

Grape King Bio Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Grape King Bio Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Grape King Bio Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”) as of March 31, 2024 and 2023, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

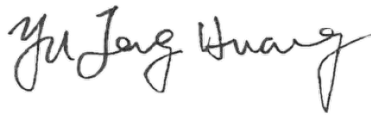
Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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



Deloitte & Touche
Taipei, Taiwan
Republic of China

May 13, 2024

Notice to Readers

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

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

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

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

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
NET REVENUE (Notes 23 and 31)	\$ 2,347,519	100	\$ 2,219,703	100
COST OF GOODS SOLD (Notes 11 and 24)	<u>(590,635)</u>	<u>(25)</u>	<u>(438,871)</u>	<u>(20)</u>
GROSS PROFIT	1,756,884	75	1,780,832	80
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATE	<u>839</u>	<u>-</u>	<u>633</u>	<u>-</u>
ADJUSTED GROSS PROFIT	<u>1,757,723</u>	<u>75</u>	<u>1,781,465</u>	<u>80</u>
OPERATING EXPENSES (Notes 21, 24 and 31)				
Selling and marketing	(1,105,686)	(47)	(1,100,173)	(49)
General and administrative	(154,361)	(6)	(150,288)	(7)
Research and development	<u>(61,345)</u>	<u>(3)</u>	<u>(52,775)</u>	<u>(2)</u>
Total operating expenses	<u>(1,321,392)</u>	<u>(56)</u>	<u>(1,303,236)</u>	<u>(58)</u>
INCOME FROM OPERATIONS	<u>436,331</u>	<u>19</u>	<u>478,229</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 24 and 31)				
Interest income	12,947	1	9,520	-
Other income	20,481	1	19,649	1
Other gains and losses	7,521	-	950	-
Finance costs	(740)	-	(467)	-
Share of profit or loss of associate	<u>8,690</u>	<u>-</u>	<u>2,685</u>	<u>-</u>
Total non-operating income	<u>48,899</u>	<u>2</u>	<u>32,337</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	485,230	21	510,566	23
INCOME TAX EXPENSE (Note 25)	<u>(96,394)</u>	<u>(4)</u>	<u>(99,812)</u>	<u>(4)</u>
NET PROFIT FOR THE PERIOD	<u>388,836</u>	<u>17</u>	<u>410,754</u>	<u>19</u>
OTHER COMPREHENSIVE (LOSS) INCOME (Note 22)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	2	-	(1,966)	-

(Continued)

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ 21,292	1	\$ 5,672	-
Exchange differences on translating the financial statements of foreign operations of associate	<u>897</u>	<u>-</u>	<u>(464)</u>	<u>-</u>
Other comprehensive (loss) income for the period, net of income tax	<u>22,191</u>	<u>1</u>	<u>3,242</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	<u>\$ 411,027</u>	<u>18</u>	<u>\$ 413,996</u>	<u>19</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 257,881	11	\$ 279,785	12
Non-controlling interests	<u>130,955</u>	<u>6</u>	<u>130,969</u>	<u>6</u>
	<u>\$ 388,836</u>	<u>17</u>	<u>\$ 410,754</u>	<u>18</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 279,439	12	\$ 283,036	13
Non-controlling interests	<u>131,588</u>	<u>6</u>	<u>130,960</u>	<u>6</u>
	<u>\$ 411,027</u>	<u>18</u>	<u>\$ 413,996</u>	<u>19</u>
EARNINGS PER SHARE (Note 26)				
Basic earnings per share	<u>\$ 1.74</u>		<u>\$ 1.89</u>	
Diluted earnings per share	<u>\$ 1.73</u>		<u>\$ 1.88</u>	

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

(Concluded)

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
							Others		Statements of Total	Non-controlling Interests	Total Equity
							Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
	Share Capital - Ordinary Shares		Capital Surplus	Legal Reserve	Retained Earnings		Unappropriated Earnings				
Number of Shares (In Thousands)	Amount	Special Reserve									
BALANCE AT JANUARY 1, 2023	148,137	\$ 1,481,374	\$ 2,874,232	\$ 1,328,240	\$ 92,205	\$ 3,864,549	\$ (57,144)	\$ (13,684)	\$ 9,569,772	\$ 1,571,301	\$ 11,141,073
Other changes in capital surplus	-	-	2,114	-	-	-	-	-	2,114	-	2,114
Net profit for the three months ended March 31, 2023	-	-	-	-	-	279,785	-	-	279,785	130,969	410,754
Other comprehensive (loss) income for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	5,217	(1,966)	3,251	(9)	3,242
Total comprehensive (loss) income for the three months ended March 31, 2023	-	-	-	-	-	279,785	5,217	(1,966)	283,036	130,960	413,996
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(15,640)	-	15,640	-	-	-
BALANCE AT MARCH 31, 2023	148,137	\$ 1,481,374	\$ 2,876,346	\$ 1,328,240	\$ 92,205	\$ 4,128,694	\$ (51,927)	\$ (10)	\$ 9,854,922	\$ 1,702,261	\$ 11,557,183
BALANCE AT JANUARY 1, 2024	148,137	\$ 1,481,374	\$ 2,876,346	\$ 1,474,160	\$ 70,828	\$ 4,155,148	\$ (79,665)	\$ 108	\$ 9,978,299	\$ 1,651,636	\$ 11,629,935
Other changes in capital surplus	-	-	2,251	-	-	-	-	-	2,251	-	2,251
Net profit for the three months ended March 31, 2024	-	-	-	-	-	257,881	-	-	257,881	130,955	388,836
Other comprehensive (loss) income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	21,556	2	21,558	633	22,191
Total comprehensive (loss) income for the three months ended March 31, 2024	-	-	-	-	-	257,881	21,556	2	279,439	131,588	411,027
BALANCE AT MARCH 31, 2024	148,137	\$ 1,481,374	\$ 2,878,597	\$ 1,474,160	\$ 70,828	\$ 4,413,029	\$ (58,109)	\$ 110	\$ 10,259,989	\$ 1,783,224	\$ 12,043,213

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

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 485,230	\$ 510,566
Adjustments for:		
Depreciation expenses	112,056	108,981
Amortization expenses	9,333	4,112
Net gain on financial assets at fair value through profit or loss	(211)	-
Finance costs	740	467
Interest income	(12,947)	(9,520)
Share of profit of associate	(8,690)	(2,685)
Loss (Gain) on disposal of property, plant and equipment, net	(408)	18
Loss on inventories on retirement and write-down	(1,134)	(4,146)
Realized gain on transactions with associate	(839)	(633)
Unrealized gain on foreign currency exchange	(5,770)	(1,422)
Gain on modification of lease agreements	(1,179)	-
Changes in operating assets and liabilities		
Notes and accounts receivable, net	(36,842)	(66,232)
Accounts receivable from related parties	(7,405)	(2,196)
Other receivables	190	2,125
Other receivables from related parties	(12)	-
Inventories	(29,361)	(42,569)
Other current assets	2,441	(7,568)
Contract liabilities	(11,444)	(67,658)
Notes and accounts payable	16,904	41,321
Accounts payable to related parties	(1,915)	-
Other payables	(396,844)	(380,937)
Other payables to related parties	8,916	14,652
Other current liabilities	(11,515)	(10,353)
Net defined benefit liabilities	(480)	(913)
Cash generated from operations	108,814	85,410
Interest received	19,607	7,997
Interest paid	(9)	(7)
Income tax paid	(15,191)	(10,642)
Net cash generated from operating activities	<u>113,221</u>	<u>82,758</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive (loss) income	-	12,368
Acquisition from sale of financial assets at amortized cost	-	(33,779)
Proceeds from redemption of financial assets at amortized cost	24,564	65,973
Proceeds from sale of financial assets at fair value through profit or loss	30,074	-
Acquisition of property, plant and equipment	(146,614)	(156,171)

(Continued)

GRAPE KING BIO LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
Proceeds from disposal of property, plant and equipment	\$ 505	\$ -
Increase in refundable deposits	(943)	(854)
Decrease in refundable deposits	367	2,724
Acquisition of intangible assets	(3,939)	(311)
Increase in other non-current assets	<u>(534)</u>	<u>-</u>
Net cash used in investing activities	<u>(96,520)</u>	<u>(110,050)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	3,135	1,996
Refund of guarantee deposits received	(1,293)	(82)
Payment for the principal portion of lease liabilities	(13,563)	(12,147)
Proceeds from issuance of ordinary shares	<u>2,251</u>	<u>2,114</u>
Net cash used in financing activities	<u>(9,470)</u>	<u>(8,119)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>15,326</u>	<u>4,972</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	22,557	(30,439)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>4,818,703</u>	<u>4,672,852</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,841,260</u>	<u>\$ 4,642,413</u>

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

(Concluded)

GRAPE KING BIO LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

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 operation. 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 publicly traded 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 sales of pharmaceutical preparation, patent medicine, liquid tonic, drink, 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 consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s Board of Directors and issued on May 13, 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 FSC

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. 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
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
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 to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 12, Tables 5 and 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2023.

