Grape King Bio Ltd.

Parent Company Only Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors’ Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Grape King Bio Ltd.

Opinion

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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 Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matter of the Company's parent company only financial statements for the year ended December 31, 2023 is described as follows:

<u>Valuation of Inventory</u>

The products of the Group mainly include health foods and beverages. Such products have shelf lives and are sold in a highly competitive consumer market, resulting in greater exposure to the risk of loss on inventory due to damage or expiration. The estimation of loss on inventory is based on market conditions, historical sales experience of similar products, and the net realizable value of inventory. Refer to Notes 4, 5, and 10 to the parent company only financial statements for the details on the valuation of inventory. The net carrying amount of inventory as of December 31, 2023 for the Company amounted to NT$577,560 thousand, which was significant to the parent company only financial statements, and the criteria to determine loss on inventory vary according to different categories of inventories which require material accounting estimates. Consequently, the valuation of inventory was identified as a key audit matter.

Our key audit procedures performed with respect to the above area included the following:

1. We understood and tested the design and tested the operating effectiveness of the key controls over the valuation of inventory;

2. We understood and assessed the reasonableness of the inventory valuation policy and estimates used by the management;

3. We performed an observation on the Company's annual physical count of inventory to assess for any indications of damaged or expired inventories not listed in the allowance for inventory loss;

4. We sampled and recalculated the accuracy of the net realizable value of inventory as well as performed calculations of the validity period from the year-end subsidiary ledgers and aging report of inventories, to verify that the allowance for inventory loss was appropriately recognized based on the about policy.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming Yuan Chung and Yu Feng Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

Notice to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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 financial statements shall prevail.

GRAPE KING BIO LTD.

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

ASSETS	2023 Amount	2023 %	2022 Amount	2022 %
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 945,045	8	$ 900,612	8
Financial assets at amortized cost (Note 8)	-	-	15,973	-
Notes and accounts receivable, net (Notes 9 and 20)	61,161	1	64,123	1
Accounts receivable from related parties (Notes 20 and 28)	368,421	3	380,036	4
Other receivables (Note 9)	437	-	2,364	-
Other receivables from related parties (Note 28)	79,394	1	81,586	1
Inventories (Note 10)	577,560	5	529,877	5
Other current assets (Note 16 and 28)	18,520	-	17,576	-
Total current assets	2,050,538	18	1,992,147	19
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Note 7)	128	-	14,344	-
Financial assets at amortized cost (Notes 8 and 29)	24,800	-	20,800	-
Investments accounted for using the equity method (Note 11)	3,634,427	33	3,531,227	33
Property, plant and equipment (Notes 12, 29 and 30)	4,937,837	44	4,659,885	44
Right-of-use assets (Note 13)	123,933	1	63,800	1
Investment properties (Note 14)	233,636	2	233,902	2
Intangible assets (Note 15)	64,529	1	31,701	-
Deferred tax assets (Note 22)	1,177	-	3,466	-
Other non-current assets (Notes 16 and 18)	60,606	1	125,408	1
Total non-current assets	9,081,073	82	8,684,533	81
TOTAL	$ 11,131,611	100	$ 10,676,680	100

LIABILITIES AND EQUITY	2023 Amount	2023 %	2022 Amount	2022 %
CURRENT LIABILITIES				
Contract liabilities (Note 20)	$ 23,924	-	$ 24,470	-
Notes and accounts payable	238,495	2	238,291	2
Other payables (Note 17)	483,070	5	521,953	5
Other payables to related parties (Note 28)	600	-	939	-
Current tax liabilities (Note 22)	194,241	2	176,400	2
Lease liabilities (Notes 13 and 28)	20,522	-	10,959	-
Other current liabilities (Note 17)	6,366	-	6,909	-
Total current liabilities	967,218	9	979,921	9
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 22)	77,323	-	69,378	1
Lease liabilities (Notes 13 and 28)	105,054	1	54,055	-
Other non-current liabilities (Notes 17 and 28)	3,717	-	3,554	-
Total non-current liabilities	186,094	1	126,987	1
Total liabilities	1,153,312	10	1,106,908	10
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)				
Share capital				
Ordinary shares	1,481,374	14	1,481,374	14
Capital surplus	2,876,346	26	2,874,232	27
Retained earnings				
Legal reserve	1,474,160	13	1,328,240	13
Special reserve	70,828	1	92,205	1
Unappropriated earnings	4,155,148	37	3,864,549	36
Total retained earnings	5,700,136	51	5,284,994	50
Other equity	(79,557)	(1)	(70,828)	(1)
Total equity	9,978,299	90	9,569,772	90
TOTAL	$ 11,131,611	100	$ 10,676,680	100

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

GRAPE KING BIO LTD.

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
NET REVENUE (Notes 20 and 28)	$ 2,854,451	100	$ 2,807,503	100
COST OF GOODS SOLD (Notes 10 and 21)	(1,425,577)	(50)	(1,477,591)	(53)
GROSS PROFIT	1,428,874	50	1,329,912	47
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	3,000	-	(14,429)	-
ADJUSTED GROSS PROFIT	1,431,874	50	1,315,483	47
OPERATING EXPENSES (Notes 18, 21 and 28)				
Selling and marketing	(447,129)	(16)	(406,236)	(14)
General and administrative	(406,069)	(14)	(350,972)	(13)
Research and development	(247,093)	(8)	(251,269)	(9)
Total operating expenses	(1,100,291)	(38)	(1,008,477)	(36)
INCOME FROM OPERATIONS	331,583	12	307,006	11
NON-OPERATING INCOME AND EXPENSES (Notes 11, 21 and 28)				
Interest income	9,554	-	1,591	-
Other income	98,260	4	99,028	4
Other gains and losses	577	-	432	-
Finance costs	(1,404)	-	(747)	-
Share of profit of subsidiaries and associates	1,092,884	38	1,124,146	40
Total non-operating income	1,199,871	42	1,224,450	44
PROFIT BEFORE INCOME TAX	1,531,454	54	1,531,456	55
INCOME TAX EXPENSE (Note 22)	(78,726)	(3)	(74,344)	(3)
NET PROFIT FOR THE YEAR	1,452,728	51	1,457,112	52
OTHER COMPREHENSIVE INCOME (LOSS) (Note 19)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	270	-	1,883	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(1,848)	-	2,954	-
Remeasurement of defined benefit plans for subsidiaries recognized using the equity method	(18)	-	725	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(50)	-	(522)	-

(Continued)

GRAPE KING BIO LTD.

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	$ (20,576)	(1)	$ 17,352	1
Exchange differences on translating the financial statements of foreign operations of associate	(1,945)	-	1,071	-
Other comprehensive income (loss) for the year, net of income tax	(24,167)	(1)	23,463	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,428,561	50	$ 1,480,575	53
EARNINGS PER SHARE (Note 23)				
Basic earnings per share	$ 9.81		$ 9.84	
Diluted earnings per share	$ 9.74		$ 9.78	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

GRAPE KING BIO LTD.

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

	Share Capital - Ordinary Shares			Retained Earnings			Others		
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2022	148,137	$ 1,481,374	$ 2,869,691	$ 1,198,125	$ 86,465	$ 3,444,844	$ (75,567)	$ (16,638)	$ 8,988,294
Appropriation of 2021 earnings									
Legal reserve	-	-	-	130,115	-	(130,115)	-	-	-
Special reserve	-	-	-	-	5,740	(5,740)	-	-	-
Cash dividends	-	-	-	-	-	(903,638)	-	-	(903,638)
Change from investment in associates accounted for using the equity method	-	-	2,809	-	-	-	-	-	2,809
Change in other capital surplus	-	-	1,732	-	-	-	-	-	1,732
Net profit for the year ended December 31, 2022	-	-	-	-	-	1,457,112	-	-	1,457,112
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	2,086	17,644	2,954	22,684
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	1,459,198	17,644	2,954	1,479,796
Disposal of subsidiary	-	-	-	-	-	-	779	-	779
BALANCE AT DECEMBER 31, 2022	148,137	1,481,374	2,874,232	1,328,240	92,205	3,864,549	(57,144)	(13,684)	9,569,772
Appropriation of 2022 earnings									
Legal reserve	-	-	-	145,920	-	(145,920)	-	-	-
Special reserve	-	-	-	-	(21,377)	21,377	-	-	-
Cash dividends	-	-	-	-	-	(1,022,148)	-	-	(1,022,148)
Change in other capital surplus	-	-	2,114	-	-	-	-	-	2,114
Net profit for the year ended December 31, 2023	-	-	-	-	-	1,452,728	-	-	1,452,728
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	202	(22,521)	(1,848)	(24,167)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,452,930	(22,521)	(1,848)	1,428,561
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(15,640)	-	15,640	-
BALANCE AT DECEMBER 31, 2023	148,137	$ 1,481,374	$ 2,876,346	$ 1,474,160	$ 70,828	$ 4,155,148	$ (79,665)	$ 108	$ 9,978,299

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

GRAPE KING BIO LTD.

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,531,454	$ 1,531,456
Adjustments for:		
Depreciation expenses	292,377	292,159
Amortization expenses	15,500	8,490
Expected credit loss recognized (reversed)	(3,179)	-
Net gain on financial assets at fair value through profit or loss	(358)	(631)
Finance costs	1,404	747
Interest income	(9,554)	(1,591)
Share of profit of subsidiaries and associates	(1,092,884)	(1,124,146)
Gain on disposal of property, plant and equipment, net	(3)	(15)
Loss on disposal of subsidiary	-	779
Loss (gain) on inventories on retirement and write-down (reversals)	(16,805)	21,273
Impairment loss on investments accounted for using the equity method	-	2,538
(Realized) unrealized gain on transactions with subsidiaries and associates	(3,000)	14,429
Unrealized gain on foreign currency exchange	(1,559)	-
Gain on modification of lease agreements	(14)	-
Changes in operating assets and liabilities		
Notes and accounts receivable, net	5,966	(10,301)
Accounts receivable from related parties	10,797	(76,183)
Other receivables	1,927	(603)
Other receivables from related parties	2,192	(7,435)
Inventories	(30,878)	17,027
Other current assets	(944)	17,988
Contract liabilities	(546)	6,186
Notes and accounts payable	204	46,231
Other payables	7,343	41,000
Other payables to related parties	(339)	(163)
Other current liabilities	(543)	4,053
Net defined benefit liabilities	(2,430)	(2,386)
Cash generated from operations	706,128	780,902
Interest received	9,554	1,591
Interest paid	(15)	(141)
Income tax paid	(50,705)	(30,140)
Net cash generated from operating activities	664,962	752,212

(Continued)

GRAPE KING BIO LTD.

