

Maywufa Company Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2023 and 2022 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Maywufa Company Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Maywufa Company and its subsidiaries (collectively, the “Group”) as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months then ended, 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 and the report of other auditors (refer to the other matter paragraph), 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 September 30, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 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.

Other Matter

We did not review the financial statements of PhytoHealth Corporation, AmCad BioMed Corporation, and Broadsound Corporation accounted for using the equity method as of September 30, 2023 and 2022, but such statements were reviewed by other auditors. Our conclusion, insofar as it relates to the amounts of investments accounted for using the equity method and other comprehensive income included in the consolidated financial statements for these investees, is based solely on the reports of other auditors. According to the report of other auditors as of September 30, 2023 and 2022, the amounts of the investments accounted for using the equity method of Maywufa Group were NT\$504,490 thousand and NT\$508,963 thousand, respectively, representing 18% and 21% of the consolidated total assets, respectively; the amounts of investments accounted for using the equity method - losses recognized of Maywufa Group for the nine months ended September 30, 2023 and 2022 were NT\$6,248 thousand and NT\$10,069 thousand, respectively, representing (4%) and (6%) of the consolidated total profit before income tax, respectively.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 8, 2023

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.

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 141,889	5	\$ 177,504	7	\$ 167,071	7
Financial assets at fair value through profit or loss (Note 7)	-	-	52,004	2	20,003	1
Notes receivable (Note 8)	21,708	1	22,025	1	21,390	1
Accounts receivable (Notes 8 and 29)	245,125	9	205,802	8	232,537	10
Other receivables (Notes 8 and 29)	4,847	-	2,045	-	4,310	-
Inventories (Note 9)	253,139	9	232,375	9	229,401	9
Prepayments	4,721	-	1,430	-	1,520	-
Other financial assets - current (Note 10)	381,990	14	354,870	14	338,250	14
Other current assets (Note 16)	1,979	-	899	-	1,046	-
Total current assets	<u>1,055,398</u>	<u>38</u>	<u>1,048,954</u>	<u>41</u>	<u>1,015,528</u>	<u>42</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 12)	136,268	5	119,228	5	117,319	5
Investments accounted for using the equity method (Note 13)	506,859	19	508,011	20	511,346	22
Property, plant and equipment (Notes 14 and 30)	915,822	33	725,048	29	630,720	26
Right-of-use assets (Note 15)	5,097	-	8,404	-	10,443	1
Intangible assets	3,582	-	3,609	-	766	-
Deferred tax assets (Note 4)	30,538	1	23,993	1	25,887	1
Refundable deposits	5,365	-	5,156	-	5,014	-
Net defined benefit assets - non-current	60,163	2	60,152	3	50,113	2
Other non-current assets (Note 16)	52,549	2	27,354	1	24,928	1
Total non-current assets	<u>1,716,243</u>	<u>62</u>	<u>1,480,955</u>	<u>59</u>	<u>1,376,536</u>	<u>58</u>
TOTAL	<u>\$ 2,771,641</u>	<u>100</u>	<u>\$ 2,529,909</u>	<u>100</u>	<u>\$ 2,392,064</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes payable (Note 18)	\$ 15	-	\$ 250	-	\$ 15	-
Accounts payable (Notes 18 and 29)	95,787	4	78,255	3	69,159	3
Other payables (Notes 19 and 29)	202,629	7	180,388	7	178,020	7
Current tax liabilities (Note 4)	20,793	1	20,265	1	14,331	1
Lease liabilities - current (Note 15)	5,164	-	8,168	-	8,190	-
Other current liabilities	27,361	1	25,097	1	23,404	1
Total current liabilities	<u>351,749</u>	<u>13</u>	<u>312,423</u>	<u>12</u>	<u>293,119</u>	<u>12</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 17 and 30)	404,327	14	218,185	9	132,235	6
Deferred tax liabilities (Note 4)	7	-	16	-	148	-
Lease liabilities - non-current (Note 15)	-	-	399	-	2,419	-
Guarantee deposits (Note 29)	1,945	-	1,893	-	1,893	-
Total non-current liabilities	<u>406,279</u>	<u>14</u>	<u>220,493</u>	<u>9</u>	<u>136,695</u>	<u>6</u>
Total liabilities	<u>758,028</u>	<u>27</u>	<u>532,916</u>	<u>21</u>	<u>429,814</u>	<u>18</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Note 21)						
Share capital - ordinary shares	1,329,152	48	1,329,152	53	1,329,152	56
Capital surplus	188,146	7	188,042	7	188,025	8
Retained earnings						
Legal reserve	197,797	7	178,465	7	178,465	7
Special reserve	106,162	4	59,357	2	59,357	3
Unappropriated earnings	276,715	10	348,139	14	316,111	13
Total retained earnings	580,674	21	585,961	23	553,933	23
Other equity	(84,359)	(3)	(106,162)	(4)	(108,860)	(5)
Total equity	<u>2,013,613</u>	<u>73</u>	<u>1,996,993</u>	<u>79</u>	<u>1,962,250</u>	<u>82</u>
TOTAL	<u>\$ 2,771,641</u>	<u>100</u>	<u>\$ 2,529,909</u>	<u>100</u>	<u>\$ 2,392,064</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 8, 2023)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 22 and 29)	\$ 303,647	100	\$ 307,607	100	\$ 963,924	100	\$ 936,460	100
OPERATING COSTS (Notes 9, 20, 23 and 29)	<u>108,290</u>	<u>36</u>	<u>107,263</u>	<u>35</u>	<u>334,298</u>	<u>35</u>	<u>319,448</u>	<u>34</u>
GROSS PROFIT	<u>195,357</u>	<u>64</u>	<u>200,344</u>	<u>65</u>	<u>629,626</u>	<u>65</u>	<u>617,012</u>	<u>66</u>
OPERATING EXPENSES (Notes 20, 23 and 29)								
Selling and marketing expenses	127,770	42	128,835	42	398,823	41	377,306	40
General and administrative expenses	24,529	8	23,460	7	73,679	8	72,563	8
Expected credit impairment loss (gain on reversal) (Note 8)	<u>(48)</u>	<u>-</u>	<u>118</u>	<u>-</u>	<u>350</u>	<u>-</u>	<u>(294)</u>	<u>-</u>
Total operating expenses	<u>152,251</u>	<u>50</u>	<u>152,413</u>	<u>49</u>	<u>472,852</u>	<u>49</u>	<u>449,575</u>	<u>48</u>
PROFIT FROM OPERATIONS	<u>43,106</u>	<u>14</u>	<u>47,931</u>	<u>16</u>	<u>156,774</u>	<u>16</u>	<u>167,437</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES (Note 23)								
Interest income	1,810	1	1,172	-	5,643	1	3,815	-
Other revenue (Note 29)	4,736	1	6,232	2	15,384	2	18,677	2
Other gains and losses	248	-	876	-	854	-	1,352	-
Interest expense	(18)	-	(48)	-	(72)	-	(2,522)	-
Share of loss of associates (Note 13)	<u>13</u>	<u>-</u>	<u>(306)</u>	<u>-</u>	<u>(6,256)</u>	<u>(1)</u>	<u>(10,096)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>6,789</u>	<u>2</u>	<u>7,926</u>	<u>2</u>	<u>15,553</u>	<u>2</u>	<u>11,226</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	49,895	16	55,857	18	172,327	18	178,663	19
INCOME TAX EXPENSE (Notes 4 and 24)	<u>10,131</u>	<u>3</u>	<u>10,994</u>	<u>3</u>	<u>31,863</u>	<u>3</u>	<u>38,822</u>	<u>4</u>
NET PROFIT	<u>39,764</u>	<u>13</u>	<u>44,863</u>	<u>15</u>	<u>140,464</u>	<u>15</u>	<u>139,841</u>	<u>15</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 13 and 21)								
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	5,759	2	(5,714)	(2)	17,040	2	(28,818)	(3)
Share of the other comprehensive income of associates accounted for using the equity method	(7,117)	(2)	2,289	1	5,000	-	(3,490)	-