1) 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 Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to Note 5 to the statements of critical accounting judgments and key sources of estimation uncertainty to the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 2,897	\$ 2,220	\$ 3,497
Checking accounts and demand deposits	1,873,636	2,005,051	1,739,868
Cash equivalents (investments with original maturities of 3 months or less)			
Repurchase agreements collateralized by commercial paper	1,830,912	1,588,615	2,708,313
Repurchase agreements collateralized by bonds	1,116,215	709,000	131,600
Time deposits	<u>17,600</u>	<u>513,817</u>	<u>59,135</u>
	<u>\$ 4,841,260</u>	<u>\$ 4,818,703</u>	<u>\$ 4,642,413</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets at fair value through profit or loss (FVTPL) - current			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Mutual funds	<u>\$ 50,199</u>	<u>\$ 80,062</u>	<u>\$ -</u>

Financial assets at fair value through profit or loss were not pledged.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2024	December 31, 2023	March 31, 2023
Non-current - investments in equity instruments at FVTOCI			
Unlisted shares			
FU-Sheng International Inc. (Samoa)	\$ -	\$ -	\$ -
Hsin Tung Yang Co., Ltd.	<u>130</u>	<u>128</u>	<u>10</u>
	<u>\$ 130</u>	<u>\$ 128</u>	<u>\$ 10</u>

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.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 47,958</u>	<u>\$ 71,146</u>	<u>\$ 84,357</u>
<u>Non-current</u>			
Pledged time deposits	<u>\$ 28,520</u>	<u>\$ 28,520</u>	<u>\$ 24,520</u>

Refer to Note 30 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES AND ACCOUNTS RECEIVABLE, NET AND OTHER RECEIVABLES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 9,974</u>	<u>\$ 15,334</u>	<u>\$ 11,820</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	225,144	182,726	254,251
Less: Loss allowance	<u>(829)</u>	<u>(829)</u>	<u>(3,179)</u>
	<u>224,315</u>	<u>181,897</u>	<u>251,072</u>
	<u>\$ 234,289</u>	<u>\$ 197,231</u>	<u>\$ 262,892</u>
<u>Other receivables</u>			
Tax refund receivable	\$ 3,751	\$ 4,054	\$ -
Other receivables	15,254	22,104	13,757
Less: Loss allowance	<u>(1,575)</u>	<u>(1,575)</u>	<u>-</u>
	<u>\$ 17,430</u>	<u>\$ 24,583</u>	<u>\$ 13,757</u>

a. Notes and accounts receivable

Some of the Group'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 Group 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 Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group 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 Group's credit risk was significantly reduced.

The Group 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 Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1 and March 31	<u>\$ 829</u>	<u>\$ 3,179</u>

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

	Neither Past Due nor Impaired	Past Due but not Impaired			Total
		Within 90 Days	91 to 180 Days	Over 180 Days	
March 31, 2024	\$ 220,084	\$ 14,164	\$ 41	\$ -	\$ 234,289
December 31, 2023	187,859	9,372	-	-	197,231
March 31, 2023	216,179	46,665	48	-	262,892

Notes and accounts receivable were not pledged.

b. Other receivables

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

The movements of the loss allowance for other receivables were as follows:

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1 and March 31	<u>\$ 1,575</u>	<u>\$ -</u>

11. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Finished goods	\$ 254,676	\$ 263,279	\$ 226,346
Semi-finished goods and work in progress	211,038	215,223	238,223
Raw materials	182,004	153,054	199,258
Supplies	56,931	48,312	70,980
Merchandise	<u>13,859</u>	<u>8,323</u>	<u>248</u>
	<u>\$ 718,508</u>	<u>\$ 688,191</u>	<u>\$ 735,055</u>

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

	For the Three Months Ended March 31	
	2024	2023
Cost of inventories sold	<u>\$ 590,635</u>	<u>\$ 438,871</u>
Loss on retirement	<u>\$ 496</u>	<u>\$ 771</u>
Inventory write-downs (reversals)	<u>\$ (1,134)</u>	<u>\$ (4,146)</u>
Gain from physical counts	<u>\$ (773)</u>	<u>\$ (518)</u>

Inventories were not pledged.

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership		
			March 31, 2024	December 31, 2023	March 31, 2023
The Company	Pro-partner Inc. (Pro-partner)	Sales	60%	60%	60%
The Company	GRAPE KING INTERNATIONAL INVESTMENT INC. (BVI) (GKBVI)	Investment	100%	100%	100%
The Company	Rivershine Ltd. (Rivershine)	Sales	100%	100%	100%
GKBVI	Shanghai Grape King Enterprise Co., Ltd. (Shanghai Grape King)	Manufacturing and Sales	100%	100%	100%
GKBVI	Shanghai Rivershine Ltd. (Shanghai Rivershine)	Sales	100%	100%	100%
Pro-partner	ELITE PROPARTNER HOLDINGS SDN. BHD.	Investment	100%	100%	100%
Pro-partner	UVACO MY SDN. BHD.	Sales	100%	100%	-
Shanghai Grape King	Shanghai Pujun Trading Co., Ltd. (Shanghai Pujun)	Sales	51%	51%	-

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		March 31, 2024	December 31, 2023	March 31, 2023
Pro-partner	Taiwan	40%	40%	40%

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests		
	For the Three Months Ended March 31		March 31,	December 31,	March 31,
	2024	2023	2024	2023	2023
Pro-partner	\$ <u>131,040</u>	\$ <u>130,969</u>	\$ <u>1,749,152</u>	\$ <u>1,618,104</u>	\$ <u>1,702,261</u>

Summarized financial information of the Group's subsidiary that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Pro-partner

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 3,420,446	\$ 3,389,008	\$ 3,224,439
Non-current assets	3,440,938	3,463,003	3,539,616
Current liabilities	(2,442,822)	(2,754,426)	(2,435,971)
Non-current liabilities	<u>(45,683)</u>	<u>(52,324)</u>	<u>(72,431)</u>
Equity	<u>\$ 4,372,879</u>	<u>\$ 4,045,261</u>	<u>\$ 4,255,653</u>
Equity attributable to:			
Owners of the Company	\$ 2,623,727	\$ 2,427,157	\$ 2,553,392
Non-controlling interests of Pro-partner	<u>1,749,152</u>	<u>1,618,104</u>	<u>1,702,261</u>
	<u>\$ 4,372,879</u>	<u>\$ 4,045,261</u>	<u>\$ 4,255,653</u>
	For the Three Months Ended March 31		
	2024	2023	
Revenue	\$ <u>1,782,162</u>	\$ <u>1,785,887</u>	
Net profit for the period	\$ 327,601	\$ 327,422	
Other comprehensive income (loss)	<u>17</u>	<u>(21)</u>	
Total comprehensive income	<u>\$ 327,618</u>	<u>\$ 327,401</u>	
Profit for the period attributable to:			
Owners of the Company	\$ 196,561	\$ 196,453	
Non-controlling interests of Pro-partner	<u>131,040</u>	<u>130,969</u>	
	<u>\$ 327,601</u>	<u>\$ 327,422</u>	
Total comprehensive income attributable to:			
Owners of the Company	\$ 196,571	\$ 196,441	
Non-controlling interests of Pro-partner	<u>131,047</u>	<u>130,960</u>	
	<u>\$ 327,618</u>	<u>\$ 327,401</u>	

(Continued)

	For the Three Months Ended March 31	
	2024	2023
Net cash (outflow) inflow from:		
Operating activities	\$ 32,921	\$ (51,352)
Investing activities	22,852	(25,101)
Financing activities	<u>(6,588)</u>	<u>(5,797)</u>
Net cash inflow (outflow)	<u>\$ 49,185</u>	<u>\$ (82,250)</u> (Concluded)

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Associates that are not individually material</u>			
GK BIO INTERNATIONAL SDN. BHD.	\$ 61,446	\$ 50,952	\$ 38,212
Shanghai Xinquan Biotechnology Co., Ltd.	<u>9,080</u>	<u>8,980</u>	<u>9,341</u>
	<u>\$ 70,526</u>	<u>\$ 59,932</u>	<u>\$ 47,553</u>

Aggregate information of associates that are not individually material:

	For the Three Months Ended March 31	
	2024	2023
The Group's share of:		
Net income	\$ 8,892	\$ 2,837
Other comprehensive income (loss)	<u>1,065</u>	<u>(416)</u>
Total comprehensive income	<u>\$ 9,957</u>	<u>\$ 2,421</u>

The Group had neither contingent liabilities nor capital commitments to the associates as of March 31, 2024 and 2023.

Investments in associates were not pledged.

14. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2024	December 31, 2023	March 31, 2023
Assets used by the Group	<u>\$ 7,564,763</u>	<u>\$ 7,538,682</u>	<u>\$ 7,367,003</u>

a. Assets used by the Group

For the Three Months Ended March 31, 2024						
	Balance at Beginning of Period	Additions	Disposals	Reclassification	Effects of Foreign Currency Exchange Differences	Balance at End of Period
<u>Cost</u>						
Land	\$ 2,964,746	\$ -	\$ -	\$ -	\$ -	\$ 2,964,746
Land improvements	3,264	-	-	-	-	3,264
Buildings	4,923,098	2,784	-	-	8,403	4,934,285
Machinery and equipment	1,971,127	17,846	-	1,808	5,354	1,996,135
Transportation equipment	22,359	-	(427)	-	76	22,008
Leasehold improvements	108,428	-	-	-	45	108,473
Other equipment	437,968	3,487	(540)	1,455	439	442,809
Construction in progress	386,261	92,720	-	(4,420)	105	474,666
	<u>10,817,251</u>	<u>\$ 116,837</u>	<u>\$ (967)</u>	<u>\$ (1,157)</u>	<u>\$ 14,422</u>	<u>10,946,386</u>
<u>Accumulated depreciation</u>						
Land	-	\$ -	\$ -	\$ -	\$ -	-
Land improvements	2,510	57	-	-	-	2,567
Buildings	1,465,923	48,421	-	-	3,139	1,517,483
Machinery and equipment	1,363,529	33,914	-	-	3,358	1,400,801
Transportation equipment	18,528	297	(330)	-	68	18,563
Leasehold improvements	81,252	3,222	-	-	26	84,500
Other equipment	346,827	11,043	(540)	-	379	357,709
	<u>3,278,569</u>	<u>\$ 96,954</u>	<u>\$ (870)</u>	<u>\$ -</u>	<u>\$ 6,970</u>	<u>3,381,623</u>
Carrying amount at March 31, 2024	<u>\$ 7,538,682</u>					<u>\$ 7,564,763</u>
For the Three Months Ended March 31, 2023						
	Balance at Beginning of Period	Additions	Disposals	Reclassification	Effects of Foreign Currency Exchange Differences	Balance at End of Period
<u>Cost</u>						
Land	\$ 2,964,746	\$ -	\$ -	\$ -	\$ -	\$ 2,964,746
Land improvements	3,264	-	-	-	-	3,264
Buildings	4,438,607	723	-	-	2,367	4,441,697
Machinery and equipment	1,914,790	18,597	-	22,572	1,565	1,957,524
Transportation equipment	21,006	-	-	-	23	21,029
Leasehold improvements	108,010	-	-	-	13	108,023
Other equipment	496,417	1,034	(208)	340	123	497,706
Construction in progress	448,181	64,899	-	(8,785)	15	504,310
	<u>10,395,021</u>	<u>\$ 85,253</u>	<u>\$ (208)</u>	<u>\$ 14,127</u>	<u>\$ 4,106</u>	<u>10,498,299</u>
<u>Accumulated depreciation</u>						
Land	-	\$ -	\$ -	\$ -	\$ -	-
Land improvements	2,238	68	-	-	-	2,306
Buildings	1,292,056	44,440	-	-	811	1,337,307
Machinery and equipment	1,282,342	33,703	-	-	855	1,316,900
Transportation equipment	16,885	487	-	-	17	17,389
Leasehold improvements	65,879	4,058	-	-	6	69,943
Other equipment	375,539	12,004	(190)	-	98	387,451
	<u>3,034,939</u>	<u>\$ 94,760</u>	<u>\$ (190)</u>	<u>\$ -</u>	<u>\$ 1,787</u>	<u>3,131,296</u>
Carrying amount at March 31, 2023	<u>\$ 7,360,082</u>					<u>\$ 7,367,003</u>

The significant parts of the Group'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 three months ended March 31, 2024 and 2023 as there was no indication of impairment.

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 32.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amounts</u>			
Land	\$ 82,532	\$ 80,265	\$ 83,978
Buildings	118,310	129,022	84,902
Transportation equipment	10,531	7,498	4,734
Other equipment	<u>781</u>	<u>955</u>	<u>1,322</u>
	<u>\$ 212,154</u>	<u>\$ 217,740</u>	<u>\$ 174,936</u>
	For the Three Months Ended March 31		
	2024	2023	
Additions to right-of-use assets	<u>\$ 4,254</u>	<u>\$ 726</u>	
Depreciation charge for right-of-use assets			
Land	\$ 970	\$ 969	
Buildings	10,712	10,099	
Transportation equipment	1,272	998	
Other equipment	<u>174</u>	<u>181</u>	
	<u>\$ 13,128</u>	<u>\$ 12,247</u>	

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amounts</u>			
Current	<u>\$ 56,813</u>	<u>\$ 56,560</u>	<u>\$ 43,457</u>
Non-current	<u>\$ 128,986</u>	<u>\$ 136,360</u>	<u>\$ 103,312</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Land	1.02%-1.84%	1.02%	1.02%
Buildings	1.02%-1.80%	1.00%-1.80%	1.00%-1.60%
Transportation equipment	1.02%-3.14%	1.00%-1.80%	1.00%-1.35%
Other equipment	1.00%-1.84%	1.00%-1.84%	1.00%-1.02%

c. Material leasing activities and terms

The Group leases certain land, buildings and transportation equipment with lease terms of 3 to 50 years. Lease payments for the lease contract of land will be adjusted on the basis of changes in announced land value prices. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

The Group also leases certain transportation equipment under finance leases. The lease period is 3 years. Upon the expiration of the lease period, ownership of the transportation equipment will be automatically transferred to the Group. The Group's finance lease obligations are secured by the lessor's ownership of the leased assets.

d. Other lease information

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term and low-value asset leases	<u>\$ 4079</u>	<u>\$ 4,138</u>
Total cash outflow for leases	<u>\$ (17,642)</u>	<u>\$ (16,285)</u>

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

16. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1 and March 31, 2024	<u>\$ 1,141,278</u>	<u>\$ 344,729</u>	<u>\$ 1,486,007</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 77,633	\$ 77,633
Depreciation expenses	<u>-</u>	<u>1,974</u>	<u>1,974</u>
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 79,607</u>	<u>\$ 79,607</u>
Carrying amount at January 1, 2024	<u>\$ 1,141,278</u>	<u>\$ 267,096</u>	<u>\$ 1,408,374</u>
Carrying amount at March 31, 2024	<u>\$ 1,141,278</u>	<u>\$ 265,122</u>	<u>\$ 1,406,400</u>

(Continued)

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1 and March 31, 2023	<u>\$ 1,141,278</u>	<u>\$ 390,302</u>	<u>\$ 1,531,580</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 115,311	\$ 115,311
Depreciation expenses	<u>-</u>	<u>1,974</u>	<u>1,974</u>
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 117,285</u>	<u>\$ 117,285</u>
Carrying amount at March 31, 2023	<u>\$ 1,141,278</u>	<u>\$ 273,017</u>	<u>\$ 1,414,295</u>
			(Concluded)

The investment properties were leased out for 3 to 10 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 March 31, 2024 and December 31, 2023 and March 31, 2023 was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Year 1	\$ 16,025	\$ 16,662	\$ 9,713
Year 2	15,628	15,631	1,312
Year 3	9,076	12,380	930
Year 4	2,503	2,521	930
Year 5	1,523	1,934	930
More than 5 years	<u>1,400</u>	<u>1,610</u>	<u>2,240</u>
	<u>\$ 46,155</u>	<u>\$ 50,738</u>	<u>\$ 16,055</u>

Except for depreciation recognized, the Group did not have significant addition, disposal, or impairment of investment properties during the three months ended March 31, 2024 and 2023. Investment properties are depreciated using the straight-line method over their estimated useful lives of 5 to 50 years.

Investment properties held by the Group are not measured at fair value while its fair value is disclosed. 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.

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value	<u>\$ 1,839,448</u>	<u>\$ 1,828,440</u>	<u>\$ 1,784,681</u>

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 guaranteed note amounting to NT\$5,600 thousand from Mr. Tseng for security purpose.

Investment properties were not pledged.

17. INTANGIBLE ASSETS

	Computer Software	Trademarks	Customer Relations	Total
<u>Cost</u>				
Balance at January 1, 2024	\$ 140,222	\$ 16,135	\$ 58,739	\$ 215,096
Additions	3,939	-	-	3,939
Reclassification adjustments	2,342	-	-	2,342
Effects of foreign currency exchange differences	<u>79</u>	<u>1</u>	<u>1,100</u>	<u>1,180</u>
Balance at March 31, 2024	<u>\$ 146,582</u>	<u>\$ 16,136</u>	<u>\$ 59,839</u>	<u>\$ 222,557</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 69,213	\$ 15,901	\$ 4,895	\$ 90,009
Amortization expenses	6,313	57	2,963	9,333
Effects of foreign currency exchange differences	<u>34</u>	<u>1</u>	<u>120</u>	<u>155</u>
Balance at March 31, 2024	<u>\$ 75,560</u>	<u>\$ 15,959</u>	<u>\$ 7,978</u>	<u>\$ 99,497</u>
Carrying amount at January 1, 2024	<u>\$ 71,009</u>	<u>\$ 234</u>	<u>\$ 53,844</u>	<u>\$ 125,087</u>
Carrying amount at March 31, 2024	<u>\$ 71,022</u>	<u>\$ 177</u>	<u>\$ 51,861</u>	<u>\$ 123,060</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 93,128	\$ 16,136	\$ -	\$ 109,264
Additions	311	-	-	311
Effects of foreign currency exchange differences	<u>22</u>	<u>-</u>	<u>-</u>	<u>22</u>
Balance at March 31, 2023	<u>\$ 93,461</u>	<u>\$ 16,136</u>	<u>\$ -</u>	<u>\$ 109,597</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 49,835	\$ 15,672	\$ -	\$ 65,507
Amortization expenses	4,055	57	-	4,112
Effects of foreign currency exchange differences	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>
Balance at March 31, 2023	<u>\$ 53,896</u>	<u>\$ 15,729</u>	<u>\$ -</u>	<u>\$ 69,625</u>
Carrying amount at March 31, 2023	<u>\$ 39,565</u>	<u>\$ 407</u>	<u>\$ -</u>	<u>\$ 39,972</u>

Except for the aforementioned addition and recognized amortization, the Group did not have disposal or impairment of other intangible assets during the three months ended March 31, 2024 and 2023. Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3-10 years
Trademark	3-10 years
Customer Relations	5 years

	For the Three Months Ended March 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	\$ 160	\$ 103
Selling and marketing expenses	1,770	1,548
General and administrative expenses	7,250	2,440
Research and development expenses	<u>153</u>	<u>21</u>
	<u>\$ 9,333</u>	<u>\$ 4,112</u>