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

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive (loss) income	$ 12,368	$ -
Acquisition of financial assets at amortized cost	(13,107)	(27,173)
Proceeds from sale of financial assets at amortized cost	-	8,940
Proceeds from redemption of financial assets at amortized cost	25,399	5,000
Acquisition of financial assets at fair value through profit or loss	(300,000)	(800,000)
Proceeds from sale of financial assets at fair value through profit or loss	300,358	1,001,010
Acquisition of investments accounted for using the equity method	-	(8,089)
Disposal of subsidiary (net cash of disposal)	-	27,586
Acquisition of property, plant and equipment	(563,959)	(442,272)
Proceeds from disposal of property, plant and equipment	3	15
Increase in refundable deposits	(991)	(1,886)
Decrease in refundable deposits	2,240	4,536
Acquisition of intangible assets	(13,878)	(13,698)
Dividends received	970,149	879,408
Net cash generated from investing activities	418,582	633,377
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	100	100
Repayments of long-term borrowings	(100)	(94,465)
Proceeds from guarantee deposits received	163	1,554
Refund of guarantee deposits received	-	(3,488)
Repayment of the principal portion of lease liabilities	(21,375)	(18,485)
Dividends paid to owners of the Company	(1,022,148)	(903,638)
Other financing activities	2,114	1,732
Net cash used in financing activities	(1,041,246)	(1,016,690)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,135	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	44,433	368,899
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	900,612	531,713
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 945,045	$ 900,612

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

1. GENERAL INFORMATION

Grape King Bio Ltd. (the "Company") was incorporated as a listed company limited by shares under the provisions of the Company Act, the Securities and Exchange Act and other related regulations of the Republic of China ("ROC"). In April 1971, the Company was officially registered as Grape King Food Limited and started its operations. In 1979, the Company merged with China Fuso Seiko Pharmaceutical Industries Ltd. and was renamed as Grape King Inc. In 1981, the Company further merged with Head Fancy Cosmetics Co. Ltd. The Company's shares are listed and have been trading on the Taiwan Stock Exchange (TWSE) since December 1982. In the annual shareholders' meeting held on June 12, 2002, the Company resolved to change its name to Grape King Bio Ltd. The Company is engaged in the production and sale of pharmaceutical preparations, patent medicine, liquid tonics, drinks, healthy food, etc. The Company's registered office and main business location is at No. 402, Sec. 2, Jinling Rd., Pingzhen Dist., Taoyuan City 324, Taiwan, Republic of China.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company's Board of Directors and issued February 26, 2024.

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

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

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies:

<u>Amendments to IAS 1 "Disclosure of Accounting Policies"</u>

When applying the amendments, the Company refers to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Moreover:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The accounting policy information is likely to be considered material to the financial statements if that information relates to material transactions, other events or conditions and:

1) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

2) The Company chose the accounting policy from options permitted by the standards;

3) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

4) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or

5) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

Refer to Note 4 for related accounting policy information.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

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

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

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

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

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

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

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

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

As of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company'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 parent company only financial statements have been prepared in conformity 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 parent company only 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 (liabilities) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

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

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

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, remeasurement of defined benefit plans for subsidiaries recognized using the equity method and the related equity items, as appropriate, in these parent company only financial statements.

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

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- 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:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

In preparing the financial statements, transactions in currencies other than the Company'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 measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value 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 items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e., not retranslated).

e. Inventories

Inventories consist of raw materials, supplies, semi-finished goods and work in progress, finished goods and merchandises, 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.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary 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 Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investments in associates

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

The Company 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 Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates.

When the Company subscribes for additional new shares 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 Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares 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 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 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 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 Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the parent company only financial statements only to the extent of interests in the associate that are not related to the Company.

h. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost. 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. If their respective lease terms are shorter than their useful lives, such assets are depreciated over their lease terms. 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. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

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

j. Intangible assets

1) Intangible assets acquired separately

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. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

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.

k. Impairment of property, plant and equipment, right-of-use asset, investment properties and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties and intangible assets, excluding goodwill, 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of 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, or cash-generating unit 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.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Company 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 recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

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

i. Financial assets 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.

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. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

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

i) The financial asset is 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 asset 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, including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable (net) (related parties included) and other receivables (related parties included) 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 assets, 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 assets that are not credit impaired on purchase or origination but have 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 Company 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, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company'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 Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable) and investments in debt instruments that are measured at FVTOCI.

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Company 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 Company 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 Company determines that internal or external information which shows that the debtor is unlikely to pay its creditors would indicate that a financial asset is in default (without taking into account any collateral held by the Company).

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 Company 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. However, 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 profit 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) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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.

m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

n. Revenue recognition

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of health food, beverages and cosmetics. Sales of health food, beverages and cosmetics are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. For sales of health food, beverages and cosmetics through its own retail outlets, revenue is recognized when the customer purchases the goods at the retail outlet. For internet sales of health food, beverages and cosmetics, revenue is recognized when the goods are delivered to the customer's specific location. When the customer initially purchases the goods online, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from ODM/OEM (Original Design Manufacturer/Original Equipment Manufacturer) services.

As the Company provides ODM/OEM services, customers simultaneously receive and consume the benefits provided by the Company's satisfaction performance obligations. Consequently, the related revenue is recognized when services are rendered.

o. Leases

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

1) The Company 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 Company as lessee

The Company 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, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. 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 Company uses the lessee's incremental borrowing rate.

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 resulting from a change in an index or a rate used to determine those payments, the Company 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. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

p. 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 that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. 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 services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when 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 net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. 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 liabilities (assets) represent the actual deficit (surplus) in the Company'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.

r. Taxation

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

1) Current tax

Income tax payable (refundable) 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 Law Act of 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 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 Company 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 recognized only 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 they 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. If investment properties measured using the fair value model are non-depreciable assets, or are held under a business model whose objective is not to consume substantially all of the economic benefits embodied in the assets over time, the carrying amounts of such assets are presumed to be recovered entirely through sale.

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’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.

When developing material accounting estimates, the Company considers the possible impact on other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. If the estimated revision only affects the current period, it will be recognized in the current period of the amendment. If the revision of the accounting estimate affects both the current period and the future period, it will be recognized in both the current period and the future period of the amendment.

Material Accounting Judgements

a. Lease terms

In determining a lease term, the Company considers all facts and circumstances that create an economic incentive to exercise or not to exercise an option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Main factors considered include contractual terms and conditions for the optional periods, significant leasehold improvements undertaken over the contract term, the importance of the underlying asset to the lessee's operations, etc. The lease term is reassessed if a significant change in circumstances that are within control of the Company occurs.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 9. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

c. Recognition and measurement of defined benefit plans

The net defined benefit liabilities (assets) and the resulting defined benefit costs under the defined benefit pension plans are calculated using the projected unit credit method. Actuarial assumptions comprise the discount rates, rates of employee turnover, future salary increases, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of related expenses and liabilities.

d. Lessee's incremental borrowing rates

In determining a lessee's incremental borrowing rate used in discounting lease payments, a risk-free rate for the same currency and relevant duration is selected as a reference rate, and the lessee's credit spread adjustments and lease specific adjustments (such as asset type, secured position, etc.) are also taken into account.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 275	$ 306
Deposits in banks		
Demand deposits	480,945	550,298
Checking accounts	8	8
Cash equivalents (investments with original maturities of less than 3 months)		
Repurchase agreements collateralized by bonds	450,000	350,000
Time deposits	13,817	-
	$ 945,045	$ 900,612

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Non-current - investments in equity instruments at FVTOCI		
Unlisted shares		
FU-Sheng International Inc. (Samoa)	$ -	$ 14,334
Hsin Tung Yang Co., Ltd.	128	10
	$ 128	$ 14,344

The Company acquired ordinary shares of FU-Sheng International Inc. (Samoa) and Hsin Tung Yang Co., Ltd. for medium to long-term 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 Company's strategy of holding these investments for long-term purposes.

FU-Sheng International Inc. (Samoa) completed the liquidation procedure in February 2023, and the unrealized gain or loss on financial assets at FVTOCI of $15,640 thousand was transferred to retained earnings.

Financial assets at fair value through other comprehensive income were not pledged.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
Current		
Time deposits with original maturities of more than 3 months	$ -	$ 15,973
Non-current		
Pledged time deposits	$ 24,800	$ 20,800

Refer to Note 27 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

Refer to Note 29 for information relating to investments in financial assets at amortized cost pledged as security.

9. NOTES AND ACCOUNTS RECEIVABLE, NET AND OTHER RECEIVABLES

	December 31	
	2023	**2022**
Notes receivable		
Notes receivable - operating	$ 589	$ 544
Accounts receivable		
At amortized cost		
Gross carrying amount	60,572	66,758
Less: Loss allowance	-	(3,179)
	60,572	63,579
	$ 61,161	$ 64,123
Other receivables		
Other receivables	$ 437	$ 2,364
Less: Loss allowance	-	-
	$ 437	$ 2,364

a. Notes and accounts receivable

Some of the Company’s customers use cash (or credit card) to settle payment; other than the customers who pay by cash (or credit card), the average credit period of sales of goods was 30-135 days. The Company adopted a policy of only dealing with entities that have passed internal credit assessment and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from default.

In order to minimize credit risk, the management of the Company 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. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company’s credit risk was significantly reduced.

The Company measures the loss allowance for notes and accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on notes and accounts receivable are estimated using a provision matrix by reference to the past default records of the debtor and an analysis of the debtor’s current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Company’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 Company’s different customer base.

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 3,179	$ 3,179
Less: Reversal of impairment loss	(3,179)	-
Balance at December 31	$ -	$ 3,179

Aging analysis of notes and accounts receivable (net) held by the Company was as follows:

	Neither Past Due nor Impaired	Past Due but not Impaired			Total
		Within 90 Days	91 to 180 Days	Over 180 Days	
December 31, 2023	$ 57,413	$ 3,748	$ -	$ -	$ 61,161
December 31, 2022	59,354	4,769	-	-	64,123

Notes and accounts receivable were not pledged.

b. Other receivables

The Company measures the loss allowance for other receivables at an amount equal to the actual credit losses of customers; therefore, there is no uncertain recovery in addition to the amount as follows.

10. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 213,431	$ 148,218
Semi-finished goods and work in progress	203,373	213,199
Raw materials	112,348	120,444
Supplies	48,312	47,670
Merchandise	96	346
	$ 577,560	$ 529,877

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

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	$ 1,425,577	$ 1,477,591
Loss on retirement	$ 8,797	$ 9,696
Inventory write-downs(reversals)	$ (16,805)	$ 21,273
Gain from physical counts	$ (2,708)	$ (2,493)

Inventories were not pledged.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	$ 3,583,475	$ 3,495,924
Investments in associates	50,952	35,303
	$ 3,634,427	$ 3,531,227

a. Investments in subsidiaries

	December 31	
	2023	2022
Pro-partner Inc. (Pro-partner)	$ 2,405,596	$ 2,329,961
GRAPE KING INTERNATIONAL INVESTMENT INC. (BVI) (GKBVI)	1,128,498	1,123,364
Rivershine Ltd. (Rivershine)	49,381	42,599
	$ 3,583,475	$ 3,495,924

	Proportion of Ownership and Voting Rights	
	December 31	
Name of subsidiaries	2023	2022
Pro-partner	60%	60%
GKBVI	100%	100%
Rivershine	100%	100%

Investments accounted for using the equity method were not pledged.

b. Investments in associates

	December 31	
	2023	2022
Associate that are not individually material		
GK BIO INTERNATIONAL SDN. BHD.	$ 50,952	$ 35,303
Shanghai Changhong Biotechnology Co., Ltd.	-	-
	$ 50,952	$ 35,303

In September 2022, the Company increased its equity interest by MYR1,200 thousand in GK BIO INTERNATIONAL SDN. BHD, and the proportion of ownership increased from 30% to 35%.

Shanghai Changhong Biotechnology Co., Ltd is accounted for using the equity method., because the company is currently undergoing its liquidation procedures in November 2022, resulting in a recoverable amount less than the amount of the Group's investment, the Company recognized investment losses of $2,538 thousand for the year ended December 31, 2022.

Aggregate information of associates that are not individually material.

	For the Year Ended December 31	
	2023	2022
The Company's share of:		
Net income	$ 19,476	$ 10,824
Other comprehensive income (loss)	(1,945)	1,071
Total comprehensive income	$ 17,531	$ 11,895

The Company had neither contingent liabilities nor capital commitments to the associate as of December 31, 2023 and 2022.

Investments in associates were not pledged.

12. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Assets used by the Company	$ 4,937,837	$ 4,659,885

a. Assets used by the Company

	For the Year Ended December 31, 2023				
	Balance at Beginning of Year	Additions	Disposals	Reclassification	Balance at End of Year
Cost					
Land	$ 1,522,723	$ -	$ -	$ -	$ 1,522,723
Land improvements	3,264	-	-	-	3,264
Buildings	2,954,216	2,097	-	487,213	3,443,526
Machinery and equipment	1,614,892	21,320	(40,353)	89,239	1,685,098
Transportation equipment	15,522	1,268	-	-	16,790
Leasehold improvements	17,998	-	-	-	17,998
Other equipment	352,769	12,294	(16,418)	896	349,541
Construction in progress	445,321	399,883	-	(464,576)	380,628
	6,926,705	$ 436,862	$ (56,771)	$ 112,772	7,419,568
Accumulated depreciation					
Land	-	$ -	$ -	$ -	-
Land improvements	2,238	272	-	-	2,510
Buildings	864,620	119,288	-	-	983,908
Machinery and equipment	1,115,875	111,562	(40,353)	-	1,187,084
Transportation equipment	12,750	900	-	-	13,650
Leasehold improvements	15,459	2,539	-	-	17,998
Other equipment	255,878	37,121	(16,418)	-	276,581
	2,266,820	$ 271,682	$ (56,771)	$ -	2,481,731
Carrying amount at December 31, 2023	$ 4,659,885				$ 4,937,837

	For the Year Ended December 31, 2022				
	Balance at Beginning of Year	**Additions**	**Disposals**	**Reclassification**	**Balance at End of Year**
Cost					
Land	$ 1,522,590	$ 13	$ -	$ 120	$ 1,522,723
Land improvements	3,264	-	-	-	3,264
Buildings	2,937,836	6,514	-	9,866	2,954,216
Machinery and equipment	1,520,359	26,473	-	68,060	1,614,892
Transportation equipment	16,057	-	(535)	-	15,522
Leasehold improvements	17,998	-	-	-	17,998
Other equipment	334,392	18,062	(585)	900	352,769
Construction in progress	102,741	335,447	-	7,133	445,321
	6,455,237	$ 386,509	$ (1,120)	$ 86,079	6,926,705
Accumulated depreciation					
Land	-	$ -	$ -	$ -	-
Land improvements	1,967	271	-	-	2,238
Buildings	747,034	117,586	-	-	864,620
Machinery and equipment	1,000,903	114,972	-	-	1,115,875
Transportation equipment	12,224	1,061	(535)	-	12,750
Leasehold improvements	12,032	3,427	-	-	15,459
Other equipment	219,411	37,052	(585)	-	255,878
	1,993,571	$ 274,369	$ (1,120)	$ -	2,266,820
Carrying amount at December 31, 2022	$ 4,461,666				$ 4,659,885

The significant parts of the Company’s buildings include main plants, air conditioning, electrical and wastewater treatment equipment and decoration, and the related depreciation is calculated based on the economic lives as below:

Significant Part of Buildings	Estimated Economic Lives
Main plant	30 to 60 years
Air conditioning and electrical	5 to 22 years
Wastewater treatment equipment	10 to 15 years
Decoration	15 years

No impairment assessment was performed for the years ended December 31, 2023 and 2022 as there was no indication of impairment.

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 29.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amounts		
Land	$ 46,580	$ 48,755
Buildings	70,118	10,827
Transportation equipment	6,280	2,887
Other equipment	955	1,331
	$ 123,933	$ 63,800

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 80,589	$ 12,489
Depreciation charge for right-of-use assets		
Land	$ 2,175	$ 2,094
Buildings	15,009	12,345
Transportation equipment	2,525	2,406
Other equipment	720	678
	$ 20,429	$ 17,523

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 20,522	$ 10,959
Non-current	$ 105,054	$ 54,055

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Land	1.02%	1.02%
Buildings	1.00%-1.80%	1.00%-1.02%
Transportation equipment	1.00%-1.80%	1.00%-1.02%
Other equipment	1.00%-1.84%	1.00%-1.02%

c. Material lease-in activities and terms

The Company leases certain land, buildings and transportation equipment with lease terms of 3 to 35 years. Lease payments for the lease contract of land will be adjusted on the basis of changes in announced land value prices. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term and low-value asset leases	$ 3,448	$ 1,743
Total cash outflow for leases	$ (24,823)	$ (20,228)

The Company leases certain land, transportation equipment and other equipment which qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

14. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1 and December 31, 2023	$ 224,988	$ 12,250	$ 237,238
Accumulated depreciation			
Balance at January 1, 2023	$ -	$ 3,336	$ 3,336
Depreciation expenses	-	266	266
Balance at December 31, 2023	$ -	$ 3,602	$ 3,602
Carrying amount at December 31, 2023	$ 224,988	$ 8,648	$ 233,636
Cost			
Balance at January 1 and December 31, 2022	$ 224,988	$ 12,250	$ 237,238
Accumulated depreciation			
Balance at January 1, 2022	$ -	$ 3,069	$ 3,069
Depreciation expenses	-	267	267
Balance at December 31, 2022	$ -	$ 3,336	$ 3,336
Carrying amount at December 31, 2022	$ 224,988	$ 8,914	$ 233,902

The investment properties are leased out for 5 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2023 and 2022 is as follows:

	December 31	
	2023	**2022**
Year 1	$ 2,832	$ 2,832
Year 2	2,832	2,832
Year 3	-	2,832
	$ 5,664	$ 8,496

Except for depreciation recognized, the Company did not have significant addition, disposal, or impairment of investment properties during the years ended December 31, 2023 and 2022. Investment properties are depreciated using the straight-line method over their estimated useful lives of 35 to 50 years.

Investment properties held by the Company are not measured at fair value; the fair value information below is for reference only. The determination of fair value was not performed by independent qualified professional valuers. The valuation was arrived at by reference to announced land value prices and market evidence of transaction prices for similar properties.

	December 31	
	2023	**2022**
Fair value	$ 335,990	$ 305,095

The investment property - land listed above includes a piece of agricultural land in the amount of NT$5,600 thousand, which has been acquired due to a settlement of doubtful accounts by the Company but registered under the name of the Company's chairman, Mr. Tseng. The Company has obtained a guarantee note amounting to NT$5,600 thousand from Mr. Tseng for security purpose.

Investment properties were not pledged.