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MAYWUFA COMPANY LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit and loss								
Exchange differences on translation of financial statements of foreign operations	\$ 4,343	1	\$ 1,118	-	\$ 219	-	\$ 4,255	-
Total other comprehensive income (loss) (net of income tax)	2,985	1	(2,307)	(1)	22,259	2	(28,053)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 42,749</u>	<u>14</u>	<u>\$ 42,556</u>	<u>14</u>	<u>\$ 162,723</u>	<u>17</u>	<u>\$ 111,788</u>	<u>12</u>
NET INCOME ATTRIBUTABLE TO:								
Shareholders of the parent	\$ 39,764	13	\$ 44,863	15	\$ 140,464	15	\$ 139,841	15
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Shareholders of the parent	\$ 42,749	14	\$ 42,556	14	\$ 162,723	17	\$ 111,788	12
EARNINGS PER SHARE								
(Note 25)								
Basic	\$ 0.30		\$ 0.34		\$ 1.06		\$ 1.05	
Diluted	\$ 0.30		\$ 0.34		\$ 1.05		\$ 1.05	

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

(With Deloitte & Touche review report dated November 8, 2023)

(Concluded)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Share Capital (Note 21)	Capital Surplus (Note 21)	Retained Earnings (Note 21)			Other Equity (Note 21)		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2022	\$ 1,329,152	\$ 187,953	\$ 162,234	\$ 147,620	\$ 238,299	\$ (17,554)	\$ (41,803)	\$ 2,005,901
Appropriation of 2021 earnings								
Legal reserve	-	-	16,231	-	(16,231)	-	-	-
Special reserve	-	-	-	(88,263)	88,263	-	-	-
Cash dividends - NT\$1.17 per share	-	-	-	-	(155,511)	-	-	(155,511)
Changes in capital surplus from investments in associates accounted for using the equity method (Notes 13 and 21)	-	72	-	-	-	-	-	72
Disposal of investments in equity instruments designated at fair value through other comprehensive income/disposal of investments in equity instruments designated at fair value through other comprehensive income by associates (Notes 12, 13 and 21)	-	-	-	-	21,450	-	(21,450)	-
Net profit for the nine months ended September 30, 2022	-	-	-	-	139,841	-	-	139,841
Other comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	4,255	(32,308)	(28,053)
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	139,841	4,255	(32,308)	111,788
BALANCE AT SEPTEMBER 30, 2022	<u>\$ 1,329,152</u>	<u>\$ 188,025</u>	<u>\$ 178,465</u>	<u>\$ 59,357</u>	<u>\$ 316,111</u>	<u>\$ (13,299)</u>	<u>\$ (95,561)</u>	<u>\$ 1,962,250</u>
BALANCE AT JANUARY 1, 2023	\$ 1,329,152	\$ 188,042	\$ 178,465	\$ 59,357	\$ 348,139	\$ (15,440)	\$ (90,722)	\$ 1,996,993
Appropriation of 2022 earnings								
Legal reserve	-	-	19,332	-	(19,332)	-	-	-
Special reserve	-	-	-	46,805	(46,805)	-	-	-
Cash dividends - NT\$1.10 per share	-	-	-	-	(146,207)	-	-	(146,207)
Changes in capital surplus from investments in associates accounted for using the equity method (Notes 13 and 21)	-	104	-	-	-	-	-	104
Disposal of investments in equity instruments designated at fair value through other comprehensive income/disposal of investments in equity instruments designated at fair value through other comprehensive income by associates (Notes 12, 13 and 21)	-	-	-	-	456	-	(456)	-
Net profit for the nine months ended September 30, 2023	-	-	-	-	140,464	-	-	140,464
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	219	22,040	22,259
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	140,464	219	22,040	162,723
BALANCE AT SEPTEMBER 30, 2023	<u>\$ 1,329,152</u>	<u>\$ 188,146</u>	<u>\$ 197,797</u>	<u>\$ 106,162</u>	<u>\$ 276,715</u>	<u>\$ (15,221)</u>	<u>\$ (69,138)</u>	<u>\$ 2,013,613</u>

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

(With Deloitte & Touche review report dated November 8, 2023)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 172,327	\$ 178,663
Adjustments for:		
Depreciation expense	20,501	21,256
Amortization expense	1,131	710
Expected credit impairment loss (gain on reversal)	350	(294)
Net gain on fair value changes of financial assets at fair value through profit or loss	(202)	(67)
Interest expense	72	2,522
Interest income	(5,643)	(3,815)
Dividend income	(5,953)	(7,604)
Share of loss of associates	6,256	10,096
(Gain) loss on lease modification	(41)	57
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	52,206	22,065
Notes receivable	308	4,209
Accounts receivable	(39,664)	(14,953)
Other receivables	(1,761)	(113)
Inventories	(20,728)	8,928
Net defined benefit assets	(11)	(23)
Prepayment	(3,291)	340
Other current assets	(1,080)	(97)
Notes payable	(235)	(187)
Accounts payable	17,532	(19,422)
Other payables	24,513	(39,845)
Other current liabilities	2,264	2,866
Cash generated from operations	218,851	165,292
Interest paid	(2,347)	(3,458)
Income taxes paid	(37,889)	(62,990)
Net cash generated from operating activities	<u>178,615</u>	<u>98,844</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets at fair value through other comprehensive income	-	36,716
Payments for property, plant and equipment	(205,140)	(126,740)
(Increase) decrease in refundable deposits	(209)	1,526
Payments for intangible assets	(1,104)	(152)
(Increase) decrease in other financial assets	(27,120)	261,410
Increase in other non-current assets	(25,195)	(25,496)
Interest received	4,602	2,795
Other dividends received	5,953	7,604
Net cash (used in) generated from investing activities	<u>(248,213)</u>	<u>157,663</u>

(Continued)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of bonds payable	\$ -	\$ (300,000)
Proceeds from long-term borrowings	186,142	132,235
Increase in guarantee deposits	52	-
Repayment of the principal portion of lease liabilities	(6,098)	(6,171)
Cash dividends	<u>(146,207)</u>	<u>(155,511)</u>
Net cash generated from (used in) financing activities	<u>33,889</u>	<u>(329,447)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>94</u>	<u>2,002</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(35,615)	(70,938)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>177,504</u>	<u>238,009</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 141,889</u>	<u>\$ 167,071</u>

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

(With Deloitte & Touche review report dated November 8, 2023)

(Concluded)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

The main businesses of the Company are as follows:

- a. Manufacturing, processing and distribution of all kinds of hairdressing products (cleaning agents) soap, wholesale trading and agency.
- b. Manufacturing, processing and distribution of all kinds of cosmetics (except highly toxic), wholesale trading and agency, and trading of various department stores (the cosmetics manufacturing and processing department is limited to the main products of the factory).
- c. Distribution, wholesale and retail trading of various beauty products, health products and sports equipment.
- d. Retail and wholesale business of health food such as vitamin pills and oral liquid nutrients.
- e. Trading, wholesale and retail of medical drugs and medical equipment.
- f. Wholesale and retail sales of food, baby products and general food products enriched with vitamins, amino acids and minerals.
- g. The consulting and analysis business managed by the Pharmaceutical Affairs Bureau.
- h. Warehousing.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 8, 2023.