18. OTHER ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current assets</u>			
Prepayments for purchases	\$ 42,887	\$ 45,376	\$ 21,214
Office supplies	3,310	3,619	3,421
Other prepaid expense	13,534	15,086	18,729
Other current assets	<u>3,109</u>	<u>1,200</u>	<u>3,168</u>
	<u>\$ 62,840</u>	<u>\$ 65,281</u>	<u>\$ 46,532</u>
<u>Non-current assets</u>			
Prepayments for equipment	\$ 59,301	\$ 38,895	\$ 97,622
Net defined benefit assets	23,055	22,600	20,787
Refundable deposits	16,687	16,079	16,522
Other non-current assets	<u>5,931</u>	<u>5,397</u>	<u>4,987</u>
	<u>\$ 104,974</u>	<u>\$ 82,971</u>	<u>\$ 139,918</u>

19. OTHER LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Other payables			
Bonus to direct sellers	\$ 752,668	\$ 1,139,253	\$ 747,575
Bonus to employees	272,992	234,175	278,231
Salaries and incentive bonus	159,293	159,072	155,951
Payables for purchases of equipment	72,386	80,572	72,836
Bonus to directors	40,031	34,032	40,560
Accrued VAT payable	38,569	89,082	31,175
Other accrued expenses	223,857	226,894	276,585
Others	<u>5,156</u>	<u>6,782</u>	<u>4,379</u>
	<u>\$ 1,564,952</u>	<u>\$ 1,969,862</u>	<u>\$ 1,607,292</u>

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Other liabilities			
Guarantee deposits received	\$ 2,755	\$ 1,150	\$ 1,750
Unearned rent	1,566	1,447	1,639
Other current liabilities	<u>14,619</u>	<u>26,253</u>	<u>16,712</u>
	<u>\$ 18,940</u>	<u>\$ 28,850</u>	<u>\$ 20,101</u>
<u>Non-current</u>			
Guarantee deposits received	\$ 10,816	\$ 10,559	\$ 9,265
Net defined benefit liabilities	<u>192</u>	<u>217</u>	<u>266</u>
	<u>\$ 11,008</u>	<u>\$ 10,776</u>	<u>\$ 9,531</u>
			(Concluded)

20. PROVISIONS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Non-current</u>			
Decommissioning, restoration and rehabilitation	<u>\$ 9,760</u>	<u>\$ 9,739</u>	<u>\$ 9,674</u>
The movements of the provision for decommissioning, restoration and rehabilitation activities were as follows:			
	For the Three Months Ended March 31		
	2024	2023	
Balance at January 1	\$ 9,739	\$ 9,652	
Discount rate adjustment and unwinding of discount from the passage of time	<u>21</u>	<u>22</u>	
Balance at March 31	<u>\$ 9,760</u>	<u>\$ 9,674</u>	

The Group recognized provision for decommissioning of a factory site according to a contract.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

Expenses under the defined contribution plan for the three months ended March 31, 2024 and 2023 were NT\$9,183 thousand and NT\$8,534 thousand, respectively.

b. Defined benefit plans

Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate; expenses under the defined benefit plan for the three months ended March 31, 2024 and 2023 were NT\$108 thousand and NT\$105 thousand, respectively.

22. EQUITY

a. Share capital

1) Ordinary shares

	March 31, 2024	December 31, 2023	March 31, 2023
Shares authorized (in thousands of shares)	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
Shares authorized, par value \$10 (in thousands of dollars)	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>
Shares issued and fully paid (in thousands of shares)	<u>148,137</u>	<u>148,137</u>	<u>148,137</u>
Shares issued through public issue	\$ 1,362,864	\$ 1,362,864	\$ 1,362,864
Shares issued through private placement	<u>118,510</u>	<u>118,510</u>	<u>118,510</u>
Shares issued and fully paid (in thousands of dollars)	<u>\$ 1,481,374</u>	<u>\$ 1,481,374</u>	<u>\$ 1,481,374</u>

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 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 the 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. The Company's Board of Directors approved the supplementary issuance of private placement ordinary shares on May 13, 2024.

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
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	\$ 2,850,440
Treasury share transactions	2,672	2,672	2,672
<u>May only be used to offset a deficit</u>			
Convertible bonds - expired share options	150	150	150
Treasury share transactions - share options	6,749	6,749	6,749
Arising from share of changes in capital surplus of associates	2,809	2,809	2,809
Other (2)	<u>15,777</u>	<u>13,526</u>	<u>13,526</u>
	<u>\$ 2,878,597</u>	<u>\$ 2,876,346</u>	<u>\$ 2,876,346</u>

- 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) Other is unclaimed dividend.
- c. Retained earnings and dividends policy

According to the Company's Articles of Incorporation, both the Company and Pro-partner Inc. 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 24-h.

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 shareholder dividends 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 shares, out of which at least 10% of the total dividends distributed shall be in cash.

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 2023 and 2022 that were proposed by the Board of Directors on February 26, 2024 and approved in the shareholders' meeting on May 31, 2023, were as follows:

	For the Years Ended	
	December 31	
	2023	2022
Legal reserve	\$ 145,293	\$ 145,920
Special reserve	\$ 8,729	\$ (21,377)
Cash dividends	\$ 1,022,148	\$ 1,022,148
Cash dividends per share (NT\$)	\$ 6.9	\$ 6.9

The appropriations of earnings for 2023 is subject to the resolution of the shareholders in the shareholders' meetings to be May 30, 2024.

Pro-Partner's appropriations of earnings for 2023 and 2022 that were approved in the shareholders' meetings on April 16, 2024 and April 13, 2023, respectively, were as follows:

	For the Years Ended December 31	
	2023	2022
Legal reserve	\$ 172,124	\$ 178,240
Cash dividends	\$ 1,619,120	\$ 1,604,164
Cash dividends per share (NT\$)	\$ 92.00	\$ 91.15

d. Other equity items

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

	For the Three Months Ended March 31	
	2024	2023
Balance at beginning of period	\$ (79,665)	\$ (57,144)
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	<u>21,556</u>	<u>5,217</u>
Balance at end of period	<u>\$ (58,109)</u>	<u>\$ (51,927)</u>

2) Unrealized loss on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2024	2023
Balance at beginning of period	\$ 108	\$ (13,684)
Recognized for the period		
Unrealized loss - equity instruments	<u>2</u>	<u>(1,966)</u>
Other comprehensive loss for the period	<u>2</u>	<u>(1,966)</u>
Transfer of accumulated gain or loss on disposal of equity instruments to retained earnings	<u>-</u>	<u>15,640</u>
Balance at end of period	<u>\$ 110</u>	<u>\$ (10)</u>

e. Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance at beginning of period	\$ 1,651,636	\$ 1,571,301
Profit for the period	130,955	130,969
Other comprehensive income (loss) for the year		
Exchange differences on translating the financial statements of foreign operations	<u>633</u>	<u>(9)</u>
Balance at end of period	<u>\$ 1,783,224</u>	<u>\$ 1,702,261</u>

23. REVENUE

	For the Three Months Ended March 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 2,140,918	\$ 1,982,636
Revenue from the rendering of services	<u>206,601</u>	<u>237,067</u>
	<u>\$ 2,347,519</u>	<u>\$ 2,219,703</u>

a. Disaggregation of revenue

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

For the three months ended March 31, 2024

	Reportable Segments				
	MLM	Distribution	ODM/OEM	Sales Channel	Total
<u>Type of goods or services</u>					
Sale of goods	\$ 1,782,162	\$ 187,661	\$ -	\$ 171,095	\$ 2,140,918
Rendering of services	<u>-</u>	<u>-</u>	<u>206,601</u>	<u>-</u>	<u>206,601</u>
	<u>\$ 1,782,162</u>	<u>\$ 187,661</u>	<u>\$ 206,601</u>	<u>\$ 171,095</u>	<u>\$ 2,347,519</u>

Timing of revenue recognition

Satisfied at a point in time	<u>\$ 1,782,162</u>	<u>\$ 187,661</u>	<u>\$ 206,601</u>	<u>\$ 171,095</u>	<u>\$ 2,347,519</u>
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For the three months ended March 31, 2023

	Reportable Segments				
	MLM	Distribution	ODM/OEM	Sales Channel	Total
<u>Type of goods or services</u>					
Sale of goods	\$ 1,785,887	\$ 196,749	\$ -	\$ -	\$ 1,982,636
Rendering of services	<u>-</u>	<u>-</u>	<u>237,067</u>	<u>-</u>	<u>237,067</u>
	<u>\$ 1,785,887</u>	<u>\$ 196,749</u>	<u>\$ 237,067</u>	<u>\$ -</u>	<u>\$ 2,219,703</u>

Timing of revenue recognition

Satisfied at a point in time	<u>\$ 1,785,887</u>	<u>\$ 196,749</u>	<u>\$ 237,067</u>	<u>\$ -</u>	<u>\$ 2,219,703</u>
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2) Type of goods

	For the Three Months Ended March 31	
	2024	2023
<u>Type of goods</u>		
Health food	\$ 1,791,643	\$ 1,861,255
ODM/OEM	206,601	237,067
Sales Channel (Note 1)	171,095	-
Cosmetics	83,536	67,111
Beverage	82,631	42,054
Others (Note 2)	<u>12,013</u>	<u>12,216</u>
	<u>\$ 2,347,519</u>	<u>\$ 2,219,703</u>

Note 1: Sales channel is the Group's business of selling products from other companies for the purpose of building its own brand channels.