15. INTANGIBLE ASSETS

	Computer Software	**Trademarks**	**Total**
Cost			
Balance at January 1, 2023	$ 59,732	$ 16,070	$ 75,802
Additions	13,878	-	13,878
Reclassifications	34,450	-	34,450
Balance at December 31, 2023	$ 108,060	$ 16,070	$ 124,130
Accumulated amortization			
Balance at January 1, 2023	$ 28,439	$ 15,662	$ 44,101
Amortization expenses	15,278	222	15,500
Balance at December 31, 2023	$ 43,717	$ 15,884	$ 59,601
Carrying amount at December 31, 2023	$ 64,343	$ 186	$ 64,529

(Continued)

	Computer Software	Trademarks	Total
Cost			
Balance at January 1, 2022	$ 37,168	$ 16,070	$ 53,238
Additions	13,698	-	13,698
Reclassifications	8,866	-	8,866
Balance at December 31, 2022	$ 59,732	$ 16,070	$ 75,802
Accumulated amortization			
Balance at January 1, 2022	$ 20,172	$ 15,439	$ 35,611
Amortization expenses	8,267	223	8,490
Balance at December 31, 2022	$ 28,439	$ 15,662	$ 44,101
Carrying amount at December 31, 2022	$ 31,293	$ 408	$ 31,701

(Concluded)

Except for the aforementioned addition and recognized amortization, the Company did not have disposal or impairment of other intangible assets during the years ended December 31, 2023 and 2022. Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3-10 years
Trademarks	3-4 years

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ 410	$ 410
Selling and marketing expenses	1,529	1,722
General and administrative expenses	13,150	6,328
Research and development expenses	411	30
	$ 15,500	$ 8,490

16. OTHER ASSETS

	December 31	
	2023	2022
Current assets		
Prepayments for purchases	$ 9,417	$ 6,839
Other prepaid expense	7,953	7,798
Other current assets	1,150	2,939
	$ 18,520	$ 17,576

(Continued)

	December 31	
	2023	2022
Non-current assets		
Prepayments for equipment	$ 32,573	$ 98,826
Net defined benefit assets	22,600	19,900
Refundable deposits	5,283	6,532
Other	150	150
	$ 60,606	$ 125,408

(Concluded)

17. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Bonus to employees	$ 139,417	$ 136,129
Salaries and incentive bonus	100,312	99,187
Payables for purchases of equipment	79,319	125,447
Bonus to directors	34,032	34,032
Accrued VAT payable	11,226	6,763
Other accrued expenses	116,837	118,779
Others	1,927	1,616
	$ 483,070	$ 521,953
Other liabilities		
Other current liabilities	$ 6,366	$ 6,909
Non-current		
Guarantee deposits received	$ 3,717	$ 3,554

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

Expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were NT$14,848 thousand and NT$13,621 thousand, respectively.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act are 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 Company 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 Company 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 Company 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 Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans are as follows:

	December 31	
	2023	**2022**
Present value of defined benefit obligation	$ 11,344	$ 12,513
Fair value of plan assets	(33,944)	(32,413)
Net defined benefit liabilities (assets)	$ (22,600)	$ (19,900)

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

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2023	$ 12,513	$ (32,413)	$ (19,900)
Service cost			
Past service cost	514	-	514
Net interest expense (income)	174	(469)	(295)
Recognized in profit or loss	688	(469)	219
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(211)	(211)
Actuarial (gain) loss			
Changes in financial assumptions	210	-	210
Experience adjustments	(269)	-	(269)
Recognized in other comprehensive income	(59)	(211)	(270)
Contributions from the employer	-	(2,135)	(2,135)
Benefit payments	(1,284)	1,284	-
Curtailment	(514)	-	(514)
Balance at December 31, 2023	$ 11,344	$ (33,944)	$ (22,600)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	$ 13,038	$ (28,669)	$ (15,631)
Service cost			
Past service cost	227	-	227
Net interest expense (income)	88	(206)	(118)
Recognized in profit or loss	315	(206)	109
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,135)	(2,135)
Actuarial (gain) loss			
Changes in financial assumptions	460	-	460
Experience adjustments	(208)	-	(208)
Recognized in other comprehensive income	205	(2,135)	(1,883)
Contributions from the employer	-	(2,171)	(2,171)
Benefit payments	(768)	768	-
Curtailment	(324)	-	(324)
Balance at December 31, 2022	$ 12,513	$ (32,413)	$ (19,900)

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall 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 rate 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 using 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 are as follows:

	December 31	
	2023	2022
Discount rate	1.25%	1.40%
Expected rate of salary increase	3.00%	3.00%

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

	December 31	
	2023	2022
Discount rate		
0.25% increase	$ (348)	$ (400)
0.25% decrease	$ 363	$ 417
Expected rate of salary increase/decrease		
0.25% increase	$ 355	$ 409
0.25% decrease	$ (343)	$ (394)

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

	December 31	
	2023	2022
Expected contributions to the plans for the next year	$ 2,214	$ 2,309
Average duration of the defined benefit obligation	12 years	13 years

Employee benefit expenses in respect of the Company's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate; expenses under the defined benefit plan for the years ended December 31, 2023 and 2022 were NT$219 thousand and NT$109 thousand, respectively.

19. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2023	2022
Shares authorized (in thousands of shares)	180,000	180,000
Shares authorized, par value $10 (in thousands of dollars)	$ 1,800,000	$ 1,800,000
Shares issued and fully paid (in thousands of shares)	148,137	148,137
Shares issued through public issue	$ 1,362,864	$ 1,362,864
Shares issued through private placement	118,510	118,510
Shares issued and fully paid (in thousands of dollars)	$ 1,481,374	$ 1,481,374

Each share possesses one voting right and a right to receive dividends.

On January 14, 2021, the Company held the first extraordinary shareholders' meeting and a resolution was passed to increase cash capital by issuing ordinary shares through private placement with Uni-President Enterprise Co., Ltd., a strategic investor, as the subscriber. The purpose of the capital increase is to raise funds for capital expenditures, to enrich working capital and help strengthen the capital structure. On January 14, 2021, the Company's s resolved to offer for subscription and issued 11,851 thousand ordinary shares of the Company. The subscription price was $170 per share, and a total of $2,014,670 thousand in cash was received. The record date of cash capital increase was January 19, 2021. The rights and obligations of the shareholders of the ordinary shares issued through this private placement are the same as those of the shareholders of the Company's issued ordinary shares. However, in accordance with Article 43-8 of the Securities and Exchange Act, the ordinary shares of this private placement shall not be freely transferred within three years from the date of subscription.

b. Capital surplus

	December 31	
	2023	**2022**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Additional paid-in capital	$ 2,850,440	$ 2,850,440
Treasury share transactions	2,672	2,672
May only be used to offset a deficit		
Convertible bonds - expired share option	150	150
Treasury share transactions - share option	6,749	6,749
Arising from share of changes in capital surplus of associates	2,809	2,809
Others (2)	13,526	11,412
	$ 2,876,346	$ 2,874,232

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 to once a year).

2) Others are unclaimed dividends.

c. Retained earnings and dividends policy

According to the Company's Articles of Incorporation, the Company shall distribute their annual earnings, if any, in the sequence listed below.

1) Paying taxes;

2) Offsetting losses of previous years;

3) Setting aside as legal reserve 10% of the remaining profit;

4) Setting aside or reversing a special reserve in accordance with the laws and regulations; and

5) Any remaining profit together with any undistributed retained earnings shall be used 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 21-g.

The Company’s dividend policy shall be determined pursuant to the factors, such as the investment environment, capital requirement, domestic and overseas competition environment, current and future business development plan, as well as shareholders’ interests. The distribution of shareholders dividend shall not be lower than 60% of the unappropriated earnings of the current year. However, the shareholders may resolve not to distribute dividends if the accumulated earnings were lower than 10% of the paid-in capital. Dividends can be distributed in the form of cash or shares or a combination of both cash and stock, out of which at least 10% of the total dividends distributed shall be in cash.

An 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.

The appropriations of earnings for 2022 and 2021 that were approved in the shareholders’ meetings on May 31, 2023 and May 27, 2022 were as follows:

	For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ 145,920	$ 130,115
Special reserve	$ (21,377)	$ 5,740
Cash dividends	$ 1,022,148	$ 903,638
Cash dividends per share (NT$)	$ 6.9	$ 6.1

The appropriation of earnings for 2023 that had been proposed by the Company’s Board of Directors on February 26, 2024 was as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 145,293
Special reserve	$ 8,729
Cash dividends	$ 1,022,148
Cash dividends per share (NT$)	$ 6.9

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held on May 30, 2024.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2023	**2022**
Balance at beginning of year	$ (57,144)	$ (75,567)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(22,521)	18,423
Balance at end of year	$ (79,665)	$ (57,144)

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

	For the Year Ended December 31	
	2023	2022
Balance at beginning of year	$ (13,684)	$ (16,638)
Recognized for the year		
Unrealized gain - equity instruments	(1,848)	2,954
Other comprehensive loss for the period	(1,848)	2,954
Transfer of accumulated gain or loss on disposal of equity instruments to retained earnings	15,640	-
Balance at end of year	$ 108	$ (13,684)

20. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods	$ 2,423,304	$ 2,411,809
Revenue from the rendering of services	431,147	395,694
	$ 2,854,451	$ 2,807,503

a. Disaggregation of revenue

1) Type of goods or services and timing of revenue recognition:

For the year ended December 31, 2023

	Reportable Segments			
	MLM	Distribution	ODM/OEM	Total
Type of goods or services				
Sale of goods	$ 1,674,644	$ 748,660	$ -	$ 2,423,304
Rendering of services	-	-	431,147	431,147
	$ 1,674,644	$ 748,660	$ 431,147	$ 2,854,451
Timing of revenue recognition				
Satisfied at a point in time	$ 1,674,644	$ 748,660	$ 431,147	$ 2,854,451

For the year ended December 31, 2022

	Reportable Segments			
	MLM	Distribution	ODM/OEM	Total
Type of goods or services				
Sale of goods	$ 1,756,949	$ 654,860	$ -	$ 2,411,809
Rendering of services	-	-	395,694	395,694
	$ 1,756,949	$ 654,860	$ 395,694	$ 2,807,503
Timing of revenue recognition				
Satisfied at a point in time	$ 1,756,949	$ 654,860	$ 395,694	$ 2,807,503

2) Type of goods

	For the Year Ended December 31	
	2023	2022
Type of goods		
Health food	$ 2,079,111	$ 2,047,560
ODM/OEM	431,147	395,694
Beverage	315,660	335,682
Cosmetics	23,177	22,252
Others (Note)	5,356	6,315
	$ 2,854,451	$ 2,807,503

Note: Others include general food and pet food.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable, net	$ 61,161	$ 64,123	$ 53,822
Accounts receivable from related parties	$ 368,421	$ 380,036	$ 303,853
Contract liabilities - current			
Rendering of services	$ 23,924	$ 24,470	$ 18,284

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Company's satisfaction of performance obligations and the respective customer's payment.

