</u>
Other equity	<u>(62,362)</u>	<u>(2)</u>	<u>(89,821)</u>	<u>(3)</u>
Total equity	<u>2,106,819</u>	<u>66</u>	<u>2,037,156</u>	<u>72</u>
TOTAL	<u>\$ 3,178,306</u>	<u>100</u>	<u>\$ 2,832,071</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated February 27, 2025)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 29)	\$ 1,485,873	100	\$ 1,300,721	100
OPERATING COSTS (Notes 4, 9, 20, 23 and 29)	<u>524,118</u>	<u>35</u>	<u>446,349</u>	<u>34</u>
GROSS PROFIT	<u>961,755</u>	<u>65</u>	<u>854,372</u>	<u>66</u>
OPERATING EXPENSES (Notes 4, 20, 23 and 29)				
Selling and marketing expenses	636,739	43	555,166	43
General and administrative expenses	117,344	8	103,859	8
Expected credit impairment loss (Note 8)	<u>31</u>	<u>-</u>	<u>679</u>	<u>-</u>
Total operating expenses	<u>754,114</u>	<u>51</u>	<u>659,704</u>	<u>51</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 23 and 29)	<u>(403)</u>	<u>-</u>	<u>-</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>207,238</u>	<u>14</u>	<u>194,668</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Note 23)				
Interest income	8,301	1	7,602	1
Other income (Note 29)	22,230	1	19,299	1
Other gains and losses	797	-	992	-
Interest expense	(3,170)	-	(92)	-
Share of profit or loss of associates (Notes 4 and 13)	<u>(17,341)</u>	<u>(1)</u>	<u>(12,221)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>10,817</u>	<u>1</u>	<u>15,580</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	218,055	15	210,248	16
INCOME TAX EXPENSE (Notes 4 and 24)	<u>44,823</u>	<u>3</u>	<u>41,150</u>	<u>3</u>
NET PROFIT	<u>173,232</u>	<u>12</u>	<u>169,098</u>	<u>13</u>

(Continued)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	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	\$ 11,399	1	\$ (803)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	22,254	1	7,859	-
Share of the other comprehensive income of associates accounted for using the equity method	7,923	1	11,568	1
Items that may be reclassified subsequently to profit and loss				
Exchange differences on translation of financial statement of foreign operations	<u>4,871</u>	<u>-</u>	<u>(2,630)</u>	<u>-</u>
Total other comprehensive income (loss) (net of income tax)	<u>46,447</u>	<u>3</u>	<u>15,994</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 219,679</u>	<u>15</u>	<u>\$ 185,092</u>	<u>14</u>
NET INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	<u>\$ 173,232</u>	<u>12</u>	<u>\$ 169,098</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the parent	<u>\$ 219,679</u>	<u>15</u>	<u>\$ 185,092</u>	<u>14</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 1.30</u>		<u>\$ 1.27</u>	
Diluted	<u>\$ 1.30</u>		<u>\$ 1.27</u>	

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

(With Deloitte & Touche auditors' report dated February 27, 2025)

(Concluded)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Share Capital (Note 21)	Capital Surplus (Note 21)	Retained Earnings (Note 21)			Other Equity (Note 21)		Total Equity
			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	
BALANCE AT JANUARY 1, 2023	\$ 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 for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(803)</u>	<u>(2,630)</u>	<u>19,427</u>	<u>15,994</u>
Total comprehensive income for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,295</u>	<u>(2,630)</u>	<u>19,427</u>	<u>185,092</u>
BALANCE AT DECEMBER 31, 2023	1,329,152	189,320	197,797	106,162	304,546	(18,070)	(71,751)	2,037,156
Appropriation of 2023 earnings								
Legal reserve	-	-	16,875	-	(16,875)	-	-	-
Reversal of special reserve	-	-	-	(16,341)	16,341	-	-	-
Cash dividends - NT\$1.15 per share	-	-	-	-	(152,853)	-	-	(152,853)
Other changes in capital surplus								
Changes in capital surplus from investments in associates accounted for using the equity method (Notes 13 and 21)	-	2,837	-	-	-	-	-	2,837
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)	-	-	-	-	7,589	-	(7,589)	-
Net profit for the year ended December 31, 2024	-	-	-	-	173,232	-	-	173,232
Other comprehensive income for the year ended December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,399</u>	<u>4,871</u>	<u>30,177</u>	<u>46,447</u>
Total comprehensive income for the year ended December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,631</u>	<u>4,871</u>	<u>30,177</u>	<u>219,679</u>
BALANCE AT DECEMBER 31, 2024	<u>\$ 1,329,152</u>	<u>\$ 192,157</u>	<u>\$ 214,672</u>	<u>\$ 89,821</u>	<u>\$ 343,379</u>	<u>\$ (13,199)</u>	<u>\$ (49,163)</u>	<u>\$ 2,106,819</u>

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

(With Deloitte & Touche auditors' report dated February 27, 2025)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 218,055	\$ 210,248
Adjustments for:		
Depreciation expense	35,493	27,253
Amortization expense	1,928	1,542
Expected credit impairment loss	31	679
Net gain on fair value changes of financial assets at fair value through profit or loss	(95)	(209)
Interest expense	3,170	92
Interest income	(8,301)	(7,602)
Dividend income	(7,735)	(5,953)
Share of loss of associates	17,341	12,221
Write-down of inventories	5,274	947
Loss on disposal of property, plant and equipment	403	-
Gain on lease modification	-	(45)
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	(11,905)	52,213
Notes receivable	11,491	(514)
Accounts receivable	(13,163)	(21,128)
Other receivables	1,054	(815)
Inventories	(27,271)	(26,401)
Net defined benefit assets	(367)	(393)
Prepayments	(848)	115
Other current assets	1,196	(677)
Notes payable	(115)	(125)
Accounts payable	12,884	5,259
Other payables	35,722	38,317
Other current liabilities	(3,304)	471
Cash generated from operations	270,938	285,495
Interest paid	(6,350)	(3,257)
Income tax paid	(48,893)	(37,919)
Net cash generated from operating activities	215,695	244,319
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(18)
Disposal of financial assets at fair value through other comprehensive income	13,753	-
Payments for property, plant and equipment	(269,419)	(251,559)
Disposal of property, plant and equipment	131	-
Decrease (Increase) in refundable deposits	176	(179)
Payments for intangible assets	(4,363)	(2,570)
Increase in other financial assets	(22,990)	(40,260)
Increase in other non-current assets	(17,241)	(27,292)