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 “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

- b. The IFRSs endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Liabilities Classified as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note3)

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

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

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

As of the date the consolidated of 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.

- c. The IFRSs 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 - Comparison Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

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

As of the date the 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 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 or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

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

Refer to Notes 11 and 34, Tables 2 and 3 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, 2022.

1) 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.

2) 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 the consolidated financial statements for the year ended December 31, 2022 for the material accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand and petty cash	\$ 120	\$ 120	\$ 120
Checking accounts and demand deposits	30,215	114,294	56,175
Cash equivalents			
Time deposits with original maturities of 3 months or less	42,490	63,090	38,840
Call deposits with original maturities of 3 months or less	<u>69,064</u>	<u>-</u>	<u>71,936</u>
	<u>\$ 141,889</u>	<u>\$ 177,504</u>	<u>\$ 167,071</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Bank deposits	0.70%-1.45%	0.25%-1.15%	0.26%-0.33%
Time deposits with original maturities of 3 months or less	1.10%-1.16%	0.85%-1.035%	0.85%-1.55%
Call deposits with original maturities of 3 months or less	1.55%-2.025%	-	2.025%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Mutual funds	<u>\$ -</u>	<u>\$ 52,004</u>	<u>\$ 20,003</u>

8. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 21,927	\$ 22,235	\$ 21,606
Less: Allowance for impairment loss	<u>(219)</u>	<u>(210)</u>	<u>(216)</u>
	<u>\$ 21,708</u>	<u>\$ 22,025</u>	<u>\$ 21,390</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 247,596	\$ 207,834	\$ 234,992
Less: Allowance for impairment loss	<u>(2,487)</u>	<u>(2,146)</u>	<u>(2,498)</u>
	<u>245,109</u>	<u>205,688</u>	<u>232,494</u>
Accounts receivable from related parties	16	114	43
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>16</u>	<u>114</u>	<u>43</u>
	<u>\$ 245,125</u>	<u>\$ 205,802</u>	<u>\$ 232,537</u>
<u>Other receivables</u>			
Interest	\$ 1,228	\$ 187	\$ 1,153
Other	<u>300</u>	<u>210</u>	<u>651</u>
	1,528	397	1,804
Other receivables from related parties	<u>3,319</u>	<u>1,648</u>	<u>2,506</u>
	<u>\$ 4,847</u>	<u>\$ 2,045</u>	<u>\$ 4,310</u>

a. Notes receivable

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

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

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

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

September 30, 2023

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss rate	1%	-	-	-	-	
Gross carrying amount	\$ 21,927	\$ -	\$ -	\$ -	\$ -	\$ 21,927
Loss allowance (Lifetime ECLs)	<u>(219)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(219)</u>
Amortized cost	<u>\$ 21,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,708</u>

December 31, 2022

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

September 30, 2022

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss rate	1%	-	-	-	-	-
Gross carrying amount	\$ 21,606	\$ -	\$ -	\$ -	\$ -	\$ 21,606
Loss allowance (Lifetime ECLs)	<u>(216)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(216)</u>
Amortized cost	<u>\$ 21,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,390</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 210	\$ 422
Provision (reversal)	<u>9</u>	<u>(206)</u>
Balance at September 30	<u>\$ 219</u>	<u>\$ 216</u>

b. Accounts receivable

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

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

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

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

September 30, 2023

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss rate	1%	1%	-	-	-	
Gross carrying amount	\$ 237,700	\$ 9,912	\$ -	\$ -	\$ -	\$ 247,612
Loss allowance (Lifetime ECLs)	<u>(2,388)</u>	<u>(99)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,487)</u>
Amortized cost	<u>\$ 235,312</u>	<u>\$ 9,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,125</u>

December 31, 2022

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss rate	1.03%	1.1%-3.63%	-	-	-	
Gross carrying amount	\$ 198,544	\$ 9,404	\$ -	\$ -	\$ -	\$ 207,948
Loss allowance (Lifetime ECLs)	<u>(2,042)</u>	<u>(104)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,146)</u>
Amortized cost	<u>\$ 196,502</u>	<u>\$ 9,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,802</u>

September 30, 2022

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss rate	1.06%	1.06%-3.73%	28.77%	34.96%	-	
Gross carrying amount	\$ 217,893	\$ 17,115	\$ 4	\$ 23	\$ -	\$ 235,035
Loss allowance (Lifetime ECLs)	<u>(2,306)</u>	<u>(183)</u>	<u>(1)</u>	<u>(8)</u>	<u>-</u>	<u>(2,498)</u>
Amortized cost	<u>\$ 215,587</u>	<u>\$ 16,932</u>	<u>\$ 3</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 232,537</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 2,146	\$ 2,586
Provision (reversal)	<u>341</u>	<u>(88)</u>
Balance at September 30	<u>\$ 2,487</u>	<u>\$ 2,498</u>

c. Other receivables

The Group measures the loss allowance for other receivables at an amount equal to lifetime ECLs. The Group estimated the loss allowance by reference to the past default records of the customer and the customer's current financial position, and uses other publicly available financial information or its own trading records to rate the default risk of different receivables.

9. INVENTORIES

	September 30, 2023	December 31, 2022	September 30, 2022
Commodities	\$ 69,660	\$ 62,676	\$ 67,846
Finished goods	98,400	83,172	75,887
Packaging materials	32,244	39,190	36,229
Raw materials	44,013	36,461	35,054
Work in progress	<u>8,822</u>	<u>10,876</u>	<u>14,385</u>
	<u>\$ 253,139</u>	<u>\$ 232,375</u>	<u>\$ 229,401</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Cost of inventories sold	\$ 329,515	\$ 313,425
Inventory obsolescence loss	4,665	6,069
Loss (gain) on physical inventory	<u>118</u>	<u>(46)</u>
	<u>\$ 334,298</u>	<u>\$ 319,448</u>

10. OTHER FINANCIAL ASSETS - CURRENT

	September 30, 2023	December 31, 2022	September 30, 2022
Time deposits with original maturities of more than 3 months	\$ <u>381,990</u>	\$ <u>354,870</u>	\$ <u>338,250</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Time deposits	1.160%-1.565%	1.025%-1.440%	0.90%-1.315%

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Percentage of Ownership (%)		
			September 30, 2023	December 31, 2022	September 30, 2022
Maywufa Company Ltd.	Maywufa Corporation (Samoa Maywufa)	Investment Holdings	100.00	100.00	100.00
Maywufa Corporation (Samoa Maywufa)	Maywufa Hongkong Corporation Limited (Hong Kong Maywufa)	Investment Holdings	100.00	100.00	100.00
Maywufa Hongkong Corporation Limited (Hong Kong Maywufa)	Maywufa Cosmetics (Shanghai) Co., Ltd. (Maywufa (Shanghai) Company)	Cosmetics and household goods wholesale	100.00	100.00	100.00

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

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 40,685	\$ 36,265	\$ 32,889
Unlisted shares	88,690	76,364	77,704
Foreign investments			
Unlisted shares	<u>6,893</u>	<u>6,599</u>	<u>6,726</u>
	<u>\$ 136,268</u>	<u>\$ 119,228</u>	<u>\$ 117,319</u>

Refer to Note 34 and Table 1 (marketable securities held) for information relating to the investments in the table above.