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year was summarized as follows:

	For the Year Ended December 31	
	2023	2022
From contract liabilities at the start of the year		
Revenue from the rendering of services	$ 21,587	$ 18,230

21. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2023	2022
Financial assets at amortized cost	$ 9,554	$ 1,591

b. Other income

	For the Year Ended December 31	
	2023	2022
Board compensation income	$ 78,813	$ 81,553
Rental income	3,265	3,262
Others	16,182	14,213
	$ 98,260	$ 99,028

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	$ 358	$ 631
Net foreign exchange gain	469	3,375
Gain on modification of lease agreements	14	-
Gain on disposal of property, plant and equipment	3	15
Loss on disposal of subsidiary	-	(779)
Impairment loss on investment accounted for using the equity method	-	(2,538)
Others	(267)	(272)
	$ 577	$ 432

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ -	$ 219
Interest on lease liabilities	1,389	667
Imputed interest on deposit	15	12
Less: Amounts included in the cost of qualifying assets	-	(151)
	$ 1,404	$ 747

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2023	2022
Capitalized interest amount	$ -	$ 151
Capitalization rate	-	1.02%

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ 203,369	$ 202,784
Operating expenses (Note 1)	89,008	89,375
	$ 292,377	$ 292,159
An analysis of amortization by function		
Operating costs	$ 410	$ 410
Operating expenses	15,090	8,080
	$ 15,500	$ 8,490

Note 1: The aforementioned depreciation included the depreciation of investment properties, which separately amounted to NT$266 thousand and NT$267 thousand for the years ended December 31, 2023 and 2022, respectively and was recognized by the Company in other gains and losses.

Note 2: Refer to Note 15 for information relating to the line item in which any amortization of intangible assets is included.

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 585,265	$ 565,468
Post-employment benefits (Note 18)		
Defined contribution plan	14,848	13,621
Defined benefit plans	219	109
	15,067	13,730
Other employee benefits	19,030	9,678
Total employee benefits expense	$ 619,362	$ 588,876
An analysis of employee benefits expense by function		
Operating costs	$ 196,863	$ 201,189
Operating expenses	422,499	387,687
	$ 619,362	$ 588,876

g. Compensation of employees and remuneration of directors

According to the resolution of the Board of Directors, 6%-8% of profit of the current year is distributable as compensation of employees and no higher than 2% of profit of the current year is distributable as remuneration of directors. However, the Company has to first offset accumulated losses, if any. For the years ended December 31, 2023 and 2022, the compensation of employees and the remuneration of directors are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	8%	8%
Remuneration of directors	2%	2%

Amount

	For the Year Ended December 31	
	2023	2022
Compensation of employees	$ 136,129	$ 136,129
Remuneration of directors	34,032	34,032

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

The appropriations of earnings for the compensation of employees and remuneration of directors for 2023 and 2022 that were resolved by the Company’s Board of Directors on February 26, 2024 and February 22, 2023, respectively, are as shown below:

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	$ 136,129	$ 136,129
Remuneration of directors	34,032	34,032

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, 2022 and 2021.

Information on the 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.

22. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 77,734	$ 87,914
Income tax on unappropriated earnings	15,625	13,083
Adjustments for prior years	(24,813)	(23,592)
	68,546	77,405
Deferred tax		
In respect of the current year	10,180	(3,061)
Income tax expense recognized in profit or loss	$ 78,726	$ 74,344

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

	For the Year Ended December 31	
	2023	2022
Profit before tax from continuing operations	$ 1,531,454	$ 1,531,456
Income tax expense calculated at the statutory rate	$ 306,291	$ 306,291
Income tax on unappropriated earnings	15,625	13,083
Others	(218,377)	(221,438)
Adjustments for prior years' tax	(24,813)	(23,592)
Income tax expense recognized in profit or loss	$ 78,726	$ 74,344

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plans for subsidiaries recognized using the equity method	$ (4)	$ 145
Remeasurement of defined benefit plans	54	377
Total income tax recognized in other comprehensive income	$ 50	$ 522

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Employee benefits payable	$ 284	$ -	$ -	$ 284
Allowance for uncollectible accounts	(52)	52	-	-
Allowance for inventory loss	3,234	(2,341)	-	893
	$ 3,466	$ (2,289)	$ -	$ 1,177

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Unrealized revaluation	$ (68,463)	$ -	$ -	$ (68,463)
Defined benefit liabilities (assets) - non-current	(915)	-	(54)	(969)
Investment gain under equity method	-	(7,891)	-	(7,891)
	$ (69,378)	$ (7,891)	$ (54)	$ (77,323)

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Employee benefits payable	$ 284	$ -	$ -	$ 284
Allowance for uncollectible accounts	-	(52)	-	(52)
Allowance for inventory loss	-	3,234	-	3,234
Employee benefits	121	(121)	-	-
	$ 405	$ (3,061)	$ -	$ 3,466

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Unrealized revaluation	$ (68,463)	$ -	$ -	$ (68,463)
Defined benefit liabilities (assets) - non-current	(538)	-	(377)	(915)
	$ (69,001)	$ -	$ (377)	$ (69,378)

d. Income tax assessments

The tax authorities have assessed the income tax returns of the Company through 2021.

23. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	**2022**
Basic earnings per share	$ 9.81	$ 9.84
Diluted earnings per share	$ 9.74	$ 9.78

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

Net profit for the year

	For the Year Ended December 31	
	2023	**2022**
Earnings used in the computation of basic and diluted earnings per share	$ 1,452,728	$ 1,457,112

Weighted average number of ordinary shares outstanding

Unit: In Thousands of Shares

	For the Year Ended December 31	
	2023	**2022**
Weighted average number of ordinary shares used in the computation of basic earnings per share	148,137	148,137
Effect of potentially dilutive ordinary shares		
Compensation of employees	985	925
Weighted average number of ordinary shares used in the computation of diluted earnings per share	149,122	149,062

If the Company offered to settle the compensation or bonuses paid to employees in cash or shares, the Company assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were 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.

24. DISPOSITION OF SUBSIDIARIES

On June 25, 2021, the Company resolved to liquidate Dongpu Biotech Corporation, and the Company completed the liquidation procedure on March, 2022 and lost control over the said subsidiary. For details about the disposal of Dongpu Biotech Corporation, refer to Note 28 to the Company's consolidated financial statements for the year ended December 31, 2023.

25. CASH FLOW INFORMATION

a. Non-cash transactions

The Company entered into the following non-cash investing and financing activities which were not reflected in the financial statements of cash flows for the years ended December 31, 2023 and 2022:

	For the Year Ended December 31	
	2023	**2022**
Additions of property, plant and equipment	$ (436,862)	$ (386,509)
Changes in prepayments for purchases	(80,969)	(134,456)
Changes in payables for purchases of equipment	(46,128)	78,693
Payments for acquisition of property, plant and equipment	$ (563,959)	$ (442,272)

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2023

	January 1, 2023	Cash Flows	Non-cash Changes		December 31, 2023
			Lease Change	Finance Costs	
Guarantee deposits received	$ 3,554	$ 163	$ -	$ -	$ 3,717
Lease liabilities	65,014	(21,375)	80,548	1,389	125,576
	$ 68,568	$ (21,212)	$ 80,548	$ 1,389	$ 129,293

For the year ended December 31, 2022

	January 1, 2022	Cash Flows	Non-cash Changes: Lease Change	Non-cash Changes: Finance Costs	December 31, 2022
Long-term borrowings	$ 94,365	$ (94,365)	$ -	$ -	$ -
Guarantee deposits received	5,488	(1,934)	-	-	3,554
Lease liabilities	64,961	(18,485)	17,871	667	65,014
	$ 164,814	$ (114,784)	$ 17,871	$ 667	$ 68,568

26. CAPITAL MANAGEMENT

The objective of the Company's capital management is maintaining a good capital structure and to ensure the ability to operate continuously, in order to provide returns to stockholders and the interests of other related parties, while maintaining the optimal capital structure to reduce costs of capital. The Company's capital structure management strategies were based on the industry size of the Company, industry's future growth, product roadmaps, and changes in the external environment and other factors. The Company plans the required capacity and the necessary plant and equipment to achieve this capacity and the corresponding capital expenditure according to those strategies. The Company then calculates the required working capital and cash based on industry characteristics, and estimates the possible product margins, operating margin and cash flow. In order to determine the most appropriate capital structure, the Company takes into consideration cyclical fluctuations in industrial, product life cycle and other risk factors.

27. FINANCIAL INSTRUMENTS

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

The Company's management considers the book value of financial instruments that are not measured at fair value in the financial statements approximate the fair value.

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments - unlisted shares	$ -	$ -	$ 128	$ 128

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments - unlisted shares	$ -	$ -	$ 14,344	$ 14,344

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

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

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at beginning of year	$ 14,344
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	(1,848)
Disposals	(12,368)
Balance at end of year	$ 128

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at beginning of year	$ 11,390
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	2,954
Balance at end of year	$ 14,344

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities were determined using the market approach. The market approach is used to arrive at their fair values, for which the recent financing activities of investees, the market transaction prices of the similar companies and market conditions are considered. The significant unobservable inputs are as follows. The lower the discount for lack of marketability, the higher the fair value of the shares.

	December 31	
	2023	2022
Discount for lack of marketability	30%	30%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would have increased (decreased) as follows:

	December 31	
	2023	2022
Discount for lack of marketability		
1% increase	$ (2)	$ -
1% decrease	$ 2	$ -

c. Categories of financial instruments

	December 31 2023	December 31 2022
Financial assets		
Financial assets at amortized cost		
Cash and cash equivalents	$ 945,045	$ 900,612
Financial assets at amortized cost	24,800	36,773
Notes and accounts receivable, net	61,161	64,123
Accounts receivable from related parties	368,421	380,036
Other receivables	437	2,364
Other receivables from related parties	79,394	81,586
Financial assets at FVTOCI		
Equity instruments	128	14,344
	$ 1,479,386	$ 1,479,838
Financial liabilities		
Financial liabilities at amortized cost		
Accounts payable	$ 238,495	$ 238,291
Other payables	483,070	521,953
Other payables to related parties	600	939
	$ 722,165	$ 761,183

d. Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies, measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency risk (see (a) below) and interest rate risk (see (b) below).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries. The purpose of the Company's management of the exchange rate risk is for the purpose of hedging and not for profit.

The Company has certain foreign currency receivables to be denominated in the same foreign currency as certain foreign currency payables, therefore natural hedging is applied. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are set out in Note 31.

Sensitivity analysis

The Company is mainly exposed to the USD.

The following table details the Company's sensitivity to a 10% change in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive number below indicates a change in pre-tax profit associated with the functional currency strengthening 10% against the relevant currency.