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MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Interest received	\$ 8,285	\$ 7,535
Other dividends received	<u>7,735</u>	<u>5,953</u>
Net cash used in investing activities	<u>(283,933)</u>	<u>(308,390)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	35,000	50,000
Decrease in short-term borrowings	-	(50,000)
Proceeds from long-term borrowings	196,571	219,708
Increase in guarantee deposits	-	52
Repayment of the principal portion of lease liabilities	(4,380)	(8,110)
Cash dividends	(152,853)	(146,207)
Acquisition of associates	(11,988)	-
Dividends unclaimed by shareholders	<u>-</u>	<u>1,075</u>
Net cash generated from financing activities	<u>62,350</u>	<u>66,518</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>2,774</u>	<u>(1,470)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,114)	977
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>178,481</u>	<u>177,504</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 175,367</u>	<u>\$ 178,481</u>

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

(With Deloitte & Touche auditors' report dated February 27, 2025)

(Concluded)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 businesses 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, 2025.

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 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
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Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)
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Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

- 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)
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Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
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
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended 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 the 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 the substantial right at the end of the reporting period 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 businesses).

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.

When the Group subscribes for additional new stock of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Group's share of equity of associates accounted for using the equity method. If the Group's ownership interest is reduced due to the additional subscription of the new stock of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

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.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

- iv) The disappearance of an active market for that financial asset because of 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	
	2024	2023
Cash on hand and petty cash	\$ 120	\$ 120
Checking accounts and demand deposits	118,967	119,081
Cash equivalents		
Time deposits with original maturities of 3 months or less	<u>56,280</u>	<u>59,280</u>
	<u>\$ 175,367</u>	<u>\$ 178,481</u>

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

	December 31	
	2024	2023
Demand deposits	0.002%-1.150%	0.05%-1.45%
Time deposits with original maturities of 3 months or less	1.225%	1.10%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
<u>Current</u>		
Mutual funds	<u>\$ 12,000</u>	<u>\$ -</u>

8. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2024	2023
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 11,258	\$ 22,749
Less: Allowance for impairment loss	<u>(113)</u>	<u>(227)</u>
	<u>\$ 11,145</u>	<u>\$ 22,522</u>
<u>Accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 241,702	\$ 228,563
Less: Allowance for impairment loss	<u>(2,440)</u>	<u>(2,295)</u>
	<u>239,262</u>	<u>226,268</u>
Accounts receivable from related parties (Note 29)	24	-
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>24</u>	<u>-</u>
	<u>\$ 239,286</u>	<u>\$ 226,268</u>
<u>Other receivables</u>		
Interest	\$ 270	\$ 254
Other	<u>50</u>	<u>128</u>
	320	382
Other receivables from related parties	<u>1,569</u>	<u>2,545</u>
	<u>\$ 1,889</u>	<u>\$ 2,927</u>

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 transacts with a large number of unrelated customers; therefore, credit risk is not highly concentrated. In this regard, the management believes the Group's credit risk is 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 prepared 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, 2024

	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	\$ 11,258	\$ -	\$ -	\$ -	\$ -	\$ 11,258
Loss allowance (Lifetime ECLs)	<u>(113)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113)</u>
Amortized cost	<u>\$ 11,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,145</u>

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)	<u>(227)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(227)</u>
Amortized cost	<u>\$ 22,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,522</u>

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

	<u>For the Year Ended December 31</u>	
	2024	2023
Balance at January 1	\$ 227	\$ 210
Add: Provision	-	17
Less: Reversal	<u>(114)</u>	<u>-</u>
Balance at December 31	<u>\$ 113</u>	<u>\$ 227</u>

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 transacts with a large number of unrelated customers; therefore, credit risk is not highly concentrated. 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 prepared 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 bases.

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, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 180 days past due, whichever occurs earlier. For 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, 2024

	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%	-	-	-	
Gross carrying amount	\$ 222,500	\$ 19,226	\$ -	\$ -	\$ -	\$ 241,726
Loss allowance (Lifetime ECLs)	<u>(2,248)</u>	<u>(192)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,440)</u>
Amortized cost	<u>\$ 220,252</u>	<u>\$ 19,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,286</u>

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)	<u>(2,241)</u>	<u>(54)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,295)</u>
Amortized cost	<u>\$ 220,968</u>	<u>\$ 5,296</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,268</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 2,295	\$ 2,146
Add: Provision	145	662
Less: Amounts written off	<u>-</u>	<u>(513)</u>
Balance at December 31	<u>\$ 2,440</u>	<u>\$ 2,295</u>

c. Other receivables

The Group measures the loss allowance for other receivables at an amount equal to lifetime ECLs. The Group estimates the loss allowance by reference to the past default records of the customer and the customer's current financial position and uses other publicly available financial information or its own trading records to the rate default risk of different receivables. As of December 31, 2024 and 2023, the management of the Group assessed other receivables with no expected credit losses.

9. INVENTORIES

	December 31	
	2024	2023
Commodities	\$ 68,181	\$ 66,589
Finished goods	125,605	102,502
Raw materials	43,261	40,989
Packaging materials	36,742	35,337
Work in progress	<u>5,961</u>	<u>12,494</u>
	<u>\$ 279,750</u>	<u>\$ 257,911</u>

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

	For the Year Ended December 31	
	2024	2023
Cost of inventories sold	\$ 509,573	\$ 438,634
Write-down of inventories	5,274	947
Inventory obsolescence loss	9,262	6,836
Loss (Gain) on physical inventory counts	<u>9</u>	<u>(68)</u>
	<u>\$ 524,118</u>	<u>\$ 446,349</u>

10. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2024	2023
Time deposits with original maturities of more than 3 months	<u>\$ 418,120</u>	<u>\$ 395,130</u>

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	
	2024	2023
Time deposits	1.285%-1.69%	1.16%-1.565%

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Percentage % Ownership	
			December 31	
			2024	2023
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	
	2024	2023
<u>Non-current</u>		
Domestic investments		
Listed shares	\$ 49,360	\$ 42,524
Unlisted shares	79,314	77,966
Foreign investments		
Unlisted shares	<u>6,932</u>	<u>6,615</u>
	<u>\$ 135,606</u>	<u>\$ 127,105</u>

Refer to Note 34, Table 1 of (Marketable Securities Held) for information relating to the investments in the above table.