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

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

After capital reduction, the unlisted domestic investees offset the amount of shares returnable to shareholders with the shares of other companies at a fair value of \$268 thousand, resulting in an unrealized loss of \$1,815 thousand on the related other equity - financial assets at fair value through other comprehensive income and loss transferred to related earnings for the nine months ended September 30, 2023. The Group adjusted the portion of the investment and sold certain listed ordinary shares at the fair value of \$36,716 thousand, resulting in an unrealized gain of \$20,197 thousand on the related other equity - financial assets at fair value through other comprehensive income and loss transferred to retained earnings for the nine months ended September 30, 2022.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Listed company</u>			
PhytoHealth Corporation	\$ 456,204	\$ 454,824	\$ 456,480
AmCad BioMed Corporation	25,553	27,713	29,328
<u>Unlisted company</u>			
Broadsound Corporation	22,733	23,097	23,155
Lu Te Na Company Limited	<u>2,369</u>	<u>2,377</u>	<u>2,383</u>
	<u>\$ 506,859</u>	<u>\$ 508,011</u>	<u>\$ 511,346</u>

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

Name of Company	September 30, 2023	December 31, 2022	September 30, 2022
PhytoHealth Corporation	17.69%	17.69%	17.69%
AmCad BioMed Corporation	6.52%	6.53%	6.53%
Broadsound Corporation	10.00%	10.00%	10.00%
Lu Te Na Company Limited	35.00%	35.00%	35.00%

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

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

The Group's share of profit or loss in investments in associates accounted for using the equity method was as follows:

Name of Company	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
PhytoHealth Corporation	\$ 915	\$ 666	\$ (3,639)	\$ (7,681)
AmCad BioMed Corporation	(705)	(921)	(2,245)	(2,175)
Broadsound Corporation	(181)	(34)	(364)	(213)
Lu Te Na Company Limited	<u>(16)</u>	<u>(17)</u>	<u>(8)</u>	<u>(27)</u>
	<u>\$ 13</u>	<u>\$ (306)</u>	<u>\$ (6,256)</u>	<u>\$ (10,096)</u>

The Group recognized an increase of \$82 thousand and \$72 thousand in capital surplus for the changes in other equity of the associates in proportion to its shareholding as of September 30, 2023 and 2022, respectively.

As a result of the change in paid-in capital due to the exercise of employee stock options issued by the AmCad BioMed Corporation for the nine months ended September 30, 2023, the Group's shareholding in AmCad BioMed Corporation was reduced to 6.52%, which resulted in a change in the net value of the Group's investment in the Company's net assets, and the capital surplus should be adjusted for an increase of \$22 thousand.

The Group recognized \$2,271 thousand and \$1,253 thousand of equity instruments measured at fair value through other comprehensive income for the nine months ended September 30, 2023 and 2022, respectively, based on the percentage of ownership of the associates, and the related other equity - unrealized gain was transferred to retained earnings.

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

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
The Company's share of:				
Loss from continuing operations	\$ 13	\$ (306)	\$ (6,256)	\$ (10,096)
Other comprehensive income (loss)	<u>(7,177)</u>	<u>2,289</u>	<u>5,000</u>	<u>(3,490)</u>
Total comprehensive income (loss) for the period	<u>\$ (7,104)</u>	<u>\$ 1,983</u>	<u>\$ (1,256)</u>	<u>\$ (13,586)</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
PhytoHealth Corporation	<u>\$ 695,588</u>	<u>\$ 670,996</u>	<u>\$ 628,827</u>
AmCad BioMed Corporation	<u>\$ 72,949</u>	<u>\$ 55,407</u>	<u>\$ 54,889</u>

14. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2023	December 31, 2022	September 30, 2022
Land	\$ 293,932	\$ 293,932	\$ 293,932
Buildings	178,109	188,802	193,474
Machinery and equipment	11,843	15,123	16,298
Processing tools	841	1,163	1,282
Other equipment	37	108	145
Construction in progress	<u>431,060</u>	<u>225,920</u>	<u>125,589</u>
	<u>\$ 915,822</u>	<u>\$ 725,048</u>	<u>\$ 630,720</u>

	Land	Buildings	Machinery and Equipment	Processing Tools	Other Equipment	Construction in Progress	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 293,932	\$ 389,364	\$ 49,270	\$ 2,517	\$ 2,181	\$ 225,920	\$ 963,184
Additions	-	-	-	-	-	205,140	205,140
Effects of foreign currency exchange differences	-	198	-	-	-	-	198
Balance at September 30, 2023	<u>\$ 293,932</u>	<u>\$ 389,562</u>	<u>\$ 49,270</u>	<u>\$ 2,517</u>	<u>\$ 2,181</u>	<u>\$ 431,060</u>	<u>\$ 1,168,522</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ -	\$ (200,562)	\$ (34,147)	\$ (1,354)	\$ (2,073)	\$ -	\$ (238,136)
Depreciation expense	-	(10,785)	(3,280)	(322)	(71)	-	(14,458)
Effects of foreign currency exchange differences	-	(106)	-	-	-	-	(106)
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ (211,453)</u>	<u>\$ (37,427)</u>	<u>\$ (1,676)</u>	<u>\$ (2,144)</u>	<u>\$ -</u>	<u>\$ (252,700)</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 293,932</u>	<u>\$ 188,802</u>	<u>\$ 15,123</u>	<u>\$ 1,163</u>	<u>\$ 108</u>	<u>\$ 225,920</u>	<u>\$ 725,048</u>
Carrying amount at September 30, 2023	<u>\$ 293,932</u>	<u>\$ 178,109</u>	<u>\$ 11,843</u>	<u>\$ 841</u>	<u>\$ 37</u>	<u>\$ 431,060</u>	<u>\$ 915,822</u>
<u>Cost</u>							
Balance at January 1, 2022	\$ 293,932	\$ 403,980	\$ 94,918	\$ 3,508	\$ 2,081	\$ -	\$ 798,419
Additions	-	257	705	89	100	125,589	126,740
Effects of foreign currency exchange differences	-	3,653	-	2	-	-	3,655
Balance at September 30, 2022	<u>\$ 293,932</u>	<u>\$ 407,890</u>	<u>\$ 95,623</u>	<u>\$ 3,599</u>	<u>\$ 2,181</u>	<u>\$ 125,589</u>	<u>\$ 928,814</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2022	\$ -	\$ (202,015)	\$ (75,683)	\$ (1,937)	\$ (1,908)	\$ -	\$ (281,543)
Depreciation expense	-	(10,915)	(3,642)	(378)	(128)	-	(15,063)
Effects of foreign currency exchange differences	-	(1,486)	-	(2)	-	-	(1,488)
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ (214,416)</u>	<u>\$ (79,325)</u>	<u>\$ (2,317)</u>	<u>\$ (2,036)</u>	<u>\$ -</u>	<u>\$ (298,094)</u>
Carrying amount at September 30, 2022	<u>\$ 293,932</u>	<u>\$ 193,474</u>	<u>\$ 16,298</u>	<u>\$ 1,282</u>	<u>\$ 145</u>	<u>\$ 125,589</u>	<u>\$ 630,720</u>

In response to the Company's operational development, the Group's board of directors approved on May 12, 2021 to build a GMP factory on its own land in the Yangmei factory area. The contract was signed with the construction company on February 10, 2022 with a total contract amount of \$699,300 thousand.