	Currency USD Impact For the Year Ended December 31	
	2023	**2022**
Profit or loss	$ 6,120	$ 5,488

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because entities in the Company borrow funds at both fixed and floating interest rates. The Company is also exposed to interest rate risk related to its investments in floating rate debt instruments. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings.

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

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 23,417	$ 25,573
Financial liabilities	125,576	65,014
Cash flow interest rate risk		
Financial assets	946,145	911,498

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been changed by 10 basis points and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2023 and 2022 would have changed by NT$946 thousand and NT$911 thousand, respectively, which was mainly due to fluctuations in the net asset's variable interest rate.

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 Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. The Company also uses certain credit enhancement instruments such as contractual liabilities at appropriate times to reduce the credit risk of specific customers.

The Company transacts with a large number of unrelated customers and thus, credit risk is not highly concentrated.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counterparties.

3) Liquidity risk

The Company's objective is to finance its operations and mitigate the effects of fluctuations in cash flows through the use of cash and cash equivalents and highly liquid equity investments. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

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

December 31, 2023

	On Demand or Less than 6 Months	6-12 Months	1-2 Years	2-5 Years	5+ Years	Total
Notes and accounts payable (related parties included)	$ 238,495	$ -	$ -	$ -	$ -	$ 238,495
Other payables (related parties included)	313,509	170,161	-	-	-	483,670
Lease liabilities	11,237	10,965	20,400	48,850	44,043	135,495
	$ 563,241	$ 181,126	$ 20,400	$ 48,850	$ 44,043	$ 857,660

Additional information about the maturity analysis for financial liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 22,202	$ 69,250	$ 9,860	$ 9,860	$ 9,860	$ 14,463

December 31, 2022

	On Demand or Less than 6 Months	6-12 Months	1-2 Years	2-5 Years	5+ Years	Total
Notes and accounts payable (related parties included)	$ 238,291	$ -	$ -	$ -	$ -	$ 238,291
Other payables (related parties included)	352,730	170,162	-	-	-	522,892
Lease liabilities	8,682	2,864	5,326	9,694	46,015	72,581
	$ 599,703	$ 173,026	$ 5,326	$ 9,694	$ 46,015	$ 833,764

Additional information about the maturity analysis for financial liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 11,546	$ 15,020	$ 9,861	$ 9,860	$ 9,860	$ 16,434

b) Financing facilities

	December 31	
	2023	2022
Short-term borrowings amount		
Amount unused	$ 738,000	$ 738,000

28. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and related parties are disclosed as follows:

a. Related party name and category

Related Party Name	Related Party Category	Relationship with the Company
Sheng-Lin Tseng	Substantive related party	Chairman of the Company
Pro-partner Inc. (Pro-partner)	Subsidiary	The Company’s subsidiary

(Continued)

Related Party Name	Related Party Category	Relationship with the Company
GRAPE KING INTERNATIONAL INVESTMENT INC (BVI)	Subsidiary	The Company's subsidiary
Shanghai Grape King Enterprise Co., Ltd. (Shanghai Grape King)	Subsidiary	The Company's subsidiary
Shanghai Rivershine Ltd. (Shanghai Rivershine)	Subsidiary	The Company's subsidiary
Rivershine Ltd. (Rivershine)	Subsidiary	The Company's subsidiary
Shanghai Pujun Trading Co., Ltd.	Subsidiary	The Company's subsidiary
ELITE PROPARTNER HOLDINGS SDN. BHD.	Subsidiary	The Company's subsidiary
UVACO MY SDN. BHD.	Subsidiary	The Company's subsidiary
Pu Hsing Enterprise Co., Ltd. (Pu Hsing)	Other related party	Director of Pro-partner
Uni-President Enterprises Corp. (Uni-President)	Other related party	Director of the Company
President Pharmaceutical Corp. (President Pharmaceutical)	Other related party	Subsidiary of a director of the Company
President Chain Store Corp. (President Chain Store)	Other related party	Subsidiary of a director of the Company
President Transnet Corp. (President Transnet)	Other related party	Subsidiary of a director of the Company
President Collect Services Corp. (President Collect Services)	Other related party	Subsidiary of a director of the Company
Presco Netmarketing, Inc. (Presco Netmarketing)	Other related party	Subsidiary of a director of the Company
Tong-Yo Co., Ltd. (Tong-Yo)	Other related party	Subsidiary of a director of the Company
RSI, Retail Support International Corp. (Retail Support)	Other related party	Subsidiary of a director of the Company
Tung-Bo Enterprise Corp. (Tung-Bo)	Other related party	Subsidiary of a director of the Company
Xin-Tung Enterprise Corp. (Xin-Tung)	Other related party	Subsidiary of a director of the Company
Tong-Yeen Enterprise Corp. (Tong-Yeen)	Other related party	Subsidiary of a director of the Company
Wei-Tong Enterprise Corp. (Wei-Tong)	Other related party	Subsidiary of a director of the Company
Presicarre Corp. (Presicarre)	Other related party	Subsidiary of a director of the Company
GK BIO INTERNATIONAL SDN. BHD.	Associate	Investee of the Company accounted for using the equity method

(Concluded)

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Sales	Pro-partner	$ 1,674,644	$ 1,756,949
	Other subsidiaries	311,252	280,979
	Associate	36,516	28,163
	Other related party	19,570	7,688
		$ 2,041,982	$ 2,073,779

The sales price for the related parties and the price for the third-party MLM member customers were determined based on mutual consent. There is no significant difference regarding the terms and conditions for the related parties and the third parties.

c. Contract liabilities

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Contract liabilities	Other related party	$ 196	$ 662

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Accounts receivable from related parties	Pro-partner	$ 199,438	$ 235,179
	Rivershine	144,574	119,390
	Other subsidiaries	-	15,203
	Associate	22,259	7,785
	Other related party	2,150	2,479
		$ 368,421	$ 380,036
Other receivables from related parties (including bonus to directors)	Pro-partner	$ 79,394	$ 81,553
	Other subsidiaries	-	33
		$ 79,394	$ 81,586

e. Payables to related parties

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Other payables to related parties	President Transnet	$ 600	$ 939

f. Prepayments

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Prepayments	Associate	$ 450	$ -
	Other related party	66	145
		$ 516	$ 145

g. Lease arrangements

Related Party Category	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Acquisition of right-of-use assets		
Substantive related party	$ -	$ 5,852

Line Item	Related Party Category/Name	December 31 2023	2022
Lease liabilities	Substantive related party	$ 4,513	$ 5,662

Related Party Category	For the Year Ended December 31 2023	2022
Interest expense		
Substantial related party	$ 51	$ 10

The rental paid to the above related party is similar to general market rental prices, and the rental is paid via remittance once a month.

h. Other transactions with related parties

Line Item	Related Party Category/Name	December 31 2023	2022
Guarantee deposits received	Pro-partner	$ 472	$ 472

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Operating cost - inspection expense	Other related party	$ 169	$ 250
Operating cost - freight expense	Other related party	$ 35	$ 14
Selling and marketing expenses - freight expense	Other related party	$ 5,721	$ 5,050
Selling and marketing expenses - advertisement expense	Other related party	$ 613	$ 241
Selling and marketing expenses - inspection expense	Other related party	$ 142	$ 137
Selling and marketing expenses -other expense	Other related party	$ 38	$ -
General and administrative expenses - freight expense	Other related party	$ 10	$ 7
Research and development expenses - inspection expense	Other related party	$ 273	$ 24
Research and development expenses - freight expense	Other related party	$ 84	$ 84

(Continued)

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Rental income	Pro-partner	$ 2,853	$ 2,850
	Rivershine	400	400
	Other related party	12	12
		$ 3,265	$ 3,262
Other income	Pro-partner	$ 80,373	$ 83,113

(Concluded)

The terms and conditions of the above-mentioned related party transactions are similar to those of general non-related parties, and rental prices are similar to those of general transactions. The term of collection was either in monthly installments or in full at the beginning of each year.

i. Remuneration of key management personnel

	For the Year Ended December 31 2023	2022
Short-term employee benefits	$ 65,553	$ 61,814
Post-employment benefits	158	156
	$ 65,711	$ 61,970

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

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for long-term and short-term secured loans, Chinese Petroleum Corporation natural gas, leasing land and operating center from science-based parks:

	December 31 2023	2022
Property, plant and equipment - land	$ 1,249,843	$ 1,249,843
Property, plant and equipment - building	215,930	251,601
Pledged time deposits (classified as financial assets at amortized cost - non-current)	24,800	20,800
	$ 1,490,573	$ 1,522,244

Secured bank facilities used in response to operating funds by the Company's property, plant and equipment - land/building as of December 31, 2023 and 2022 are as follows:

	December 31 2023	2022
Short-term financing facilities	$ 238,000	$ 238,000
Medium and long-term financing facilities	1,000,000	1,000,000
	$ 1,238,000	$ 1,238,000

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Company are as follows:

a. The Company's guarantee notes issued to banks for credit lines amounted to NT$400,000 thousand as of December 31, 2023.

b. Details of significant constructions in progress and outstanding contracts of property, plant and equipment as of December 31, 2023 were as follows:

Nature of Contract	Contract Amount	Amount Paid	Outstanding Balance
Plant and machinery	$ 616,003	$ 244,772	$ 371,231

31. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 2,181	30.705 (USD:NTD)	$ 66,970
Financial liabilities			
Monetary items			
USD	188	30.705 (USD:NTD)	$ 5,772

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 1,816	30.71 (USD:NTD)	$ 55,769
Financial liabilities			
Monetary items			
USD	29	30.71 (USD:NTD)	$ 891

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains were NT$469 thousand and NT$3,375 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Company.

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financings provided to others: None;

2) Endorsements/guarantees provided: None;

3) Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities): 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 of at least NT$100 million or 20% of the paid-in capital: Table 2;

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3;

9) Trading in the derivative instruments: None;

b. Information on investees: Table 4;

c. Information on investment in mainland China

1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, net income (losses) of the investee, investment income (losses), ending balance, amount received as dividends from the investee, and the limitation on investee: Table 5

2) Significant direct or indirect transactions with the investee, its prices and terms of payment and unrealized gain or loss: None

d. Information on 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 6

33. SEGMENTS INFORMATION

The Company has disclosed its operating segments in the consolidated financial statements.