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.

The Group adjusted the portion of the investment and sold certain listed ordinary shares at the fair value of \$13,753 thousand, resulting in an unrealized gain of \$7,606 thousand in the related other equity - financial assets at fair value through other comprehensive income and loss transferred to retained earnings in 2024.

After capital reduction, the unlisted domestic investees offset the number 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 related earnings in 2023.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2024	2023
<u>Listed company</u>		
PhytoHealth Corporation	\$ 451,990	\$ 457,071
AmCad BioMed Corporation	35,763	24,811
<u>Unlisted company</u>		
Broadsound Corporation	22,886	23,324
Lu Te Na Company Limited	<u>2,329</u>	<u>2,355</u>
	<u>\$ 512,968</u>	<u>\$ 507,561</u>

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

Name of Company	December 31	
	2024	2023
PhytoHealth Corporation	17.69%	17.69%
AmCad BioMed Corporation	6.31%	6.52%
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 obtained some directors of these companies; therefore, it has significant influence over these companies, which are all accounted for using the equity method.

Refer to Note 34 and Table 2 (Information on Investees) for more information on the investees.

For the years ended December 31, 2024 and 2023, the Group's investment income or loss recognized using the equity method in its affiliated companies was as follows:

Name of Company	December 31	
	2024	2023
PhytoHealth Corporation	\$ (13,527)	\$ (9,478)
AmCad BioMed Corporation	(3,350)	(2,948)
Broadsound Corporation	(438)	227
Lu Te Na Company Limited	<u>(26)</u>	<u>(22)</u>
	<u>\$ (17,341)</u>	<u>\$ (12,221)</u>

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, 2024 and 2023, respectively, the Group's shareholding in AmCad BioMed Corporation was reduced, 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 \$25 thousand and 32 thousand.

The base date for the capital increase was July 24, 2024, and AmCad BioMed Corporation increased its capital by 10,000 thousand shares at NT\$23 per share in cash. The Group subscribed to 521 thousand shares, with a subscription amount of \$11,988 thousand. Due to not subscribing in proportion to its shareholding, the Group's shareholding ratio in AmCad BioMed decreased to 6.31%. The unrealized gain (loss) on investment in equity instruments measured at fair value through other comprehensive income or loss related to the decrease in equity was also reversed by \$(17) thousand to retained earnings in decrease according to shareholding ratio.

The Group recognized an increase of \$2,812 thousand and \$171 thousand in capital surplus for the changes in other equity of the associates in proportion to its shareholding as of December 31, 2024 and 2023, respectively.

The Group recognized \$2,271 thousand of equity instruments measured at fair value through other comprehensive income for the years ended December 31, 2024, 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:

	<u>For the Year Ended December 31</u>	
	2024	2023
The Group's share of:		
Loss from continuing operations	\$ (17,341)	\$ (12,221)
Other comprehensive income (loss)	<u>7,923</u>	<u>11,568</u>
Total comprehensive income (loss)-for the year	<u>\$ (9,418)</u>	<u>\$ (653)</u>

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

	<u>For the Year Ended December 31</u>	
	2024	2023
PhytoHealth Corporation	<u>\$ 590,196</u>	<u>\$ 762,336</u>
AmCad BioMed Corporation	<u>\$ 89,288</u>	<u>\$ 92,750</u>

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Income-generating Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>							
Balance at January 1, 2024	\$ 293,932	\$ 389,928	\$ 51,767	\$ 2,515	\$ 2,181	\$ 472,125	\$ 1,212,448
Additions	-	83,468	7,348	3,137	1,708	175,673	271,334
Reclassification (Note)	-	606,349	97,586	14,402	-	(646,450)	71,887
Disposals	-	(7,524)	(19,704)	(824)	(2,181)	-	(30,233)
Effects of foreign currency exchange differences	-	4,274	-	3	-	-	4,277
Balance at December 31, 2024	<u>\$ 293,932</u>	<u>\$ 1,076,495</u>	<u>\$ 136,997</u>	<u>\$ 19,233</u>	<u>\$ 1,708</u>	<u>\$ 1,348</u>	<u>\$ 1,529,713</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2024	\$ -	\$ (213,815)	\$ (38,498)	\$ (1,776)	\$ (2,156)	\$ -	\$ (256,245)
Depreciation expenses	-	(22,757)	(6,779)	(1,234)	(336)	-	(31,106)
Disposals	-	7,524	19,170	824	2,181	-	29,699
Effects of foreign currency exchange differences	-	(2,090)	-	(3)	-	-	(2,093)
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ (231,138)</u>	<u>\$ (26,107)</u>	<u>\$ (2,189)</u>	<u>\$ (311)</u>	<u>\$ -</u>	<u>\$ (259,745)</u>
Carrying amount at December 31, 2024	<u>\$ 293,932</u>	<u>\$ 845,357</u>	<u>\$ 110,890</u>	<u>\$ 17,044</u>	<u>\$ 1,397</u>	<u>\$ 1,348</u>	<u>\$ 1,269,968</u>
<u>Cost</u>							
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	<u>\$ 293,932</u>	<u>\$ 389,928</u>	<u>\$ 51,767</u>	<u>\$ 2,515</u>	<u>\$ 2,181</u>	<u>\$ 472,125</u>	<u>\$ 1,212,448</u>
<u>Accumulated depreciation and impairment</u>							
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	<u>\$ -</u>	<u>\$ (213,815)</u>	<u>\$ (38,498)</u>	<u>\$ (1,776)</u>	<u>\$ (2,156)</u>	<u>\$ -</u>	<u>\$ (256,245)</u>
Carrying amount at December 31, 2023	<u>\$ 293,932</u>	<u>\$ 176,113</u>	<u>\$ 13,269</u>	<u>\$ 739</u>	<u>\$ 25</u>	<u>\$ 472,125</u>	<u>\$ 956,203</u>

Note: The reclassification is transferred from the prepayments for equipment.

There was no indication of impairment of the property, plant and equipment for the years ended December 31, 2024 and 2023.