There was no indication that property, plant and equipment was impaired, so the Group did not perform an impairment test for the nine months ended September 30, 2023 and 2022.

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

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

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

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amount</u>			
Buildings	\$ 4,316	\$ 6,382	\$ 7,979
Transportation equipment	<u>781</u>	<u>2,022</u>	<u>2,464</u>
	<u>\$ 5,097</u>	<u>\$ 8,404</u>	<u>\$ 10,443</u>
	For the Three Months Ended September 30		For the Nine Months Ended September 30
	2023	2022	2023
	2023	2022	2022
Additions to right-of-use assets			<u>\$ 2,736</u>
			<u>\$ -</u>
Depreciation charge for right-of-use assets			
Buildings	\$ 1,612	\$ 1,596	\$ 4,787
Transportation equipment	<u>390</u>	<u>442</u>	<u>1,406</u>
	<u>\$ 2,002</u>	<u>\$ 2,038</u>	<u>\$ 6,193</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the nine months ended September 30, 2023 and 2022.

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Carrying amount</u>			
Current	<u>\$ 5,164</u>	<u>\$ 8,168</u>	<u>\$ 8,190</u>
Non-current	<u>\$ -</u>	<u>\$ 399</u>	<u>\$ 2,419</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Buildings	1.596%-1.709%	1.596%	1.596%
Transportation equipment	1.596%	1.596%	1.596%

c. Material leasing activities and terms

The Group leases buildings for the use of offices and operation for a period of 2.75 years.

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

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

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	<u>\$ 676</u>	<u>\$ 261</u>	<u>\$ 2,008</u>	<u>\$ 908</u>
Expenses relating to low-value asset leases	<u>\$ 87</u>	<u>\$ 86</u>	<u>\$ 261</u>	<u>\$ 261</u>
Total cash outflow for leases			<u>\$ (8,439)</u>	<u>\$ (7,509)</u>

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

16. OTHER ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Temporary payments	<u>\$ 1,979</u>	<u>\$ 899</u>	<u>\$ 1,046</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 52,549	\$ 27,350	\$ 24,928
Others	<u> -</u>	<u> 4</u>	<u> -</u>
	<u>\$ 52,549</u>	<u>\$ 27,354</u>	<u>\$ 24,928</u>

17. BORROWINGS

Long-term Borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Secured borrowings (Note 30)			
Bank loans	<u>\$ 404,327</u>	<u>\$ 218,185</u>	<u>\$ 132,235</u>

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

18. NOTES PAYABLE AND ACCOUNTS PAYABLE

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes payable</u>			
Operating	<u>\$ 15</u>	<u>\$ 250</u>	<u>\$ 15</u>
<u>Accounts payable</u>			
Operating	\$ 66,683	\$ 57,152	\$ 47,685
Related parties	<u>29,104</u>	<u>21,103</u>	<u>21,474</u>
	<u>\$ 95,787</u>	<u>\$ 78,255</u>	<u>\$ 69,159</u>

Accounts Payable

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

19. OTHER PAYABLES

	September 30, 2023	December 31, 2022	September 30, 2022
Payables for promotion fee	\$ 81,883	61,057	\$ 64,602
Payables for advertising fee	54,039	49,843	51,886
Payables for salaries and bonuses	39,830	47,451	36,848
Others	<u>26,877</u>	<u>22,037</u>	<u>24,684</u>
	<u>\$ 202,629</u>	<u>\$ 180,388</u>	<u>\$ 178,020</u>

20. RETIREMENT BENEFIT PLANS

The pension expenses of the defined benefit plan were calculated based on the actuarially determined pension cost rate on December 31, 2022 and 2021. An analysis by function of the pension expense was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating costs	\$ -	\$ 7	\$ -	\$ 21
Operating expenses	\$ -	\$ 25	\$ -	\$ 75

21. EQUITY

a. Share capital

Ordinary shares

	September 30, 2023	December 31, 2022	September 30, 2022
Shares authorized (in thousands of shares)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Shares authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>132,915</u>	<u>132,915</u>	<u>132,915</u>
Shares issued and fully paid	<u>\$ 1,329,152</u>	<u>\$ 1,329,152</u>	<u>\$ 1,329,152</u>

b. Capital surplus

	September 30, 2023	December 31, 2022	September 30, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of ordinary shares	\$ 161,940	\$ 161,940	\$ 161,940
<u>May only be used to offset a deficit</u>			
Share of changes in capital surplus of associates	<u>26,206</u>	<u>26,102</u>	<u>26,085</u>
	<u>\$ 188,146</u>	<u>\$ 188,042</u>	<u>\$ 188,025</u>

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

A reconciliation of the carrying amount at the beginning and at the end of the nine months ended September 30, 2023 and 2022 for each class of capital surplus was as follows:

	Issuance of Ordinary Shares	Changes in Capital Surplus from Investments in Associates Accounted for Using the Equity Method
Balance at January 1, 2023	\$ 161,940	\$ 26,102
Changes in capital surplus from investments in associates accounted for using the equity method	<u>-</u>	<u>104</u>
Balance at September 30, 2023	<u>\$ 161,940</u>	<u>\$ 26,206</u>
Balance at January 1, 2022	\$ 161,940	\$ 26,013
Changes in capital surplus from investments in associates accounted for using the equity method	<u>-</u>	<u>72</u>
Balance at September 30, 2022	<u>\$ 161,940</u>	<u>\$ 26,085</u>

c. Retained earnings and dividends policy

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

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

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

The appropriations of earnings for 2022 and 2021 that had been resolved by the shareholders in their meeting on May 26, 2023 and May 25, 2022, respectively were as follows:

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

d. Special reserve

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

e. Other equity items

	September 30, 2023	December 31, 2022	September 30, 2022
Exchange differences on translation of financial statements of foreign operations			
Attributable to the Company	<u>\$ (15,221)</u>	<u>\$ (15,440)</u>	<u>\$ (13,299)</u>
Unrealized valuation loss on financial assets at FVTOCI			
Attributable to the Company	(85,027)	(103,882)	(104,463)
Share from associates accounted for using the equity method	<u>15,889</u>	<u>13,160</u>	<u>8,902</u>
	<u>(69,138)</u>	<u>(90,722)</u>	<u>(95,561)</u>
	<u>\$ (84,359)</u>	<u>\$ (106,162)</u>	<u>\$ (108,860)</u>

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

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ (15,440)	\$ (17,554)
Recognized for the period		
Exchange differences on translation of financial statements of foreign operations	<u>219</u>	<u>4,255</u>
Other comprehensive income recognized for the period	<u>219</u>	<u>4,255</u>
Balance at September 30	<u>\$ (15,221)</u>	<u>\$ (13,299)</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ (90,722)	\$ (41,803)
Recognized for the period		
Unrealized gain (loss) - equity instruments	17,040	(28,818)
Share from associates accounted for using the equity method	<u>5,000</u>	<u>(3,490)</u>
Other comprehensive income (loss)	<u>22,040</u>	<u>(32,308)</u>
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	<u>(456)</u>	<u>(21,450)</u>
Balance at September 30	<u>\$ (69,138)</u>	<u>\$ (95,561)</u>

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

22. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Revenue from contracts with customers				
Revenue from the sale of goods				
Consumer business unit	\$ 201,483	\$ 216,869	\$ 660,378	\$ 676,247
Pharmaceutical business unit	<u>102,164</u>	<u>90,738</u>	<u>303,546</u>	<u>260,213</u>
	<u>\$ 303,647</u>	<u>\$ 307,607</u>	<u>\$ 963,924</u>	<u>\$ 936,460</u>

Revenue from sale of goods

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

The Group recognizes part of the profits earned as revenue under the net method while virtually collecting a certain proportion or amount of profits as parts of goods sold, according to provisions in contracts.