GRAPE KING BIO LTD.

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

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2023				Note
				Units/Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Grape King Bio Ltd.	Shares							
	Hsin Tung Yang Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	2,000	$ 128	-	$ 128	-
Rivershine Ltd.	Beneficiary Certificate							
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,393,504.00	40,031	-	40,031	-
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,413,418.60	40,031	-	40,031	-

TABLE 2

GRAPE KING BIO LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction (Note)		Notes/Accounts Payable or Receivable		Note
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Grape King Bio Ltd.	Pro-partner Inc.	Subsidiary	Sales	$ 1,674,644	58.67	30 days after monthly closing	By contract	-	$ 199,438	46.43	Note
Grape King Bio Ltd.	Rivershine Ltd.	Subsidiary	Sales	286,629	10.04	120 days after monthly closing	By contract	-	144,574	33.65	Note
Pro-partner Inc.	Grape King Bio Ltd.	Parent company	Purchases	1,674,644	97.47	30 days after monthly closing	By contract	-	(199,438)	99.71	Note
Rivershine Ltd.	Grape King Bio Ltd.	Parent company	Purchases	286,629	100.00	120 days after monthly closing	By contract	-	(144,574)	100.00	Note

Note: If the terms of transactions with the related parties are different from normal terms, the difference and the reason for the difference should be declared in the column of unit price or credit period.

TABLE 3

GRAPE KING BIO LTD.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Days	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Grape King Bio Ltd.	Pro-partner Inc.	Subsidiary	$ 199,438	7.71	$ -	-	$ 199,438	$ -
	Rivershine Ltd.	Subsidiary	144,574	2.17	-	-	44,630	-

TABLE 4

GRAPE KING BIO LTD.

INFORMATIONS ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(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, 2023			Net Income (Losses) of the Investee	Investment Income (Losses)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership (%)	Carrying Amount			
Grape King Bio Ltd.	GRAPE KING INTERNATIONAL INVESTMENT INC.	BVI	Investment activities	$ 1,198,018	$ 1,198,018	24,890,000	100	$ 1,128,498	$ 26,650	$ 26,978	Notes 1 and 2
	Pro-partner Inc.	Tdaoyuan, Taiwan	Importing and selling of health food, drink, cosmetics, sports apparatus, cleaning products, etc.	15,000	15,000	10,560,000	60	2,405,596	1,721,269	1,031,404	Note 1
	Rivershine Ltd.	Taoyuan, Taiwan	Importing and selling of health food, drinks, daily cosmetics, appliances, etc.	30,000	30,000	3,000,000	100	49,381	14,431	14,431	-
	GK BIO INTERNATIONAL SDN. BHD.	Malaysia	Importing and selling of health products	14,899	14,899	2,100,000	35	50,952	55,645	20,070	Note 1
Pro-partner Inc.	ELITE PROPARTNER HOLDING SDN. BHD.	Malaysia	Investment activities	2,017	2,017	300,000	100	1,365	(298)	Note 3	-
	UVACO MY SDN. BHD.	Malaysia	Selling of health products	Note 5	-	Note 4	100	-	-	Note 3	Note 4

Note 1: The effect from the unrealized profit of the downstream transactions on income tax, which is (NT$435) thousand has been adjusted.

Note 2: The current investment gain (loss) recognized by BVI includes the current profit of Shanghai Grape King and Shanghai Rivershine.

Note 3: The share of profits/losses of the investee company is not reflected herein, as such amounts are already included in the share of profits/losses of the investor company.

Note 4: The subsidiary Pro-partner Inc. invested in MY one dollar of UVACO MY SDN. BHD. in Malaysia in December 2023. The shareholding ratio was 100%.

TABLE 5

GRAPE KING BIO LTD.

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

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of the Investee Company	Percentage of Ownership	Investment Income (Losses) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Shanghai Grape King Enterprise Co., Ltd.	Manufacturing and selling capsule, tablet, related products and services.(Warehousing services)	USD 28,900	Note 1(2) Note 3	$ 847,672 (USD 27,350)	$ -	$ -	$ 847,672 (USD 27,350)	$ 25,723 Note 2(2)B	100%	$ 26,051 Note 2(2)B	$ 1,083,438	$ -
Shanghai Yusong Co., Ltd.	Stock management and related services of the thermostatic fresh freezing warehouse.	USD 4,890	Note 1(2) Note 4	26,794 (USD 878)	-	(26,794) (USD 878) Note 4	- Note 4	- Note 2(3)	-	- Note 2(3)	- Note 2(3)	-
Shanghai Rivershine Ltd.	Food distribution (except grain), food packaging materials, cosmetics wholesale, import and export, commission agents (except auction), related products and services.	USD 650	Note 1(2) Note 5	18,290 (USD 650)	-	-	18,290 (USD 650)	(21) Note 2(2)B	100%	(21) Note 2(2)B	18,178	-
Shanghai Pujun Trading Co., Ltd.	Sale of food; transporting road cargo (excluding dangerous goods); wholesale of edible agricultural products; retail of edible agricultural products; sale of agricultural and sideline products; marketing planning; brand management; project planning and public relations services; information consulting services (excluding licensing information consulting services), etc	RMB 2,000	Note 1(2) Note 8	-	-	-	-	6,018 Note 2(2)B	51%	2,821 Note 2(2)B	34,901	-

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of the Investee Company	Percentage of Ownership	Investment Income (Losses) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Shanghai Changhong Biotechnology Co., Ltd.	Biotechnology consultation, biotechnology R&D and transfer, import and export of goods or transfers of technology, brand planning, corporate image and marketing planning, conference services, social and economic consulting services, business information consulting, self-owned equipment leasing, domestic cargo transportation agent, sales and online retail of knitted textiles, etc.	USD 700	Note 1(1) Note 6	$ 7,273 (USD 246)	$ -	$ -	$ 7,273 (USD 246)	$ - Note 2(2)B	35.1%	$ - Note 2(2)B	$ -	$ -
Shanghai Xinquan Biotechnology Co., Ltd.	Biotechnology technical technology development, consultation, service and transfer, sales of cosmetic and daily necessities, etc.	RMB 5,000	Note 1(2) Note 7	-	-	-	-	(446) Note 2(2)B	45%	(200) Note 2(2)B	8,980	-

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$ 873,235	$ 873,235	$ 6,977,961

Note 1: The methods for engaging in investment in mainland China include the following:

1) Direct investment in mainland China.

2) Indirect investment in mainland China through companies registered in a third region (specify the name of the company in third region).

3) Other methods.

Note 2: The investment income (loss) recognized in current period:

1. No investment income (loss) has been recognized due to the investment is still in the development stage.

(Continued)

2. The investment income (loss) was determined based on the following basis:

   (A) The financial report was reviewed and certified by an international accounting firm in cooperation with an accounting firm in the ROC.

   (B) The financial statements were reviewed by the parent company's auditors.

3. Recorded as financial assets at fair value through other comprehensive income.

Note 3: The Company invested in Shanghai Grape King Enterprise Co., Ltd. through subsidiary GRAPE KING INTERNATIONAL INVESTMENT INC. (BVI), and Shanghai Grape King Enterprise Co., Ltd. transferred its surplus to capital by US$1,000 thousand in July 2022.

Note 4: The Company invested in Shanghai Yusong Co., Ltd. through Fu-Sheng International Inc. (SAMOA). Shanghai Yusong Co., Ltd. had been liquidated in December 2022, and the proceeds were remitted into Taiwan in March 2023.

Note 5: The Company indirectly invested in Shanghai Rivershine Ltd. through its subsidiary, GRAPE KING INTERNATIONAL INVESTMENT INC. (BVI).

Note 6: The Company directly invested in Shanghai Changhong Biotechnology Co., Ltd.. Shanghai Changhong Biotechnology Co., Ltd is currently undergoing its liquidation procedures in November, 2022, resulting in a recoverable amount less than the amount of the Company's investment, the Company was recognized investment losses of $2,538 thousand for the year ended December 31, 2022.

Note 7: The Company invested in Shanghai Xinquan Biotechnology Co., Ltd. through subsidiary Shanghai Rivershine Ltd.

Note 8: The Company invested in Shanghai Pujun Trading Co., Ltd. through subsidiary Shanghai Grape King Enterprise Co., Ltd.

(Concluded)

TABLE 6

GRAPE KING BIO LTD.

INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Uni-President Enterprises Corp.	11,851,000	8.00
Fubon Life Assurance Co., Ltd.	8,942,000	6.03

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 truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security 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.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

GRAPE KING BIO LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Description	Amount
Cash on hand		$ 275
Deposits in banks		
Demand deposits		445,996
Foreign currency deposits	Including USD$879 thousand @30.705, RMB$1,836 thousand @4.327 and JPY$80 thousand @0.2172	34,949
Checking deposits		8
Cash equivalents		
Repurchase agreements collateralized by bonds	Expiring the end of by January 2024, interest rates 1.38%	450,000
Time deposits	Expiring the end of by March 2024, interest rates 5.35%	13,817
Total		$ 945,045

Note: Cash and cash equivalents were not pledged.

GRAPE KING BIO LTD.

STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE, NET (RELATED PARTIES INCLUDED)
DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Client Name	Amount
Related Parties	
Pro-partner Inc.	$ 199,438
Rivershine Ltd.	144,574
GK BIO INTERNATIONAL SDN. BHD.	22,259
RSI, Retail Support International Corp.	1,837
President Pharmaceutical Corp.	313
Total	368,421
Non-related parties	
T23224657	11,497
T42648698	10,639
EC0000000	6,589
T54990227	5,890
A00000100	4,534
T54048121	4,098
Others (Note 1)	17,914
	61,161
Less: Loss allowance	-
Net	61,161
Total	$ 429,582

Note 1: The amount of individual client included in others does not exceed 5% of the account balance.

Note 2: The accounts receivable incurred from operating activities were not pledged.

GRAPE KING BIO LTD.

STATEMENT OF INVENTORIES, NET
DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Amount: Cost	Amount: Net Realizable Value
Raw materials	$ 113,071	$ 112,348
Supplies	51,414	48,312
Semi-finished goods and work in progress	207,842	203,373
Finished goods	216,232	501,133
Merchandises	96	96
Total	588,655	$ 865,262
Less: Allowance for inventory valuation losses	(11,095)	
Net	$ 577,560	

Note 1: Inventories are valued at lower of cost or net realizable value on an item-by-item basis.