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

Buildings	
Main building	34-61 years
Mechanical and electrical engineering	5-20 years
Decoration engineering	3-15 years
Machinery and equipment	3-15 years
Income-generating equipment	3-10 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	
	2024	2023
<u>Carrying amount</u>		
Buildings	\$ -	\$ 2,698
Transportation equipment	<u>4,255</u>	<u>1,890</u>
	<u>\$ 4,255</u>	<u>\$ 4,588</u>
	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	<u>\$ 4,054</u>	<u>\$ 4,422</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 2,698	\$ 6,421
Transportation equipment	<u>1,689</u>	<u>1,631</u>
	<u>\$ 4,387</u>	<u>\$ 8,052</u>

The Group didn't have significant impairment of right-of-use assets for the year ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31	
	2024	2023
<u>Carrying amounts</u>		
Current	<u>\$ 1,818</u>	<u>\$ 3,564</u>
Non-current	<u>\$ 2,504</u>	<u>\$ 1,084</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2024	2023
Buildings	1.079%	1.079%-1.596%
Transportation equipment	1.079%-1.211%	1.079%-1.596%

c. Material leasing activities and terms

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

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

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

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	<u>\$ 2,232</u>	<u>\$ 2,599</u>
Expenses relating to low-value asset leases	<u>\$ 341</u>	<u>\$ 347</u>
Total cash outflow for leases	<u>\$ (7,007)</u>	<u>\$ (11,142)</u>

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	
	2024	2023
<u>Current</u>		
Temporary payments	<u>\$ 380</u>	<u>\$ 1,576</u>
<u>Non-current</u>		
Prepayments for equipment	<u>\$ -</u>	<u>\$ 54,646</u>

17. BORROWINGS

a. Short-term borrowings

	December 31	
	2024	2023
Unsecured borrowings		
Credit bank loans	<u>\$ 35,000</u>	<u>\$ -</u>

The effective interest rate for bank loans was 0.5% as of December 31, 2024.

b. Long-term borrowings

	December 31	
	2024	2023
Secured borrowings (Note 30)		
Bank loans	<u>\$ 634,464</u>	<u>\$ 437,893</u>

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 1.21% per annum, and the loan period is eight years.

18. NOTES PAYABLE AND ACCOUNTS PAYABLE

	December 31	
	2024	2023
<u>Notes payable</u>		
Operating	\$ <u>10</u>	\$ <u>125</u>
<u>Accounts payable</u>		
Operating	\$ 76,670	\$ 59,329
Related parties (Note 29)	<u>19,728</u>	<u>24,185</u>
	<u>\$ 96,398</u>	<u>\$ 83,514</u>

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	
	2024	2023
Promotion expense payable	\$ 83,419	\$ 69,002
Advertising expense payable	69,153	49,362
Payables on salaries and bonuses	55,463	50,639
Others	<u>41,940</u>	<u>46,570</u>
	<u>\$ 249,975</u>	<u>\$ 215,573</u>

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	
	2024	2023
Present value of defined benefit obligation	\$ 34,430	\$ 49,015
Fair value of plan assets	<u>(105,938)</u>	<u>(108,757)</u>
Net defined benefit asset	<u>\$ (71,508)</u>	<u>\$ (59,742)</u>

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, 2024	<u>\$ 49,015</u>	<u>\$ (108,757)</u>	<u>\$ (59,742)</u>
Service costs			
Current service costs	350	-	350
Net interest expense (income)	<u>549</u>	<u>(1,266)</u>	<u>(717)</u>
Recognized in profit or loss	<u>899</u>	<u>(1,266)</u>	<u>(367)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(9,901)	(9,901)
Actuarial losses - experience adjustments	<u>(1,498)</u>	<u>-</u>	<u>(1,498)</u>
Recognized in other comprehensive income	<u>(1,498)</u>	<u>(9,901)</u>	<u>(11,399)</u>
Benefits paid	<u>(13,986)</u>	<u>13,986</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 34,430</u>	<u>\$ (105,938)</u>	<u>\$ (71,508)</u>

(Continued)

	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)
			(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	
	2024	2023
Discount rate	1.55%	1.20%
Expected rate of salary increase	2.00%	2.00%

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

	December 31	
	2024	2023
Discount rates		
0.25% increase	\$ (556)	\$ (731)
0.25% decrease	\$ 571	\$ 751
Expected rates of salary increase		
0.25% increase	\$ 570	\$ 749
0.25% decrease	\$ (558)	\$ (733)

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	
	2024	2023
Average duration of the defined benefit obligation	6 years	6 years

21. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2024	2023
Shares authorized (in thousands of shares)	300,000	300,000
Shares capital authorized	\$ 3,000,000	\$ 3,000,000
Shares issued and fully collected (in thousands of shares)	132,915	132,915
Share capital issued and fully collected	\$ 1,329,152	\$ 1,329,152

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as <u>cash dividends, or transferred to share capital (Note 1)</u>		
Issuance of ordinary shares	\$ 161,940	\$ 161,940
<u>May only be used to offset a deficit</u>		
Share of changes in capital surplus of associates	29,142	26,305
Dividends unclaimed by shareholders (Note 2)	1,075	1,075
	\$ 192,157	\$ 189,320

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, 2024 and 2023, for each class of capital surplus was as follows:

	Issuance of Ordinary Shares	Changes in Capital Surplus from Investment in Associates Accounted for Using the Equity Method	Dividends Unclaimed by Shareholders	Total
Balance at January 1, 2024	\$ 161,940	\$ 26,305	\$ 1,075	\$ 189,320
Changes in capital surplus from investments in associates accounted for using the equity method	<u>-</u>	<u>2,837</u>	<u>-</u>	<u>2,837</u>
Balance at December 31, 2024	<u>\$ 161,940</u>	<u>\$ 29,142</u>	<u>\$ 1,075</u>	<u>\$ 192,157</u>
Balance at January 1, 2023	\$ 161,940	\$ 26,102	\$ -	\$ 188,042
Changes in capital surplus from investments in associates accounted for using the equity method	-	203	-	203
Dividends unclaimed by shareholders	<u>-</u>	<u>-</u>	<u>1,075</u>	<u>1,075</u>
Balance at December 31, 2023	<u>\$ 161,940</u>	<u>\$ 26,305</u>	<u>\$ 1,075</u>	<u>\$ 189,320</u>

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 10% 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 (h).