Note 2: Others include general food and pet food.

b. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Notes and accounts receivable, net	<u>\$ 234,289</u>	<u>\$ 197,231</u>	<u>\$ 262,892</u>	<u>\$ 196,680</u>
Accounts receivable from related parties	<u>\$ 102,139</u>	<u>\$ 93,580</u>	<u>\$ 75,219</u>	<u>\$ 72,967</u>
Contract liabilities - current				
Sale of goods	\$ 63,808	\$ 89,325	\$ 7,823	\$ 87,383
Rendering of services	<u>74,432</u>	<u>60,359</u>	<u>97,908</u>	<u>86,006</u>
	<u>\$ 138,240</u>	<u>\$ 149,684</u>	<u>\$ 105,731</u>	<u>\$ 173,389</u>

The changes in the balance of contract liabilities primarily resulted from the timing difference between the Group'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 Three Months Ended March 31	
	2024	2023
From contract liabilities at the start of the year		
Revenue from the sale of goods	\$ 89,422	\$ 87,199
Revenue from contracts with customers	<u>49,941</u>	<u>45,859</u>
	<u>\$ 139,363</u>	<u>\$ 133,058</u>

24. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended March 31	
	2024	2023
Financial assets at amortized cost	<u>\$ 12,947</u>	<u>\$ 9,520</u>

b. Other income

	For the Three Months Ended March 31	
	2024	2023
Rental income	\$ 7,102	\$ 6,432
Others	<u>13,379</u>	<u>13,217</u>
	<u>\$ 20,481</u>	<u>\$ 19,649</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2024	2023
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	\$ 211	\$ -
Net foreign exchange gain	5,717	1,053
Gain on modification of lease agreements	1,179	-
Gain (loss) on disposal of property, plant and equipment	408	(18)
Others	<u>6</u>	<u>(85)</u>
	<u>\$ 7,521</u>	<u>\$ 950</u>

d. Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest on lease liabilities	\$ 710	\$ 438
Imputed interest on deposit	9	7
Unwinding of discount on provisions	<u>21</u>	<u>22</u>
	<u>\$ 740</u>	<u>\$ 467</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	\$ 61,198	\$ 57,765
Operating expenses	<u>50,858</u>	<u>51,216</u>
	<u>\$ 112,056</u>	<u>\$ 108,981</u>
An analysis of amortization by function		
Operating costs	\$ 160	\$ 103
Operating expenses	<u>9,173</u>	<u>4,009</u>
	<u>\$ 9,333</u>	<u>\$ 4,112</u>

Refer to Note 17 for information relating to the line item in which any amortization of intangible assets is included.

f. Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2024	2023
Direct operating expenses from investment properties generating rental income	\$ 1,076	\$ 916
Direct operating expenses from investment properties not generating rental income	<u>897</u>	<u>1,058</u>
	<u>\$ 1,973</u>	<u>\$ 1,974</u>

g. Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Short-term benefits	\$ 316,208	\$ 314,006
Post-employment benefits (Note 21)		
Defined contribution plan	9,183	8,534
Defined benefit plans	<u>108</u>	<u>105</u>
	<u>9,291</u>	<u>8,639</u>
Other employee benefits	<u>7,530</u>	<u>5,793</u>
 Total employee benefits expense	 <u>\$ 333,029</u>	 <u>\$ 328,438</u>
 An analysis of employee benefits expense by function		
Operating costs	\$ 65,746	\$ 60,501
Operating expenses	<u>267,283</u>	<u>267,937</u>
	<u>\$ 333,029</u>	<u>\$ 328,438</u>

h. 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 three months ended March 31, 2024 and 2023, the compensation of employees and the remuneration of directors are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	8%	8%
Remuneration of directors	2%	2%

Amount

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	\$ 23,994	\$ 26,111
Remuneration of directors	5,998	6,528

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

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 Years 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.

25. INCOME TAXES

- a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended	
	March 31	
	2024	2023
Current tax		
In respect of the current period	\$ 94,807	\$ 96,947
Adjustments for prior years	<u>-</u>	<u>1,502</u>
	94,807	98,449
Deferred tax		
In respect of the current period	<u>1,587</u>	<u>1,363</u>
Income tax expense recognized in profit or loss	<u>\$ 96,394</u>	<u>\$ 99,812</u>

- b. Income tax assessments

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

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended	
	March 31	
	2024	2023
Basic earnings per share	<u>\$ 1.74</u>	<u>\$ 1.89</u>
Diluted earnings per share	<u>\$ 1.73</u>	<u>\$ 1.88</u>

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 period

	For the Three Months Ended March 31	
	2024	2023
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 257,881</u>	<u>\$ 279,785</u>

Weighted average number of ordinary shares outstanding

	Unit: In Thousands of Shares	
	For the Three Months Ended March 31	
	2024	2023
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	<u>702</u>	<u>601</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>148,839</u>	<u>148,738</u>

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.

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Shanghai Pujun	Selling food	August 16,2023	51	<u>\$ 34,920</u>

Shanghai Pujun was acquired on August 16, 2023, in order to continue the expansion of the Group's business scale in China.

b. Consideration transferred

	Shanghai Pujun
Cash	<u>\$ 34,920</u>

c. Assets acquired and liabilities assumed at the date of acquisition

	Shanghai Pujun
Current assets and non-current assets	
Cash	\$ 5,017
Accounts receivable, net	3,316
Inventories	174
Other current assets	35,718
Intangible assets	59,255
Current liabilities	
Contract liabilities	(30,270)
Accounts payable	(4,071)
Other payables	(506)
Current tax liabilities	<u>(162)</u>
	<u>\$ 68,471</u>

d. Non-controlling interests

The non-controlling interest (a 49% ownership interest in Shanghai Pujun Limited) recognized at the acquisition date was measured in proportion to its share of the identifiable net assets on the acquisition date.

e. Net cash outflow on the acquisition of subsidiaries

	Shanghai Pujun
Considerations paid in cash	\$ 34,920
Less: Cash balances acquired	<u>(5,017)</u>
	<u>\$ 29,903</u>

28. CASH FLOW INFORMATION

a. Non-cash transactions

The Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows for the three months ended March 31, 2024 and 2023:

	For the Three Months Ended March 31	
	2024	2023
Additions of property, plant and equipment	\$ (116,837)	\$ (85,253)
Changes in prepayments for purchases	(21,591)	(7,803)
Changes in payables for purchase of equipment	<u>(8,186)</u>	<u>(63,115)</u>
Payments for acquisition of property, plant and equipment	<u>\$ (146,614)</u>	<u>\$ (156,171)</u>

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2024

	January 1, 2024	Cash Flows	Non-cash Changes			March 31, 2024
			Lease Change	Finance Costs	Exchange Rate Impact	
Guarantee deposits received	\$ 11,709	\$ 1,842	\$ -	\$ -	\$ 20	\$ 13,571
Lease liabilities	<u>192,920</u>	<u>(13,563)</u>	<u>5,686</u>	<u>710</u>	<u>46</u>	<u>185,799</u>
	<u>\$ 204,629</u>	<u>\$ (11,721)</u>	<u>\$ 5,686</u>	<u>\$ 710</u>	<u>\$ 66</u>	<u>\$ 199,370</u>

For the three months ended March 31, 2023

	January 1, 2023	Cash Flows	Non-cash Changes			March 31, 2023
			Lease Change	Finance Costs	Exchange Rate Impact	
Guarantee deposits received	\$ 9,099	\$ 1,914	\$ -	\$ -	\$ 2	\$ 11,015
Lease liabilities	<u>157,752</u>	<u>(12,147)</u>	<u>726</u>	<u>438</u>	<u>-</u>	<u>146,769</u>
	<u>\$ 166,851</u>	<u>\$ (10,233)</u>	<u>\$ 726</u>	<u>\$ 438</u>	<u>\$ 2</u>	<u>\$ 157,784</u>

29. CAPITAL MANAGEMENT

The objective of the Group's capital management is maintaining a good capital structure and to ensure the ability to operate continuously, in order to provide returns to shareholders and the interests of other related parties, while maintaining an optimal capital structure to reduce costs of capital. The Group's capital structure management strategies were based on the industry size of the Company and its subsidiaries, industry's future growth, product roadmaps, and changes in the external environment and other factors. The Group plans the required capacity and the necessary plant and equipment to achieve this capacity and the corresponding capital expenditure according to those strategies. The Group 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 Group takes into consideration cyclical fluctuations in industrial, product life cycle and other risk factors.

30. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mutual funds	<u>\$ 50,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,199</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130</u>	<u>\$ 130</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mutual funds	\$ 80,062	\$ -	\$ -	\$ 80,062
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments - unlisted shares	\$ -	\$ -	\$ 128	\$ 128

March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments - unlisted shares	\$ -	\$ -	\$ 10	\$ 10

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

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

For the three months ended March 31, 2024

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at beginning of period	\$ 128
Recognized in other comprehensive loss (included in unrealized gain (loss) on financial assets at FVTOCI)	2
Balance at end of period	\$ 130

For the three months ended March 31, 2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at beginning of period	\$ 14,344
Recognized in other comprehensive loss (included in unrealized gain (loss) on financial assets at FVTOCI)	(1,966)
Disposals	(12,368)
Balance at end of period	\$ 10

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.