Note 2: The insurance coverage for inventories was NT$737,312 thousand as of December 31, 2023.

Note 3: Inventories were not pledged.

GRAPE KING BIO LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Balance, January 1, 2023		Additions in Investment		Decrease in Investment		Increase (Decrease) Investments Accounted for Using the Equity Method	Balance, December 31, 2023			Net Assets	
Investee Companies	Shares	Amount	Shares	Amount	Shares	Amount	Amount (Note)	Shares	%	Amount	Value	Collateral
GRAPE KING INTERNATIONAL INVESTMENT INC.	24,890,000	$ 1,123,364	-	$ -	-	$ -	$ 5,134	24,890,000	100	$ 1,128,498	$ 1,139,164	None
Pro-partner Inc.	10,560,000	2,329,961	-	-	-	-	75,635	10,560,000	60	2,405,596	2,427,175	None
Rivershine Ltd.	3,000,000	42,599	-	-	-	-	6,782	3,000,000	100	49,381	49,381	None
GK BIO INTERNATIONAL SDN. BHD.	2,100,000	35,303	-	-	-	-	15,649	2,100,000	35	50,952	54,060	None
Shanghai Changhong Biotechnology Co., Ltd.	-	-	-	-	-	-	-	-	35.1	-	2,492	None
Total		$ 3,531,227		$ -		$ -	$ 103,200			$ 3,634,427	$ 3,672,272	

Note: Mainly including share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates, cash dividends received from subsidiaries and associates, etc.

STATEMENT 5

GRAPE KING BIO LTD.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS AND CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Land	Buildings	Transportation Equipment	Other Equipment	Total
Cost					
Balance at January 1, 2023	$ 55,671	$ 50,898	$ 7,595	$ 3,385	$ 117,549
Additions	-	74,300	5,945	344	80,589
Disposals	-	(45,045)	(2,360)	-	(47,405)
Balance at December 31, 2023	55,671	80,153	11,180	3,729	150,733
Accumulated depreciation					
Balance at January 1, 2023	6,916	40,071	4,708	2,054	53,749
Depreciation Expenses	2,175	15,009	2,525	720	20,429
Disposals	-	(45,045)	(2,333)	-	(47,378)
Balance at December 31, 2023	9,091	10,035	4,900	2,774	26,800
Carrying amount at December 31, 2023	$ 46,580	$ 70,118	$ 6,280	$ 955	$ 123,933

GRAPE KING BIO LTD.

STATEMENT OF NOTES AND ACCOUNTS PAYABLE
DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Name	Amount
24829752	$ 13,270
Others (Note)	225,225
	$ 238,495

Note: The amount of individual client included in others does not exceed 5% of the account balance.

GRAPE KING BIO LTD.

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Description	Lease Period	Discount Rate	December 31, 2023
Land	2016.04.15-2051.04.14	1.02%	$ 47,733
Buildings	2022.11.16-2028.05.31	1.00%-1.80%	70,557
Transportation equipment	2021.10.05-2028.05.31	1.00%-1.80%	6,318
Other equipment	2019.03.01-2028.10.31	1.00%-1.84%	968
Total			125,576
Less: Current portion			(20,522)
Noncurrent portion			$ 105,054

GRAPE KING BIO LTD.

STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Quantity (In Thousands)	Amount
Sales revenue		
Health food	Note	$ 2,079,111
ODM/OEM	Note	431,147
Beverage	Note	315,660
Cosmetics	Note	23,177
Others		5,356
Total net revenue		$ 2,854,451

Note: Due to the wide variety and complexity of the products sold by the Company, it is difficult to count and classify.

GRAPE KING BIO LTD.

STATEMENT OF COST OF GOODS SOLD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Amount
Raw materials used	
Beginning balance	$ 120,697
Add: Raw materials purchased	531,094
Gain from raw material physical counts	604
Less: Ending balance	(113,071)
Raw materials scrapped	(2,197)
Raw materials sold directly	(29,190)
Transferred to other accounts	(9,619)
Other operating costs	(6)
Direct materials used	498,312
Supplies used	
Beginning balance	48,465
Add: Supplies purchased	288,989
Gain from supplies physical counts	931
Less: Ending balance	(51,414)
Supplies sold directly	(1,567)
Supplies scrapped	(587)
Transferred to other accounts	(34,571)
Other operating costs	(7)
Supplies used	250,239
Direct labor	105,338
Manufacturing overhead	392,679
Manufacturing cost	1,246,568
Semi-finished goods and work in process	
Beginning balance	234,471
Add: Gain from semi-finished goods physical counts	1,196
Other operating costs	17,331
Less: Ending balance	(207,842)
Semi-finished goods and work in process scrapped	(2,897)
Transferred to other accounts	(3,328)
Semi-finished goods sold directly	(66,844)
Cost of finished goods	1,218,655
Add: Beginning balance	153,976
Finished goods purchased	172,945
Transferred from other accounts	22,465
Less: Ending balance	(216,232)
Loss from finished goods physical counts	(22)
Finished goods scrapped	(3,116)
Other operating costs	(109,742)
Cost of goods sold at normal production level	1,238,929
Merchandise cost	
Beginning balance	346
Add: Merchandise purchased	7
Less: Ending balance	(96)
Loss from merchandise physical counts	(1)
Transferred to other accounts	(208)
Cost of merchandise sold	48
Cost of raw materials sold directly	16,972
Cost of supplies sold directly	1,567
Cost of semi-finished goods sold directly	56,331
Transferred to other accounts	(2,776)
Gain (loss) from physical counts	(2,708)
Scrapped	8,797
Other operating costs	108,417
Total	$ 1,425,577

GRAPE KING BIO LTD.

STATEMENT OF SELLING AND MARKETING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Amount
Advertising	$ 239,543
Salaries and wages	83,214
Tax	34,560
Depreciation	31,019
Others (Note)	58,793
Total	$ 447,129

Note: Expenses included in others do not exceed 5% of the account balance.

GRAPE KING BIO LTD.

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Amount
Salaries and wages	$ 223,814
Depreciation	33,267
Labor costs	21,208
Others (Note)	127,780
Total	$ 406,069

Note: Expenses included in others do not exceed 5% of the account balance.

GRAPE KING BIO LTD.

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Amount
Salaries and wages	$ 82,360
Research experiment fee	51,211
Commissioned research fee	26,549
Depreciation	24,456
Others (Note)	62,517
Total	$ 247,093

Note: Expenses included in others do not exceed 5% of the account balance.

GRAPE KING BIO LTD.

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	For the Year Ended December 31					
	2023			2022		
	Cost of Goods Sold	Operating Expenses	Total	Cost of Goods Sold	Operating Expenses	Total
Employee benefits expense						
Salaries and wages	$ 162,816	$ 343,966	$ 506,782	$ 176,945	$ 313,883	$ 490,828
Labor and health insurance	17,828	22,963	40,791	14,432	22,831	37,263
Pension	7,337	7,730	15,067	6,574	7,156	13,730
Other employee benefits	8,882	10,148	19,030	3,238	6,440	9,678
Board compensation	-	37,692	37,692	-	37,377	37,377
	$ 196,863	$ 422,499	$ 619,362	$ 201,189	$ 387,687	$ 588,876
Depreciation (Note 2)	$ 203,369	$ 89,008	$ 292,377	$ 202,784	$ 89,375	$ 292,159
Amortization	$ 410	$ 15,090	$ 15,500	$ 410	$ 8,080	$ 8,490

Note 1: For the years of 2023 and 2022, the Company had an average of 568 and 509 employees, respectively, which included 11 non-employee directors for both of the years ended December 31, 2023 and 2022

1) Average labor costs for the years ended December 31, 2023 and 2022 were NT$ 1,044 thousand and NT$1,107 thousand, respectively.

2) Average salaries and bonuses for the years ended December 31, 2023 and 2022 were NT$ 910 thousand and NT$986 thousand, respectively.

3) The average salary and bonus decreased by (7.71)% year over year.

4) Compensation policies

A. Directors and Managers

The remuneration shall be paid to directors who manage the Company's business. The amount is determined based on the directors' participation in the Company operations and value of contribution. In accordance with the Articles of Incorporation, the Board of Directors is authorized to provide compensation based on industry standards. In case of profit generated for the year, it shall set aside no more than 2% for the remuneration of directors as stipulated in the Articles of Incorporation. The actual appropriation ratio and amount shall be proposed by the Remuneration Committee based on operational performance and submitted to the Board of Directors for resolution. As for independent directors not included in the Company's profit distribution, the executive compensation shall be paid based on a fixed amount and requires a Board of Directors resolution.

The remuneration of managers is determined based on individual performance, contribution to the Company's overall operations and market standards. In addition, if there is profit generated for the year, 6%-8% shall be set aside for employee compensation, which also includes managerial remuneration as stipulated in the Articles of Incorporation, and shall be proposed by the Remuneration Committee based on operational performance and submitted to the Board of Directors for approval.

(Continued)

The proposed remuneration of directors not included Independent Directors and managers shall be submitted to the Remuneration Committee for approval in accordance with the Articles of Incorporation and related regulations (as for the remuneration of independent directors, to avoid a conflict of interest, it is paid by the Board of Directors as stipulated in the Articles of Incorporation and according to industry standards, and is not determined by the Remuneration Committee).

B. Employees

The Company's assessment of salaries is determined based on the interview evaluation results at each stage, based on the rank of the employee. The compensation and bonus system are handled in accordance with the "Performance Appraisal Management Measures", which includes performance bonuses, year-end bonuses, and mid-year bonuses (compensation of employees). The performance bonus of the sales team is handled in accordance with the "performance bonus distribution method", and monthly bonuses and quarterly bonuses are issued based on the performance goals; employee year-end bonuses and mid-year bonuses (compensation of employees) are issued based on the Company's previous year's profit status, The number of employees and the results of the annual appraisal will be considered.

Note 2: The aforementioned depreciation included the depreciation of investment properties, which was recognized by the Company in other gains and losses of NT$266 thousand and NT$267 thousand, for the years ended December 31, 2023 and 2022, respectively.

(Concluded)