Appropriation of earnings to the 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 the Company makes a provision for the special surplus reserve for the net reduction of other benefits accumulated in the previous period, it only makes a provision for the undistributed surplus of the previous period.

The appropriations of earnings for 2023 and 2022 that had been resolved by the shareholders in their meeting on May 29, 2024 and May 26, 2023, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 16,875	\$ 19,332
(Reversal) special reserve	\$ (16,341)	\$ 46,805
Cash dividends	\$ 152,853	\$ 146,207
Cash dividends per share (NT\$)	\$ 1.15	\$ 1.10

The Board of Directors of the Company proposed the following distribution of earnings for 2024 on February 27, 2025, were as follows:

	For the Year Ended December 31, 2024
Legal reserve	\$ 19,222
Reversal special reserve	\$ (27,460)
Cash dividends	\$ 159,498
Cash dividends per share (NT\$)	\$ 1.20

The appropriation of earnings for 2024 is subject to the resolution of the shareholders' meeting to be held on June 5, 2025.

d. Special reserve

The cumulative translation adjustment transferred to retained earnings was \$8,874 thousand when the Company initially adopted IFRS Accounting Standards. The increase in retained earnings from the initial adoption of IFRS Accounting Standards 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 IFRS Accounting Standards.

e. Other equity items

	December 31	
	2024	2023
Exchange differences on translation of financial statements of foreign operations		
Attributable to the Company	\$ (13,199)	\$ (18,070)
Unrealized valuation gain (loss) on financial assets at FVTOCI		
Attributable to the Company	(79,560)	(94,208)
Share from associates accounted for using the equity method	30,397	22,457
	<u>(49,163)</u>	<u>(71,751)</u>
	\$ (62,362)	\$ (89,821)

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	
	2024	2023
Balance at January 1	\$ (18,070)	\$ (15,440)
Recognized for the year		
Exchange differences on translation of financial statements of foreign operations	<u>4,871</u>	<u>(2,630)</u>
Other comprehensive income recognized for the year	<u>4,871</u>	<u>(2,630)</u>
Balance at December 31	<u>\$ (13,199)</u>	<u>\$ (18,070)</u>

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

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ (71,751)	\$ (90,722)
Recognized for the year		
Unrealized gain (loss) equity instruments	22,254	7,859
Share from associates accounted for using the equity method	<u>7,923</u>	<u>11,568</u>
Other comprehensive income	<u>30,177</u>	<u>19,472</u>
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	<u>(7,589)</u>	<u>(456)</u>
Balance at December 31	<u>\$ (49,163)</u>	<u>\$ (71,751)</u>

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

22. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods		
Consumer business unit	\$ 1,045,332	\$ 891,012
Pharmaceutical business unit	<u>440,541</u>	<u>409,709</u>
	<u>\$ 1,485,873</u>	<u>\$ 1,300,721</u>

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. Net other operating income and expenses

	<u>For the Year Ended December 31</u>	
	2024	2023
Loss on disposal of property, plant and equipment	\$ <u>403</u>	\$ <u>-</u>

b. Interest income

	<u>For the Year Ended December 31</u>	
	2024	2023
Bank deposits	\$ <u>8,301</u>	\$ <u>7,602</u>

c. Other income

	<u>For the Year Ended December 31</u>	
	2024	2023
Rental income	\$ 11,268	\$ 11,105
Dividend income	7,735	5,953
Other income	<u>3,227</u>	<u>2,241</u>
	\$ <u>22,230</u>	\$ <u>19,299</u>

d. Other gains and losses

	<u>For the Year Ended December 31</u>	
	2024	2023
Fair value changes of financial assets		
Financial assets mandatorily classified as at FVTPL	\$ 95	\$ 209
Gain on lease modification	-	45
Net foreign exchange gains	<u>702</u>	<u>738</u>
	\$ <u>797</u>	\$ <u>992</u>

e. Interest expense

	For the Year Ended December 31	
	2024	2023
Interest on bank loans	\$ 6,450	\$ 3,296
Interest on lease liabilities	54	86
Less: Capitalized interest	<u>(3,334)</u>	<u>(3,290)</u>
	<u>\$ 3,170</u>	<u>\$ 92</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2024	2023
Capitalized interest amount	<u>\$ 3,334</u>	<u>\$ 3,290</u>
Capitalization rate	1.08%-1.21%	0.68%-1.08%

f. Depreciation and amortization expense

	For the Year Ended December 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	\$ 14,073	\$ 14,567
Operating expenses	<u>21,420</u>	<u>12,686</u>
	<u>\$ 35,493</u>	<u>\$ 27,253</u>
An analysis of amortization by function		
Operating costs	\$ 1,106	\$ 701
Operating expenses	<u>822</u>	<u>841</u>
	<u>\$ 1,928</u>	<u>\$ 1,542</u>

g. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits (Note 20)		
Defined contribution plans	\$ 7,884	\$ 7,009
Defined benefit plans	(367)	(382)
Other employee benefits		
Salaries and bonuses	187,999	171,330
Labor and health insurance	14,949	14,544
Other	<u>7,228</u>	<u>6,372</u>
Total employee benefits expense	<u>\$ 217,693</u>	<u>\$ 198,873</u>

(Continued)

	<u>For the Year Ended December 31</u>	
	2024	2023
An analysis of employee benefits expense by function		
Operating costs	\$ 48,085	\$ 39,910
Operating expenses	<u>169,608</u>	<u>158,963</u>
	<u>\$ 217,693</u>	<u>\$ 198,873</u>
		(Concluded)

h. 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 2024 and 2023, which were approved by the Company's board of directors on February 27, 2025 and February 27, 2024, respectively, are as follows:

Accrual rate

	<u>For the Year Ended December 31</u>	
	2024	2023
Compensation of employees	3%	3%
Remuneration of directors	2%	2%

Amount

	<u>For the Year Ended December 31</u>	
	2024	2023
	Cash	Cash
Compensation of employees	\$ 6,892	\$ 6,639
Remuneration of directors	4,595	4,426

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 consolidated financial statements for the years ended December 31, 2023 and 2022.

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.