	March 31, 2024	December 31, 2023	March 31, 2023
Discount for lack of marketability	30%	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 increase (decrease) as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Discount for lack of marketability			
1% increase	\$ (2)	\$ (2)	\$ -
1% decrease	\$ 2	\$ 2	\$ -

c. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 50,199	\$ 80,062	\$ -
Financial assets at amortized cost			
Cash and cash equivalents	4,841,260	4,818,703	4,642,413
Financial assets at amortized cost	76,478	99,666	108,877
Notes and accounts receivable, net	234,289	197,231	262,892
Accounts receivable from related parties	102,139	93,580	75,219
Other receivables	17,430	24,583	13,757
Other receivables from related parties	12	-	-
Financial assets at FVTOCI			
Equity instruments	130	128	10
	<u>\$ 5,321,937</u>	<u>\$ 5,313,953</u>	<u>\$ 5,103,168</u>

Financial liabilities

Financial liabilities at amortized cost			
Notes and accounts payable	\$ 301,003	\$ 284,099	\$ 335,127
Accounts payable to related parties	4,087	6,002	-
Other payables	1,564,952	1,969,862	1,607,292
Other payables to related parties	92,563	83,647	106,723
	<u>\$ 1,962,605</u>	<u>\$ 2,343,610</u>	<u>\$ 2,049,142</u>

d. Financial risk management objectives and policies

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

The Group 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 Group 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 Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

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

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 34.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details the Group'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 Three Months Ended	
	March 31	
	2024	2023
Profit or loss	\$ 14,250	\$ 11,063

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 Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The Group is also exposed to interest rate risk related to its investments in floating rate debt instruments. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial assets	\$ 78,878	\$ 598,283	\$ 156,812
Financial liabilities	185,799	192,920	146,769
Cash flow interest rate risk			
Financial assets	4,831,408	4,313,366	4,586,917

Sensitivity analysis

The sensitivity analysis below was determined based on the Group'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 Group's pre-tax profit for the three months ended March 31, 2024 and 2023 would change by NT\$1,208 thousand and NT\$1,147 thousand, respectively, which was mainly due to fluctuations in 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 Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group 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 consolidated balance sheets.

Customer credit risk is managed by each business unit subject to the Group'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 Group's internal rating criteria etc. Credit risk of certain customers is also managed by carrying out credit enhancement procedures such as requesting for prepayment.

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group 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 Group'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 Group 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.

March 31, 2024

	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)	\$ 305,090	\$ -	\$ -	\$ -	\$ -	\$ 305,090
Other payables (related parties included)	1,520,492	111,523	25,500	-	-	1,657,515
Lease liabilities	<u>32,461</u>	<u>24,205</u>	<u>39,098</u>	<u>56,952</u>	<u>49,775</u>	<u>202,491</u>
	<u>\$ 1,858,043</u>	<u>\$ 135,728</u>	<u>\$ 64,598</u>	<u>\$ 56,952</u>	<u>\$ 49,775</u>	<u>\$ 2,165,096</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 56,666</u>	<u>\$ 96,050</u>	<u>\$ 11,270</u>	<u>\$ 11,270</u>	<u>\$ 11,270</u>	<u>\$ 15,965</u>

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)	\$ 290,101	\$ -	\$ -	\$ -	\$ -	\$ 290,101
Other payables (related parties included)	1,821,294	232,215	-	-	-	2,053,509
Lease liabilities	<u>31,617</u>	<u>24,487</u>	<u>38,953</u>	<u>64,823</u>	<u>44,043</u>	<u>203,923</u>
	<u>\$ 2,143,012</u>	<u>\$ 256,702</u>	<u>\$ 38,953</u>	<u>\$ 64,823</u>	<u>\$ 44,043</u>	<u>\$ 2,547,533</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 56,104</u>	<u>\$ 103,776</u>	<u>\$ 9,860</u>	<u>\$ 9,860</u>	<u>\$ 9,860</u>	<u>\$ 14,463</u>

March 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	\$ 335,127	\$ -	\$ -	\$ -	\$ -	\$ 335,127
Other payables (related parties included)	1,576,234	112,295	25,486	-	-	1,714,015
Lease liabilities	<u>25,465</u>	<u>16,713</u>	<u>30,171</u>	<u>38,098</u>	<u>45,522</u>	<u>155,969</u>
	<u>\$ 1,936,826</u>	<u>\$ 129,008</u>	<u>\$ 55,657</u>	<u>\$ 38,098</u>	<u>\$ 45,522</u>	<u>\$ 2,205,111</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 42,178</u>	<u>\$ 68,269</u>	<u>\$ 9,860</u>	<u>\$ 9,860</u>	<u>\$ 9,860</u>	<u>\$ 15,942</u>

b) Financing facilities

	March 31, 2024	December 31, 2023	March 31, 2023
Short-term borrowings amount			
Amount unused	<u>\$ 1,738,000</u>	<u>\$ 1,738,000</u>	<u>\$ 1,738,000</u>

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Related party name and category

Related Party Name	Related Party Category	Relationship with the Group
Sheng-Lin Tseng	Substantive related party	Chairman of the Company
Pu Hsing Enterprise Co., Ltd. (Pu Hsing)	Other related party	Director of Pro-partner
Taipei City Pro-partner Technology and Human Development Foundation (Pro-partner Foundation)	Other related party	Pro-partner is its sole founder
Laser Solution Technology Co., Ltd. (Laser Solution)	Other related party	Supervisor of Pro-partner (from June 3, 2021 to June 2, 2024)
Pu-Lin Ltd. (Pu-Lin)	Other Related Party	Related party in substance of Pro-partner
Xinlin Enterprise Co., Ltd. (Xinlin)	Other Related Party	Related party in substance of Pro-partner
Xinlin Investment Co., Ltd. (Xinlin Investment)	Other Related Party	Related party in substance of Pro-partner
Uni-President Enterprises Corp. (Uni-President)	Other related party	Director of the Company

(Continued)

Related Party Name	Related Party Category	Relationship with the Group
Tung-Ju Enterprise Corp. (Tung-Ju)	Other related party	Subsidiary of a director of the Company
Tung Hsyung Co., Ltd. (Tung Hsyung)	Other related party	Subsidiary of a director of the Company
Uni-President Vender Corp. (Uni-President Vender)	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
Sheng-Miao Industrial Corp. (Sheng-Miao)	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
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
President (Shanghai) Health Product Trading Company Ltd. (President (Shanghai) Health Product Trading)	Other related party	Subsidiary of a director of the Company
Uni-President Shanghai Management Consulting Co., Ltd. (Uni-President Shanghai Management Consulting)	Other related party	Subsidiary of a director of the Company
Kunshan President Enterprises Food Co., Ltd. (Kunshan President)	Other related party	Subsidiary of a director of the Company
President Enterprises (Inner Mongolia) Co., Ltd. (Inner Mongolia President)	Other related party	Subsidiary of a director of the Company
President (Shanghai) Trading Co., Ltd. (President (Shanghai) Trading)	Other related party	Subsidiary of a director of the Company
Uni-President Trading (Kunshan) Co., Ltd. (Uni-President Trading (Kunshan))	Other related party	Subsidiary of a director of the Company
Guangzhou President Enterprises Co., Ltd. (Guangzhou President)	Other related party	Subsidiary of a director of the Company
Henan President Enterprises Co., Ltd. (Henan President)	Other related party	Subsidiary of a director of the Company

(Continued)

Related Party Name	Related Party Category	Relationship with the Group
Zhengzhou President Enterprises Co., Ltd. (Zhengzhou President)	Other related party	Subsidiary of a director of the Company
Jinan President Enterprises Co., Ltd. (Jinan President)	Other related party	Subsidiary of a director of the Company
Chengdu President Enterprises Food Co., Ltd. (Chengdu President)	Other related party	Subsidiary of a director of the Company
Xinjiang President Enterprises Food Co., Ltd. (Xinjiang President)	Other related party	Subsidiary of a director of the Company
Hefei President Enterprises Co., Ltd. (Hefei President)	Other related party	Subsidiary of a director of the Company
Nanchang President Enterprises Co., Ltd. (Nanchang President)	Other related party	Subsidiary of a director of the Company
Shaanxi President Enterprises Co., Ltd. (Shaanxi President)	Other related party	Subsidiary of a director of the Company
Changsha President Enterprises Co., Ltd. (Changsha President)	Other related party	Subsidiary of a director of the Company
Uni-President Enterprises (China) Investment Corp. (Uni-President Enterprises (China) Investment)	Other related party	Subsidiary of a director of the Company
Ton Yi (China) Investment Co., Ltd. (Ton Yi (China) Investment)	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 Three Months Ended March 31	
		2024	2023
Sales	Associate	\$ 7,395	\$ 896
	Other related party	<u>75,825</u>	<u>58,567</u>
		<u>\$ 83,220</u>	<u>\$ 59,463</u>

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 for the third parties.

c. Purchases of goods

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2024	2023
Purchases of goods	Changsha President	\$ 93,590	\$ -
	Nanchang President	45,287	-
	Other related party	<u>21,512</u>	<u>-</u>
		<u>\$ 160,389</u>	<u>\$ -</u>

Purchases for the related parties were determined based on mutual consent. There is no significant difference regarding the terms and conditions for the related parties and for the third parties.