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

23. NET PROFIT

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Bank deposits	\$ <u>1,810</u>	\$ <u>1,172</u>	\$ <u>5,643</u>	\$ <u>3,815</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Rental income	\$ 2,773	\$ 2,745	\$ 8,288	\$ 8,309
Dividend income	1,690	2,584	5,953	7,604
Other income	<u>273</u>	<u>903</u>	<u>1,143</u>	<u>2,764</u>
	\$ <u>4,736</u>	\$ <u>6,232</u>	\$ <u>15,384</u>	\$ <u>18,677</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Fair value changes of financial assets				
Financial assets mandatorily classified as at FVTPL	\$ 32	\$ 13	\$ 202	\$ 67
Gain (loss) on lease modification	41	-	41	(57)
Net foreign exchange gains	175	883	611	2,462
Other	<u>-</u>	<u>(20)</u>	<u>-</u>	<u>(1,120)</u>
	\$ <u>248</u>	\$ <u>876</u>	\$ <u>854</u>	\$ <u>1,352</u>

d. Interest expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Interest on bond	\$ -	\$ -	\$ -	\$ 1,128
Interest on bank loans	910	190	2,197	190
Interest on deferred issue costs of corporate bonds	-	-	-	1,225
Interest on lease liabilities	18	48	72	169
Less: Capitalized interest	<u>(910)</u>	<u>(190)</u>	<u>(2,197)</u>	<u>(190)</u>
	\$ <u>18</u>	\$ <u>48</u>	\$ <u>72</u>	\$ <u>2,522</u>

Information about capitalized interest was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Capitalized interest amount	\$ <u>910</u>	\$ <u>190</u>	\$ <u>2,197</u>	\$ <u>190</u>
Capitalization rate	0.68%-1.08%	0.68%-0.82%	0.68%-1.08%	0.68%-0.82%

e. Depreciation and amortization expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
An analysis of depreciation by function				
Operating costs	\$ 3,579	\$ 3,776	\$ 10,958	\$ 11,364
Operating expenses	<u>3,183</u>	<u>3,253</u>	<u>9,543</u>	<u>9,892</u>
	<u>\$ 6,762</u>	<u>\$ 7,029</u>	<u>\$ 20,501</u>	<u>\$ 21,256</u>
An analysis of amortization by function				
Operating costs	\$ 172	\$ -	\$ 486	\$ -
Operating expenses	<u>188</u>	<u>230</u>	<u>645</u>	<u>710</u>
	<u>\$ 360</u>	<u>\$ 230</u>	<u>\$ 1,131</u>	<u>\$ 710</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Post-employment benefits				
Defined contribution plan	\$ 1,972	\$ 1,608	\$ 5,165	\$ 4,742
Defined benefit plans (Note 20)	<u>-</u>	<u>32</u>	<u>-</u>	<u>96</u>
	1,972	1,640	5,165	4,838
Other employee benefits				
Salaries and bonuses	43,637	42,146	125,594	121,605
Labor and health insurance	3,826	3,468	10,920	10,580
Other	<u>1,537</u>	<u>1,663</u>	<u>4,770</u>	<u>4,901</u>
Total employee benefits expense	<u>\$ 50,972</u>	<u>\$ 48,917</u>	<u>\$ 146,449</u>	<u>\$ 141,924</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
An analysis of employee benefits expense by function				
Operating expenses	\$ 40,747	\$ 38,686	\$ 116,723	\$ 112,515
Operating costs	<u>10,225</u>	<u>10,231</u>	<u>29,726</u>	<u>29,409</u>
	<u>\$ 50,972</u>	<u>\$ 48,917</u>	<u>\$ 146,449</u>	<u>\$ 141,924</u>

(Concluded)

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 3%-6% and no higher than 4%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

The compensation of employees and the remuneration of directors for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022 are as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2023	2022
Compensation of employees	3%	3%
Remuneration of directors	2%	2%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
	Cash	Cash	Cash	Cash
Compensation of employees	\$ 1,576	\$ 1,740	\$ 5,442	\$ 5,618
Remuneration of directors	1,050	1,161	3,628	3,746

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 employees' compensation and remuneration of directors for 2022 and 2021 that were resolved by the board of directors on February 24, 2023 and February 23, 2022, respectively, are as shown below:

	2022	2021
	Cash	Cash
Compensation of employees	\$ 6,580	\$ 6,653
Remuneration of directors	4,386	4,435

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

h. Gains or losses on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Foreign exchange gains	\$ 177	\$ 980	\$ 701	\$ 2,739
Foreign exchange losses	(2)	(97)	(90)	(277)
Net gains	<u>\$ 175</u>	<u>\$ 883</u>	<u>\$ 611</u>	<u>\$ 2,462</u>

24. INCOME TAXES RELATING

a. Income tax recognized in profit or loss

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 10,554	\$ 12,485	\$ 42,348	\$ 37,038
Income tax on unappropriated earnings	-	-	-	3,941
Adjustments for prior years	-	-	(3,931)	(2,141)
Deferred tax				
In respect of the current period	<u>(423)</u>	<u>(1,491)</u>	<u>(6,554)</u>	<u>(16)</u>
Income tax expense recognized in profit or loss	<u>\$ 10,131</u>	<u>\$ 10,994</u>	<u>\$ 31,863</u>	<u>\$ 38,822</u>

b. Income tax assessment

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

25. EARNINGS PER SHARE

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

Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Net profit attributable to owners of the Company	<u>\$ 39,764</u>	<u>\$ 44,863</u>	<u>\$ 140,464</u>	<u>\$ 139,841</u>

Shares

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	132,915	132,915	132,915	132,915
Effect of potentially dilutive ordinary shares				
Compensation of employees	<u>266</u>	<u>146</u>	<u>332</u>	<u>425</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>133,181</u>	<u>133,061</u>	<u>133,247</u>	<u>133,340</u>

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

26. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the nine months ended September 30, 2023

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			New Lease	Lease Modification	Amortization of Interest	Others	
Lease liabilities	<u>\$ 8,567</u>	<u>\$ (6,098)</u>	<u>\$ 2,736</u>	<u>\$ (41)</u>	<u>\$ 72</u>	<u>\$ (72)</u>	<u>\$ 5,164</u>

For the nine months ended September 30, 2022

	Opening Balance	Cash Flows	Non-cash Changes			Closing Balance
			Lease Modifications	Amortization of Interest	Others	
Lease liabilities	<u>\$ 16,957</u>	<u>\$ (6,171)</u>	<u>\$ (177)</u>	<u>\$ 169</u>	<u>\$ (169)</u>	<u>\$ 10,609</u>

27. CAPITAL RISK MANAGEMENT

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

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

28. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 40,685	\$ -	\$ -	\$ 40,685
Domestic unlisted shares	-	-	88,690	88,690
Foreign unlisted shares	-	-	<u>6,893</u>	<u>6,893</u>
	<u>\$ 40,685</u>	<u>\$ -</u>	<u>\$ 95,583</u>	<u>\$ 136,268</u>

December 31, 2022

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

September 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Mutual funds	\$ <u>20,003</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>20,003</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 32,889	\$ -	\$ -	\$ 32,889
Domestic unlisted shares	-	-	77,704	77,704
Foreign unlisted shares	-	-	6,726	6,726
	\$ <u>32,889</u>	\$ <u>-</u>	\$ <u>84,430</u>	\$ <u>117,319</u>

There was no transfer between Level 1 and Level 2 for the nine months ended September 30, 2023 and 2022.