- i. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gains	\$ 1,210	\$ 1,057
Foreign exchange losses	<u>(508)</u>	<u>(319)</u>
Net gains	<u>\$ 702</u>	<u>\$ 738</u>

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	
	2024	2023
Current tax		
In respect of the current year	\$ 51,489	\$ 47,216
Adjustments for prior year	<u>(1,127)</u>	<u>(3,931)</u>
	<u>50,362</u>	<u>43,285</u>
Deferred tax		
In respect of the current year	<u>(5,539)</u>	<u>(2,135)</u>
Income tax expense recognized in profit or loss	<u>\$ 44,823</u>	<u>\$ 41,150</u>

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

	For the Year Ended December 31	
	2024	2023
Profit before tax	<u>\$ 218,055</u>	<u>\$ 210,248</u>
Income tax expense calculated at the statutory rate	\$ 43,611	\$ 42,050
Nondeductible expenses in determining taxable income	1,135	1,194
Tax-exempt income	(1,566)	(1,231)
Unrecognized deductible temporary differences	2,770	3,068
Adjustments for prior years' tax	<u>(1,127)</u>	<u>(3,931)</u>
Income tax expense recognized in profit or loss	<u>\$ 44,823</u>	<u>\$ 41,150</u>

- b. Current tax liabilities

	December 31	
	2024	2023
Current tax liabilities		
Income tax payable	<u>\$ 27,100</u>	<u>\$ 25,631</u>

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2024

	Balance at January 1	Recognized in Profit or Loss	Balance at December 31
<u>Deferred tax assets</u>			
Temporary difference			
Inventory write-downs	\$ 1,377	\$ 1,056	\$ 2,433
Unrealized sales discounts and allowances	2,537	(758)	1,779
Unrealized promotion expense	13,744	2,547	16,291
Unrealized advertisement expense	7,947	2,438	10,385
Unrealized impairment loss of property, plant and equipment	359	(149)	210
Others	<u>153</u>	<u>418</u>	<u>571</u>
	<u>\$ 26,117</u>	<u>\$ 5,552</u>	<u>\$ 31,669</u>
<u>Deferred tax liabilities</u>			
Temporary difference			
Unrealized exchange gains	<u>\$ 5</u>	<u>\$ 13</u>	<u>\$ 18</u>

For the year ended December 31, 2023

	Balance at January 1	Recognized in Profit or Loss	Balance at December 31
<u>Deferred tax assets</u>			
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	<u>154</u>	<u>(1)</u>	<u>153</u>
	<u>\$ 23,993</u>	<u>\$ 2,124</u>	<u>\$ 26,117</u>
<u>Deferred tax liabilities</u>			
Temporary difference			
Unrealized exchange gains	<u>\$ 16</u>	<u>\$ (11)</u>	<u>\$ 5</u>

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

	December 31	
	2024	2023
Deductible temporary difference		
Losses of subsidiaries and affiliates recognized under the equity method	\$ 87,396	\$ 83,337
Impairment loss on financial assets measured at fair value through other comprehensive income	<u>17,807</u>	<u>17,807</u>
	<u>\$ 105,203</u>	<u>\$ 101,144</u>

- e. Income tax assessment

The income tax returns through 2022 have been assessed by the tax authorities, and there is no difference between the amount of approved and declared.

25. EARNINGS PER SHARE

The earnings 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	
	2024	2023
Net profit attributable to owners of the Company	<u>\$ 173,232</u>	<u>\$ 169,098</u>

Shares

	For the Year Ended December 31	
	2024	2023
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	<u>346</u>	<u>352</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>133,261</u>	<u>133,267</u>

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

a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing activities, which were not reflected in the consolidated statements of cash flows for the year ended December 31, 2024:

The Group's payments presented in other payables for property, plant and equipment amounted to \$1,915 thousand are still outstanding as of December 31, 2024.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2024

	Balance at January 1	Cash Flows	Non-cash Changes			Balance at December 31
			New Leases	Amortization of Interest	Others	
Short-term borrowings	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000
Long-term borrowings	437,893	196,571	-	-	-	634,464
Lease liabilities	4,648	(4,380)	4,054	54	(54)	4,322
Guarantee deposits	<u>1,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,945</u>
	<u>\$ 444,486</u>	<u>\$ 227,191</u>	<u>\$ 4,054</u>	<u>\$ 54</u>	<u>\$ (54)</u>	<u>\$ 675,731</u>

For the year ended December 31, 2023

	Balance at January 1	Cash Flows	Non-cash Changes				Balance at December 31
			New Lease	Lease Modification	Amortization of Interest	Others	
Long-term borrowings	\$ 218,185	\$ 219,708	\$ -	\$ -	\$ -	\$ -	\$ 437,893
Lease liabilities	8,567	(8,110)	4,422	(231)	86	(86)	4,648
Guarantee deposits	<u>1,893</u>	<u>52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,945</u>
	<u>\$ 228,645</u>	<u>\$ 211,650</u>	<u>\$ 4,422</u>	<u>\$ (231)</u>	<u>\$ 86</u>	<u>\$ (86)</u>	<u>\$ 444,486</u>

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. FINANCIAL INSTRUMENTS

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, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mutual funds	\$ 12,000	\$ -	\$ -	\$ 12,000
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 49,360	\$ -	\$ -	\$ 49,360
Domestic unlisted shares	-	-	79,314	79,314
Foreign unlisted shares	-	-	6,932	6,932
	<u>\$ 49,360</u>	<u>\$ -</u>	<u>\$ 86,246</u>	<u>\$ 135,606</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
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
	<u>\$ 42,524</u>	<u>\$ -</u>	<u>\$ 84,581</u>	<u>\$ 127,105</u>

There was no transfer between Level 1 and Level 2 in the current and prior years.

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

Financial assets at FVTOCI - equity instruments

	<u>For the Year Ended December 31</u>	
	2024	2023
Balance at January 1	\$ 84,581	\$ 82,963
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	1,665	1,600
Purchases	-	286
Disposals	-	(268)
Balance at December 31	<u>\$ 86,246</u>	<u>\$ 84,581</u>

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	
	2024	2023
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 12,000	\$ -
Financial assets at amortized cost (Note 1)	850,970	830,664
Financial assets recognized at FVTOCI		
Equity instruments	135,606	127,105
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	962,329	688,411

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 borrowings and short-term borrowings 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, JPY 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		JPY Impact		EUR Impact	
	For the Year Ended December 31		For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023	2024	2023
Profit or loss	\$ 17	\$ (18)	\$ 16	\$ -	\$ 2	\$ (9)

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, JPY and EUR which were still circulating at the balance sheet date.