d. Contract liabilities

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Contract liabilities	Other related party	<u>\$ 426</u>	<u>\$ 196</u>	<u>\$ 204</u>

e. Receivables from related parties

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable from related parties	Tung Hsyang	\$ 36,344	\$ 37,995	\$ 37,837
	Kunshan President	18,677	5,771	4,470
	Tung-Ju	15,198	13,449	15,899
	GK BIO INTER-NATIONAL SDN. BHD.	14,264	22,259	905
	Retail Support	11,979	12,566	13,033
	Other related party	<u>5,677</u>	<u>1,540</u>	<u>3,075</u>
		<u>\$ 102,139</u>	<u>\$ 93,580</u>	<u>\$ 75,219</u>
Other receivables from related parties	Pu Hsing	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ -</u>

f. Payables to related parties

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Account payables to related parties	Changsha President	\$ 1,446	\$ 3,050	\$ -
	Xinjiang President	1,024	-	-
	Nanchang President	959	1,151	-
	Hefei President	310	834	-
	Other related party	<u>348</u>	<u>967</u>	<u>-</u>
		<u>\$ 4,087</u>	<u>\$ 6,002</u>	<u>\$ -</u>
Other payables to related parties	Tung Hsyang	\$ 24,954	\$ 22,081	\$ 26,413
	Pu Hsing	23,485	19,734	24,168
	Laser Solution	23,453	19,703	24,136
	Tung-Ju	10,155	10,785	21,834
	Other related party	<u>10,516</u>	<u>11,344</u>	<u>10,172</u>
		<u>\$ 92,563</u>	<u>\$ 83,647</u>	<u>\$ 106,723</u>

g. Prepayments

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Prepayments	Changsha President	\$ 6,811	\$ 13,287	\$ -
	Nanchang President	4,734	8,993	-
	Associate	450	450	-
	Other related party	<u>6,924</u>	<u>4,663</u>	<u>91</u>
		<u>\$ 18,919</u>	<u>\$ 27,393</u>	<u>\$ 91</u>

h. Lease arrangements

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Lease liabilities	Pu-Lin	\$ 6,419	\$ 6,419	\$ 6,419
	Substantive related party	<u>4,224</u>	<u>4,513</u>	<u>5,376</u>
		<u>\$ 10,643</u>	<u>\$ 10,932</u>	<u>\$ 11,795</u>

Related Party Category	For the Three Months Ended March 31	
	2024	2023
<u>Interest expense</u>		
Substantive related party	<u>\$ 11</u>	<u>\$ 14</u>

The rental paid to the above related party is similar to general market rental prices, and rental is paid each remittance one month and once every six months, respectively.

i. Other transactions with related parties

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Refundable deposits	Other related party	<u>\$ 2,104</u>	<u>\$ 2,095</u>	<u>\$ 1,619</u>
Guarantee deposits received	Other related party	<u>\$ 353</u>	<u>\$ 346</u>	<u>\$ 356</u>
Advance receipts (classified as other current liabilities)	Other related party	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 25</u>

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2024	2023
Operating costs - inspection expense	Other related party	\$ <u>6</u>	\$ <u>23</u>
Operating costs - freight expense	Other related party	\$ <u>3</u>	\$ <u>4</u>
Selling and marketing expenses - freight expense	Other related party	\$ <u>4,398</u>	\$ <u>4,311</u>
Selling and marketing expenses - commissions expense	Other related party	\$ <u>4,333</u>	\$ <u>3,192</u>
Selling and marketing expenses - advertisement expense	Other related party	\$ <u>4,000</u>	\$ <u>1,655</u>
Selling and marketing expenses - other expense	Other related party	\$ <u>3</u>	\$ <u>2</u>
General and administrative expenses - freight expense	Other related party	\$ <u>4</u>	\$ <u>2</u>
Research and development expenses - inspection expense	Other related party	\$ <u>79</u>	\$ <u>31</u>
Research and development expenses - freight expense	Other related party	\$ <u>27</u>	\$ <u>12</u>
Rental income	Other related party	\$ <u>3</u>	\$ <u>3</u>
Other income	Other related party	\$ <u>9</u>	\$ <u>13</u>

The terms and conditions of the above-mentioned related party transactions are similar to those of general non-related parties. The calculation method and payment terms are the same as the general membership in accordance with the regulations of the Business Manual, and rental prices were similar to those of general transactions. The term of collection was either in monthly installments or in full at the beginning of each year.

j. Compensation of key management personnel

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	\$ 45,826	\$ 49,684
Post-employment benefits	<u>98</u>	<u>71</u>
	\$ <u>45,924</u>	\$ <u>49,755</u>

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

32. 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:

	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment - land	\$ 3,004,762	\$ 3,004,762	\$ 3,004,762
Property, plant and equipment - building	932,757	941,731	966,441
Pledged time deposits (classified as financial assets at amortized cost - non-current)	<u>28,520</u>	<u>28,520</u>	<u>24,520</u>
	<u>\$ 3,966,039</u>	<u>\$ 3,975,013</u>	<u>\$ 3,995,723</u>

Secured bank facilities used in response to operating funds by the Group's property, plant and equipment - land/building as of March 31, 2024 and December 31, 2023 and March 31, 2023 are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Short-term financing facilities	\$ 1,238,000	\$ 1,238,000	\$ 1,238,000
Medium and long-term financing facilities	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
	<u>\$ 2,238,000</u>	<u>\$ 2,238,000</u>	<u>\$ 2,238,000</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- The Company's guarantee notes issued to banks for credit lines amounted to NT\$400,000 thousand as of March 31, 2024.
- Details of significant constructions in progress and outstanding contracts of property, plant and equipment as of March 31, 2024 were as follows:

Nature of Contract	Contract Amount	Amount Paid	Outstanding Balance
Plant and machinery	<u>\$ 963,803</u>	<u>\$ 273,173</u>	<u>\$ 690,630</u>

- For operational needs, Pro-partner established operational bases in Taoyuan, Hsinchu, Taichung, Hualien, Tainan and Kaohsiung. The information concerning the operating leases as of March 31, 2024 is listed below:

Operating Location	Lessor	Lease Period	Monthly Rental
Taoyuan City	Taoyuan Irrigation Association	2020.02.01-2025.01.31	\$ 360
Taoyuan City	Passion Technology Co., Ltd.	2020.05.01-2025.04.30	280-300
Hsinchu City	Lin, Zhuang-Long, Wu, Yi-Wan	2021.11.01-2026.10.31	350-368
Taichung City	Pu-Lin Ltd.	2007.11.01-2027.11.01 (Note)	220
Taichung City	Pu-Lin Ltd.	2010.04.01-2030.03.31 (Note)	129

(Continued)

Operating Location	Lessor	Lease Period	Monthly Rental
Taichung City	Nan shan life insurance co. ltd	2022.05.01-2027.04.30	\$555-572
Hualien City	Liou, Chuen-Hou, Liou, Chuen-Lung	2023.09.01-2024.08.31	130
Tainan City	Cathay Life Insurance Co., Ltd.	2021.08.01-2026.07.31	418-444
Kaohsiung City	Kazu Kuwae Trading Co., Ltd.	2021.12.01-2025.03.31	71
			(Concluded)

Note: In order to improve Pro-partner's operational efficiency, the quality of member's services and the operational needs, and leasing of new base for relocation in response to the cross-border merger and the expansion of business, the board of directors resolved on September 22, 2022 to end the lease early, and the relevant termination conditions will be handled in accordance with the contract specifications or subsequent agreements.

34. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 4,416	32.000 (USD:NTD)	\$ 141,312
USD	32	7.095 (USD:CNY)	\$ 10,240

Financial liabilities

Monetary items			
USD	101	32.000 (USD:NTD)	\$ 3,232
USD	182	7.095 (USD:CNY)	\$ 5,824

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 4,208	30.705 (USD:NTD)	\$ 129,207
USD	467	7.097 (USD:CNY)	\$ 14,339

Financial liabilities

Monetary items			
USD	188	30.705 (USD:NTD)	\$ 5,773
USD	35	7.097 (USD:CNY)	\$ 1,075

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 4,048	30.45 (USD:NTD)	<u>\$ 123,262</u>
USD	435	6.872 (USD:CNY)	<u>\$ 13,246</u>
<u>Financial liabilities</u>			
Monetary items			
USD	463	30.45 (USD:NTD)	<u>\$ 14,098</u>
USD	387	6.872 (USD:CNY)	<u>\$ 11,784</u>

For the three months ended March 31, 2024 and 2023, realized and unrealized net foreign exchange gains were NT\$5,717 thousand and NT\$1,053 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others: None;
- 2) Endorsements/guarantees provided: None;
- 3) Marketable securities held (excluding investments in subsidiaries, associates and jointly 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 derivative instruments: None;
- 10) Others: Intercompany relationships and significant intercompany transactions: Table 4;

b. Information on investees: Table 5;

c. Information on investments 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 6.
- 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 7;

36. SEGMENTS INFORMATION

The Group determined its operating segments based on business activities, with discrete financial information regularly reported through the Group's internal reporting protocols to the Group's chief operating decision-maker. The Group is organized into several business units based on its marketing channels and services. As of September 30, 2023 and 2022, the Group had the following segments: MLM (Multi-level marketing), Distributors, ODM/OEM (Original Design Manufacturer/Original Equipment Manufacturer) and Sales channel.

Management monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, non-operating income and expenses and income taxes are managed on a company basis and are not allocated to operating segments.

Transfer prices between operating segments are determined on an arm's length basis in a manner similar to transactions with third parties.

Segment's description: MLM is a direct seller of Pro-partner Inc., including the Company's development and manufacturing products for Pro-partner Inc., Distributors includes GRAPE KING BIO's self-owned brand products, ODM/OEM includes ODM/OEM in Taiwan and Shanghai, and Sales channel is the Group's business of selling products from other companies for the purpose of building its own brand channels.

Inter-segment revenues refer to transactions between segments that have been eliminated in the consolidated financial statements.