The Group's exchange rate sensitivity fluctuated compared to the previous year. The Group's sensitivity to USD and EUR decreased and JPY increased respectively during the current period mainly due to a reduction in USD and EUR denominated portfolio and the expansion of JPY denominated liabilities.

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	
	2024	2023
Fair value interest rate risk		
Financial assets	\$ 128,000	\$ 46,000
Financial liabilities	4,322	4,648
Cash flow interest rate risk		
Financial assets	465,358	527,443
Financial liabilities	669,464	437,893

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, 2024 and 2023 would have increased/decreased by \$(255) thousand and \$112 thousand, respectively, which was mainly a result of demand deposits, foreign currency deposits, time deposits and long-term borrowings and short-term borrowings risk of interest rate risk.

The Group's sensitivity to interest rates decreased during the current year mainly due to the decrease in cash flow-generating other financial assets - current and the increase in long-term borrowings and short-term borrowings.

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 income for the years ended December 31, 2024 would have increased/decreased by \$600 thousand, respectively. Additionally, pre-tax other comprehensive income for the years ended December 31, 2024 and 2023 would have increased/decreased by \$6,780 thousand and \$6,355 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to price risk increased during the current period because of the increase in equity securities 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, therefore 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 have 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 include 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, 2024

	Within 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 290,920	\$ -	\$ 1,945	\$ -
Lease liabilities	500	1,359	2,532	-
Variable interest rate liabilities	<u>36,920</u>	<u>4,581</u>	<u>545,959</u>	<u>127,398</u>
	<u>\$ 328,340</u>	<u>\$ 5,940</u>	<u>\$ 550,436</u>	<u>\$ 127,398</u>

December 31, 2023

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

Financing facilities

	December 31	
	2024	2023
Unsecured bank facilities (reviewed annually)		
Amount used	\$ 35,000	\$ -
Amount unused	<u>-</u>	<u>-</u>
	<u>\$ 35,000</u>	<u>\$ -</u>
Secured bank facilities		
Amount used	\$ 634,464	\$ 437,893
Amount unused	<u>51,536</u>	<u>248,107</u>
	<u>\$ 686,000</u>	<u>\$ 686,000</u>

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 Limited	Investments accounted for using the equity method (associate)
Taiwan Incubator SME Development Corp.	The same chairman 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) Operating Transactions

Line Item	Related Party Category	For the Year Ended December 31	
		2024	2023
Operating revenue	Associates	\$ 6,165	\$ 5,932
	Other related parties	\$ 5	\$ 2

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	
		2024	2023
Operating costs	Purchases of goods		
	PhytoHealth Corporation	\$ 98,899	\$ 96,859
	Other operation costs - associates	\$ 43	\$ 311

The Group had signed a contract with PhytoHealth Corporation to sell its products “PG2® Lyo. Injection”, 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. The Group issued a guarantee note for \$10,000 thousand as collateral of payment.

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

Line Item	Related Party Category	For the Year Ended December 31	
		2024	2023
Selling expenses	Associates	\$ -	\$ 3

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

2) Receivables from related parties

Line Item	Related Party Category/Name	December 31	
		2024	2023
Accounts receivable	Associates	\$ <u>24</u>	\$ <u>-</u>
Other receivables	Associates		
	PhytoHealth Corporation	\$ 884	\$ 1,848
	AmCad BioMed Corporation	<u>36</u>	<u>48</u>
		\$ <u>920</u>	\$ <u>1,896</u>

The outstanding accounts receivable from related parties are unsecured. For the years ended December 31, 2024 and 2023, 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	
		2024	2023
Accounts payable	Associates		
	PhytoHealth Corporation	\$ 19,717	\$ 24,171
	Other	<u>11</u>	<u>14</u>
		\$ <u>19,728</u>	\$ <u>24,185</u>
Other payables	Associates	\$ <u>-</u>	\$ <u>366</u>

4) Refundable deposits

Related Party Category/Name	December 31	
	2024	2023
PhytoHealth Corporation	\$ 1,448	\$ 1,448
AmCad BioMed Corporation	<u>249</u>	<u>249</u>
	\$ <u>1,697</u>	\$ <u>1,697</u>

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 lessor of the Group under an operating lease

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

Lease receivables were as follows:

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
PhytoHealth Corporation	\$ 551	\$ 551
AmCad BioMed Corporation	<u>98</u>	<u>98</u>
	<u>\$ 649</u>	<u>\$ 649</u>

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

Related Party Category/Name	December 31	
	2024	2023
PhytoHealth Corporation	\$ 5,591	\$ 10,472
AmCad BioMed Corporation	652	652
Lu Te Na Company Limited	<u>36</u>	<u>72</u>
	<u>\$ 6,279</u>	<u>\$ 11,196</u>

Total lease revenue was as follows:

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
PhytoHealth Corporation	\$ 6,301	\$ 6,301
AmCad BioMed Corporation	1,118	1,118
Lu Te Na Company Limited	<u>36</u>	<u>36</u>
	<u>\$ 7,455</u>	<u>\$ 7,455</u>

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

6) Disposal of property, plant, and equipment

Related Party Category/Name	For the Year Ended December 31, 2024	
	Proceeds	Gain (Loss) on Disposal
PhytoHealth Corporation	<u>\$ 131</u>	<u>\$ -</u>

c. Remuneration of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 44,057	\$ 43,546
Post-employment benefits	<u>5,038</u>	<u>681</u>
	<u>\$ 49,095</u>	<u>\$ 44,227</u>

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	
	2024	2023
Land	\$ 74,189	\$ 74,189
Buildings	<u>741,266</u>	<u>65,439</u>
	<u>\$ 815,455</u>	<u>\$ 139,628</u>

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, 2024 and 2023, 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, the Group had unrecognized contractual commitments of \$236,709 thousand, respectively, for the acquisition of property, plant and equipment.