Segment profit (loss) is profit from operation, segment gross margin, segment operating revenue minus segment operating costs, minus directly attributable segment operating expense and distributable common expenses of the Group.

Adjustment/elimination: Inter-segment revenues are eliminated on consolidation and recorded under the "adjustment and elimination" column. Other adjustments and eliminations which have no significant influence, are not disclosed.

Segment revenue and results

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

For the three months ended March 31, 2024

	MLM	Distribution	ODM/OEM	Sales Channel	Adjustment/ Elimination	Total
Revenue from external customers	\$ 1,782,162	\$ 187,661	\$ 206,601 (Note)	\$ 171,095	\$ -	\$ 2,347,519
Inter-segment revenue	<u>335,018</u>	<u>64,637</u>	<u>7,861</u>	<u>-</u>	<u>(407,516)</u>	<u>-</u>
Segment revenue	<u>\$ 2,117,180</u>	<u>\$ 252,298</u>	<u>\$ 214,462</u>	<u>\$ 171,095</u>	<u>\$ (407,516)</u>	<u>\$ 2,347,519</u>
Segment income	<u>\$ 383,150</u>	<u>\$ 7,410</u>	<u>\$ 31,848</u>	<u>\$ 2,932</u>	<u>\$ 10,991</u>	<u>\$ 436,331</u>

Note: ODM/OEM revenues come from external customers in Taiwan and Shanghai amounted to NT\$93,409 thousand and NT\$113,192 thousand, respectively.

For the three months ended March 31, 2023

	MLM	Distribution	ODM/OEM	Sales Channel	Adjustment/ Elimination	Total
Revenue from external customers	\$ 1,785,887	\$ 196,749	\$ 237,067 (Note)	\$ -	\$ -	\$ 2,219,703
Inter-segment revenue	<u>325,776</u>	<u>60,765</u>	<u>12,025</u>	<u>-</u>	<u>(398,566)</u>	<u>-</u>
Segment revenue	<u>\$ 2,111,663</u>	<u>\$ 257,514</u>	<u>\$ 249,092</u>	<u>\$ -</u>	<u>\$ (398,566)</u>	<u>\$ 2,219,703</u>
Segment income	<u>\$ 404,482</u>	<u>\$ 23,516</u>	<u>\$ 34,128</u>	<u>\$ -</u>	<u>\$ 16,103</u>	<u>\$ 478,229</u>

Note: ODM/OEM revenues come from external customers in Taiwan and Shanghai amounted to NT\$83,135 thousand and NT\$153,932 thousand, respectively.

TABLE 1**GRAPE KING BIO LTD. AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****MARCH 31, 2024****(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Held Company Name	Marketable Securities Type And Name	Relationship with the Company	Financial Statement Account	March 31, 2024				Note
				Units/Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Grape King Bio Ltd.	<u>Shares</u> Hsin Tung Yang Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	2,000	\$ 130	-	\$ 130	-
Rivershine Ltd.	<u>Mutual funds</u> Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	598,376.00	10,039	-	10,039	-
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,413,418.60	40,160	-	40,160	-

GRAPE KING BIO LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction (Note 1)		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	\$ 335,018	56.80	30 days after monthly closing	By contract	-	\$ 152,502	39.75	Note 2
Pro-partner Inc.	Grape King Bio Ltd.	Parent company	Purchases	335,018	98.63	30 days after monthly closing	By contract	-	(152,502)	97.85	Note 2

Note 1: 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.

Note 2: The transactions have been eliminated in the consolidated financial statements.

GRAPE KING BIO LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Days	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Grape King Bio Ltd.	Pro-partner Inc. Rivershine Ltd.	Subsidiary Subsidiary	\$ 152,502	7.62	\$ -	-	\$ 152,502 30,530	\$ -
			126,503	1,91	-	-		

Note: The transactions have been eliminated in the consolidated financial statements.

GRAPE KING BIO LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Account	Amount	Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 3)
0	Grape King Bio Ltd.	Pro-partner Inc.	1	Net revenue from sale of goods	\$ 335,018	By contract	14.27%
			1	Accounts receivable	152,502	By contract	0.98%
		Rivershine Ltd.	1	Accounts receivable	126,503	By contract	0.81%

Note 1: 0 is for the parent company. Subsidiaries are numbered from Arabic numerals 1.

Note 2: There are three types of relations between the parent company and the subsidiaries. Only categories should be identified (There is no need to declare the same interaction between the parent company and the subsidiary, or the same transaction among subsidiaries repeatedly. For example, if the parent company has declared the transaction from parent company to subsidiary, the subsidiary does not need to repeatedly declare the same transaction. If the transaction is between subsidiaries, when one subsidiary has declared the transaction, the other subsidiary does not need to declare the same transaction)

- 1) Represents the transactions from parent company to subsidiary.
- 2) Represents the transactions from subsidiary company to parent.
- 3) Represents the transactions between subsidiaries.

Note 3: When calculating the amount of transaction as a proportion of the consolidated revenue or assets, if it is recognized as items of assets or liabilities, the ending balance should be divided by the consolidated assets; if it is recognized as income or loss, the midterm accumulated amount should be divided by the consolidated assets.

Note 4: The so-called significant transaction refers to those amount reaching NT\$100 million or over 20% of the paid-in capital of the parent company.

TABLE 5**GRAPE KING BIO LTD. AND SUBSIDIARIES****INFORMATIONS ON INVESTEEES****FOR THE THREE MONTHS ENDED MARCH 31, 2024****(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2024			Net Income (Losses) of the Investee	Investment Income (Losses)	Note
				March 31, 2024	December 31, 2023	Shares	Percentage of Ownership (%)	Carrying Amount			
Grape King Bio Ltd.	GRAPE KING INTERNATIONAL INVESTMENT INC. (BVI)	BVI	Investment activities	\$ 1,198,018	\$ 1,198,018	24,890,000	100	\$ 1,152,703	\$ 4,628	\$ 4,986	Notes 1, 2 and 3
	Pro-partner Inc.	Taoyuan, Taiwan	Import and selling of health food, drink, cosmetics, sports apparatus, cleaning products, etc.	15,000	15,000	10,560,000	60	2,602,022	327,601	196,589	Notes 1 and 2
	Rivershine Ltd.	Taoyuan, Taiwan	Import and selling of health food, drinks, daily cosmetics, appliances, etc.	30,000	30,000	3,000,000	100	45,267	8,875	8,875	Note 2
Pro-partner Inc.	GK BIO INTERNATIONAL SDN. BHD.	Malaysia	Import and selling of health products	14,899	14,899	2,100,000	35	61,446	25,598	8,758	Note 1
	ELITE PROPARTNER HOLDINGS SDN. BHD.	Malaysia	Investment activities	2,017	2,017	300,000	100	1,322	(50)	Note 4	Notes 2
	UVACO MY SDN. BHD.	Malaysia	Selling of health products	Note 5	Note 5	Note 5	100	(79)	(78)	Note 4	Notes 2 and 5

Note 1: The effect from the unrealized profit of the downstream transactions on income tax, which is \$(191) thousand has been adjusted.

Note 2: The book value at the end of the period and the current investment gain (loss) recognized have been eliminated in the consolidated financial statements.

Note 3: The current investment gain (loss) recognized by BVI includes the current profit of Shanghai Grape King and Shanghai Rivershine.

Note 4: 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 5: 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 6

GRAPE KING BIO LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024

(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, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2024	Net Income (Losses) of the Investee Company	Percentage of Ownership	Investment Income (Losses) (Note 2)	Carrying Amount as of March 31, 2024	Accumulated Inward Remittance of Earnings as of March 31, 2024
					Outflow	Inflow						
Shanghai Grape King Enterprise Co., Ltd.	Manufacturing and selling of capsules, tablets, related products and technical services. Warehousing services (excluding dangerous goods), cosmetics wholesale, domestic cargo transportation agency.	USD 28,900	Note 1(2) Note 3	\$ 847,672 (USD 27,350)	\$ -	\$ -	\$ 847,672 (USD 27,735)	\$ 2,583 Note 2(2)B	100%	\$ 3,327 Note 2(2)B	\$ 1,106,718	\$ -
Shanghai Rivershine Ltd.	Food distribution (excluding grains), food packaging materials, cosmetics wholesale, import and export, commission agents (excluding auction), related products and services.	RMB 650	Note 1(2) Note 4	18,290 (USD 650)	-	-	18,290 (USD 650)	(192) Note 2(2)B	100%	(200) Note 2(2)B	18,316	-
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 7	-	-	-	-	2,790	51%	1,423	35,464	-
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 5	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 5000	Note 1(2) Note 6	-	-	-	-	(151) Note 2(2)B	45%	(68) Note 2(2)B	9,080	-

(Continued)

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$ 873,235	\$ 873,235	\$ 7,225,928

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.
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).

Note 4: The Company indirectly invested in Shanghai Rivershine Ltd. through its subsidiary, GRAPE KING INTERNATIONAL INVESTMENT INC. (BVI).

Note 5: 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 recognized investment losses of \$2,538 thousand for the year ended December 31, 2022.

Note 6: The Company invested in Shanghai Xinquan Biotechnology Co., Ltd. through subsidiary Shanghai Rivershine Ltd..

Note 7: The Company invested in Shanghai Pujun Trading Co., Ltd. through subsidiary Shanghai Grape King Enterprise Co., Ltd..

(Concluded)

TABLE 7**GRAPE KING BIO LTD.****INFORMATION ON MAJOR SHAREHOLDERS****MARCH 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Uni-President Enterprises Corp.	11,851,000	8.00

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

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the 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.