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 Currencies)

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 97	32.79 (USD:NTD)	\$ 3,172
JPY	3,005	0.21 (JPY:NTD)	631
EUR	73	34.14 (EUR:NTD)	2,499
<u>Financial liabilities</u>			
Monetary items			
USD	107	32.79 (USD:NTD)	3,517
JPY	4,505	0.21 (JPY:NTD)	945
EUR	74	34.14 (EUR:NTD)	2,531

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 33	30.71 (USD:NTD)	\$ 1,028
EUR	263	33.98 (EUR:NTD)	9,033
<u>Financial liabilities</u>			
Monetary items			
USD	21	30.71 (USD:NTD)	670
EUR	258	33.98 (EUR:NTD)	8,860

Please refer to Note 23 (i) for the foreign currency exchange gains and losses (realized and unrealized) of the Group in 2024 and 2023. 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 and joint ventures): (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, Consumer Business Department, and Pharmaceutical Business 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		Department Gain/Loss	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2024	2023	2024	2023
Consumer Business Unit	\$ 1,045,332	\$ 891,012	\$ 203,302	\$ 187,885
Pharmaceutical Business Unit	<u>440,541</u>	<u>409,709</u>	<u>113,268</u>	<u>100,553</u>
Total from continuing operations	<u>\$ 1,485,873</u>	<u>\$ 1,300,721</u>	316,570	288,438
Inseparable management expense (including other revenue and expenses, net)			(109,332)	(93,770)
Interest income			8,301	7,602
Rental income			11,268	11,105
Dividend income			7,735	5,953
Other income			3,227	2,286
Foreign exchange gains, net			702	738
Gain on financial assets at fair value through profit or loss			95	209
Interest expenses			(3,170)	(92)
Share of loss of associates			<u>(17,341)</u>	<u>(12,221)</u>
Profit before taxes (continue to operate unit)			<u>\$ 218,055</u>	<u>\$ 210,248</u>

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales for the years ended December 31, 2024 and 2023.

Segment profit represented the profit before tax earned by each segment without interest income, rental income, dividend income, other income, foreign currency exchange gains, gain of 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:

	<u>For the Year Ended December 31</u>	
	2024	2023
Customer A	<u>\$ 178,450</u>	<u>\$ 142,483</u>

TABLE 1

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(Amounts in Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 1)	
Maywufa Company Ltd.	<u>Share</u> Cathay Financial Holdings Co., Ltd.	-	Financial assets at fair value through other comprehensive income	503	\$ 34,352	-	\$ 34,352	Listed shares
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income	166	15,008	-	15,008	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	69,112	12.08	69,112	
	Miho International Cosmetic Co., Ltd.	-	Financial assets at fair value through other comprehensive income	333	2,140	0.39	2,140	
	Career Consulting Co., Ltd.	-	Financial assets at fair value through other comprehensive income	505	7,825	3.23	7,825	
	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	237	0.38	237	
	Amkey Biotechnology Venture Capital Inc.	-	Financial assets at fair value through other comprehensive income	147	6,932	6.66	6,932	
	<u>Fund</u> Capital Money Market Fund	-	Financial assets at fair value through profit or loss	713	12,000	-	12,000	

Note 1: Reference of fair value: Fund of financial assets measured by fair value through profit or loss are the net worth at the end of December 2024, 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 2024, 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.

TABLE 2

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Loss of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2024	December 31, 2023	Shares (In Thousands)	%	Carrying Amount			
Maywufa Company Ltd.	<u>Related company</u> 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	\$ 451,990	\$ (73,501)	\$ (13,527)	
	AmCad BioMed Corporation	Fuxing N. Rd., Taipei City, Taiwan (R.O.C.)	Medical materials and equipment manufacturing	77,737	65,749	3,995	6.31	35,763	(50,578)	(3,350)	
	Broadsound Corporation	Xintai Rd., Zhubei City, Taiwan (R.O.C.)	Medical materials and equipment manufacturing	26,360	26,360	2,019	10.00	22,886	(1,373)	(438)	
	Lu Te Na Company Limited	Fuxing N. Rd., Taipei City, Taiwan (R.O.C.)	Cosmetics sales	7,000	7,000	700	35.00	2,329	(73)	(26)	
	<u>Subsidiaries</u> 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	141,182	(2,955)	(2,955)	
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	141,448	(2,955)	(2,955)	
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	141,445	(2,955)	(2,955)	

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

Note 2: The amounts have been eliminated from the consolidated financial statements.

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

TABLE 3

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts in Thousands of New Taiwan Dollars and US Dollars)

1. Name of the investee company in mainland China, main businesses, 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, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Accumulated Repatriation of Investment Income as of December 31, 2024	Carrying Amount as of December 31, 2024	Accumulated Inward Remittance for Investment from Taiwan as of December 31, 2024
					Outward	Inward						
Maywufa Cosmetics (Shanghai) Co., Ltd.	Cosmetics and household goods wholesale	\$ 226,459 (US\$ 7,500)	Reinvesting in mainland China through companies located in a third region (Note 1)	\$ 226,459 (US\$ 7,500)	\$ -	\$ -	\$ 226,459 (US\$ 7,500)	\$ (2,955)	100	\$ (2,955) (Note 2)	\$ 141,445	\$ -

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 financial statements audited by the accountant.

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, 2024	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)	\$360,635 (US\$11,000)	\$1,264,091

Note: Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA = \$2,106,819 × 60% = \$1,264,091.

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

Investee Company	Relationship with the Company	Transaction Type	Price	Transaction Details			Notes/Accounts Receivable (Payable)		Unrealized (Loss) Gain
				Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Maywufa Cosmetics (Shanghai) Co., Ltd	Subsidiary	Sales revenue	\$ 7,354	Determined by contract or negotiation	The credit period for hairdressing products is 3 months	Similar to general transaction	\$ 1,456	1	\$ 267

4. Endorsements, guarantees, or collateral provided to mainland investment companies directly or indirectly through companies in a third region: None.
5. Direct and indirect financing with mainland investment companies via third regions: None.
6. Other transactions that have a significant impact on the current profit or loss or financial position: None.

TABLE 4

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR YEAR ENDED DECEMBER 31, 2024
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship	Transactions Details			
				Financial Statement Account	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	\$ 7,354	Similar to general transaction	-
				Accounts receivable	1,456	The credit period for hairdressing products is 3 months	-

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.

TABLE 5**MAYWUFA COMPANY LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****DECEMBER 31, 2024**

Major Shareholder Name	Shares	
	Number of Shares Held (Shares)	Shareholding Percentage (%)
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.