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

Financial assets at FVTOCI - equity instruments

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 82,963	\$ 91,156
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	12,620	(6,726)
Purchase	268	-
Disposal	(268)	-
Balance at September 30	\$ <u>95,583</u>	\$ <u>84,430</u>

3) Valuation techniques and assumptions for measuring fair value

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

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

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

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

c. Categories of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ -	\$ 52,004	\$ 20,003
Financial assets at amortized cost (Note 1)	800,924	767,402	768,572
Financial assets recognized at FVTOCI			
Equity instruments	136,268	119,228	117,319
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	664,873	431,520	344,474

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

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

d. Financial risk management objectives and policies

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

1) Market risk

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

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

a) Foreign currency risk

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

Sensitivity analysis

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

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

	<u>USD Impact</u>		<u>RMB Impact</u>		<u>EUR Impact</u>	
	<u>For the Nine Months Ended</u>		<u>For the Nine Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>		<u>September 30</u>	
	2023	2022	2023	2022	2023	2022
Profit or loss	\$ 163	\$ (537)	\$ -	\$ (85)	\$ (12)	\$ 18

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

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

b) Interest rate risk

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

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
Financial assets	\$ 69,064	\$ 20,000	\$ 78,286
Financial liabilities	5,164	8,567	10,609
Cash flow interest rate risk			
Financial assets	454,655	512,010	426,901
Financial liabilities	404,327	218,185	132,235

Sensitivity analysis

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

If interest rates had been 12.5 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2023 and 2022 would have increased/decreased by \$47 thousand and \$276 thousand, which was mainly a result of demand deposits, foreign currency deposits, time deposits and long-term borrowings.

The Group's sensitivity to interest rates decreased during the current period mainly due to the increase of long-term borrowings with floating interest rates.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax other comprehensive income for the nine months ended September 30, 2023 and 2022 would have increased/decreased by \$6,813 thousand and \$5,866 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

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

2) Credit risk

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

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

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

3) Liquidity risk

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

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

September 30, 2023

	Within 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 258,601	\$ -	\$ 1,945	\$ -
Lease liabilities	2,074	3,111	-	-
Variable interest rate liabilities	<u>1,090</u>	<u>3,271</u>	<u>148,450</u>	<u>287,224</u>
	<u>\$ 261,765</u>	<u>\$ 6,382</u>	<u>\$ 150,395</u>	<u>\$ 287,224</u>

December 31, 2022

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

September 30, 2022

	Within 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 210,079	\$ 267	\$ 1,893	\$ -
Lease liabilities	2,081	6,152	2,427	-
Variable interest rate liabilities	<u>269</u>	<u>808</u>	<u>5,618</u>	<u>139,410</u>
	<u>\$ 212,429</u>	<u>\$ 7,227</u>	<u>\$ 9,938</u>	<u>\$ 139,410</u>

29. TRANSACTIONS WITH RELATED PARTIES

a. Related parties

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

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

1) Sales

Line Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Operating revenue	Associates	\$ <u>1,248</u>	\$ <u>2,859</u>	\$ <u>4,714</u>	\$ <u>4,617</u>
	Other related parties	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2</u>	\$ <u>3</u>

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

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Operating costs	Purchases of goods PhytoHealth Corporation	\$ <u>27,715</u>	\$ <u>20,371</u>	\$ <u>73,839</u>	\$ <u>53,611</u>
	Other operation costs - associates	\$ <u>4</u>	\$ <u>80</u>	\$ <u>298</u>	\$ <u>337</u>

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

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

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

Line Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Selling expenses	Associates	\$ -	\$ -	\$ 3	\$ 1

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

2) Receivables from related parties

Account Item		September 30, 2023	December 31, 2022	September 30, 2022
Accounts receivable	Associates	\$ 16	\$ 114	\$ 43
Other receivables	Associates			
	PhytoHealth Corporation	\$ 2,639	\$ 946	\$ 1,825
	AmCad BioMed Corporation	<u>31</u>	<u>53</u>	<u>32</u>
		<u>\$ 2,670</u>	<u>\$ 999</u>	<u>\$ 1,857</u>

The outstanding accounts receivable from related parties are unsecured. For the nine months ended September 30, 2023 and 2022, no impairment losses were recognized for accounts receivable from related parties.

Other receivables represent payments made on behalf of the Group.

3) Payables to related parties

Account Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Accounts payable	Associates			
	PhytoHealth Corporation	\$ 29,100	\$ 21,000	\$ 21,390
	AmCad BioMed Corporation	<u>4</u>	<u>103</u>	<u>84</u>
		<u>\$ 29,104</u>	<u>\$ 21,103</u>	<u>\$ 21,474</u>
Other payables	Related parties	\$ -	\$ 17	\$ 1

4) Refundable deposits

Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Associates			
PhytoHealth Corporation	\$ 1,448	\$ 1,448	\$ 1,448
AmCad BioMed Corporation	<u>249</u>	<u>249</u>	<u>249</u>
	<u>\$ 1,697</u>	<u>\$ 1,697</u>	<u>\$ 1,697</u>

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

5) Lease arrangements

Lease arrangements - the Group is lessor under an operating lease

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

Lease receivables were as follows:

Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Related parties			
PhytoHealth Corporation	\$ 551	\$ 551	\$ 551
AmCad BioMed Corporation	<u>98</u>	<u>98</u>	<u>98</u>
	<u>\$ 649</u>	<u>\$ 649</u>	<u>\$ 649</u>

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

Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Associates			
PhytoHealth Corporation	\$ 7,166	\$ 5,591	\$ 2,285
AmCad BioMed Corporation	932	711	836
Lu Te Na Company Limited	<u>9</u>	<u>36</u>	<u>45</u>
	<u>\$ 8,107</u>	<u>\$ 6,338</u>	<u>\$ 3,166</u>

Total lease revenue was as follows:

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
	Associates			
PhytoHealth Corporation	\$ 1,575	\$ 1,575	\$ 4,725	\$ 4,725
AmCad BioMed Corporation	279	278	838	838
Lu Te Na Company Limited	<u>9</u>	<u>9</u>	<u>27</u>	<u>27</u>
	<u>\$ 1,863</u>	<u>\$ 1,862</u>	<u>\$ 5,590</u>	<u>\$ 5,590</u>

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

c. Remuneration of key management personnel

For the nine months ended September 30, 2023 and 2022, the remuneration directors and other key management personnel was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 10,894	\$ 10,942	\$ 33,120	\$ 33,129
Post-employment benefits	<u>170</u>	<u>170</u>	<u>510</u>	<u>510</u>
	<u>\$ 11,064</u>	<u>\$ 11,112</u>	<u>\$ 33,630</u>	<u>\$ 33,639</u>

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2023	December 31, 2022	September 30, 2022
Land	\$ 74,189	\$ 74,189	\$ 74,189
Buildings	<u>63,934</u>	<u>67,930</u>	<u>69,280</u>
	<u>\$ 138,123</u>	<u>\$ 142,119</u>	<u>\$ 143,469</u>

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group issued and deposited guarantee notes as purchase and performance guarantee, both of which are \$10,000 thousand in three years.
- b. As of September 30, 2023 and 2022, the Group had unrecognized contractual commitments of \$278,667 thousand and \$618,786 thousand, respectively, for the acquisition of property, plant and equipment.

32. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

September 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 14	32.27 (USD:NTD)	\$ 444
EUR	151	33.91 (EUR:NTD)	5,113
<u>Financial liabilities</u>			
Monetary items			
USD	115	32.27 (USD:NTD)	3,697
EUR	144	33.91 (EUR:NTD)	4,874

December 31, 2022

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

September 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
RMB	\$ 383	4.457 (RMB:NTD)	\$ 1,708
EUR	81	31.26 (EUR:NTD)	2,546
USD	338	31.75 (USD:NTD)	10,744
<u>Financial liabilities</u>			
Monetary items			
EUR	93	31.26 (EUR:NTD)	2,903

Refer to Note 23 (h) for the foreign currency exchange gains and losses (realized and unrealized) of the Group for the nine months ended September 30, 2023 and 2022. Due to the wide variety of foreign currency transactions, it is impractical to disclose the exchange gains and losses by each foreign currency.

34. ADDITIONAL DISCLOSURES

a. Information on significant transactions:

- 1) Financing provided to others: None;
- 2) Endorsements/guarantees provided: None;
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): (Table 1);
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None;

- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None;
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None;
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None;
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None;
 - 9) Trading in derivative instruments: None;
 - 10) Intercompany relationships and significant intercompany transactions: (Table 4)
- b. Information on investees (Table 2)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 3)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: None;
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year (Table 3)
 - c) The amount of property transactions and the amount of the resultant gains or losses: None;
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: None;
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds: None;
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None;
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 5)

35. SEGMENT INFORMATION

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

a. Segment revenue and results

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

	Segment Income		Segment Gain/Loss	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Consumer business unit	\$ 660,378	\$ 676,247	\$ 151,472	\$ 169,487
Pharmaceutical business unit	303,546	260,213	72,111	62,721
	\$ 963,924	\$ 936,460	223,583	232,208
Inseparable management expense (including other revenue and expenses, net)			(66,809)	(64,771)
Interest income			5,643	3,815
Rental income			8,288	8,309
Dividend income			5,953	7,604
Other income			1,184	1,587
Gain on financial assets at fair value through profit or loss			202	67
Foreign exchange gains (loss)			611	2,462
Interest expense			(72)	(2,522)
Share of loss of associates			(6,256)	(10,096)
Profit before taxes			\$ 172,327	\$ 178,663

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales for the nine months ended September 30, 2023 and 2022.

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

b. Segment assets

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

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

**MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Amounts in Thousands of New Taiwan Dollars)**

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2023				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 1)	
Maywufa Company Ltd.	Share							
	Cathay Financial Holdings Co., Ltd.	-	Financial assets at fair value through other comprehensive income	503	\$ 22,406	-	\$ 22,406	Listed shares
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income	301	18,279	-	18,279	Listed shares
	Taiwan Incubator SME Development Corp.	Same chairman of the board of directors	Financial assets at fair value through other comprehensive income	8,526	78,267	12.08	78,267	
	Miho International Cosmetic Co., Ltd.	-	Financial assets at fair value through other comprehensive income	333	3,358	0.39	3,358	
	Career Consulting Co., Ltd.	-	Financial assets at fair value through other comprehensive income	505	6,797	3.23	6,797	
	Amersen Bioscience International, Inc.	-	Financial assets at fair value through other comprehensive income	568	-	8.43	-	
	Biowell Technology, Inc.	-	Financial assets at fair value through other comprehensive income	3,272	-	7.56	-	
	Amkey Biotechnology Venture Capital Inc.	-	Financial assets at fair value through other comprehensive income	147	6,893	6.66	6,893	
	WS Fashion Group Co., Ltd.	-	Financial assets at fair value through other comprehensive income	11	<u>268</u>	0.39	268	(Note 2)
					<u>\$ 136,268</u>			

Note 1: Reference of fair value: listed (over the counter) stocks of financial assets measured by fair value through other comprehensive income are the closing prices at the end of September 2023, and unlisted (over the counter) stocks are estimated market prices based on the fair value evaluation method; Financial assets measured at fair value through profit or loss are the net asset value at the end of September 2023.

Note 2: For information of investees, refer to Note 12.

Note 3: For information of subsidiaries and associates, refer to Tables 3 and 4.

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
 (Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				September 30, 2023	December 31, 2022	Shares (In Thousands)	%	Carrying Amount			
Maywufa Company Ltd.	<u>Related company</u> PhytoHealth Corporation	Fuxing N. Rd., Taipei City, Taiwan (R.O.C.)	Pharmaceutical research and development, production, manufacturing and sales	\$ 1,016,963	\$ 1,016,963	35,131	17.69	\$ 456,204	\$ (15,200)	\$ (3,639)	
	AmCad BioMed Corporation	Fuxing N. Rd., Taipei City, Taiwan (R.O.C.)	Medical materials and equipment manufacturing	65,749	65,749	3,474	6.52	25,553	(34,412)	(2,245)	
	Broadsound Corporation	Xintai Rd., Zhubei City, Taiwan (R.O.C.)	Medical materials and equipment manufacturing	26,360	26,360	2,019	10.00	22,733	(798)	(364)	
	Lu Te Na Company Limited	Fuxing N. Rd., Taipei City, Taiwan (R.O.C.)	Cosmetics sales	7,000	7,000	700	35.00	2,369	(21)	(8)	
	<u>Subsidiaries</u> Maywufa Corporation	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investment	US\$ 8,500	US\$ 8,500	8,500	100.00	141,460	(2,624)	(2,624)	(Note 2)
Maywufa Corporation	Maywufa Hongkong Corporation Limited	Room 06, G/F, 535 Canton Road, Kowloon, Hong Kong	Investment	US\$ 8,500	US\$ 8,500	8,500	100.00	142,881	(2,624)	(2,624)	(Note 2)
Maywufa Hongkong Corporation Limited	Maywufa Cosmetics (Shanghai) Co., Ltd.	Room 902, No. 777, Hongqiao Road, Xuhui District, Shanghai	Cosmetics and household goods wholesale	US\$ 7,500	US\$ 7,500	-	100.00	142,878	(2,624)	(2,624)	(Note 2)

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

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

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

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Amounts in Thousands of New Taiwan Dollars and US Dollars)

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Accumulated Repatriation of Investment Income as of September 30, 2023	Carrying Amount as of September 30, 2023	Accumulated Inward Remittance for Investment from Taiwan as of September 30, 2023
					Outward	Inward						
Maywufa Cosmetics (Shanghai) Co., Ltd.	Cosmetics and household goods wholesale	\$ 226,459 (US\$ 7,500)	Reinvesting in mainland China through companies located in a third region (Note 1)	\$ 226,459 (US\$ 7,500)	\$ -	\$ -	\$ 226,459 (US\$ 7,500)	\$ (2,624)	100	\$ (2,624) (Note 2)	\$ 142,878	\$ -

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

Note 2: Investment gains and losses are recognized according to the financial statements reviewed by the accountant.

2. Investment limit in mainland China

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

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$226,459 (US\$7,500)	\$354,970 (US\$11,000)	\$1,208,168

Note: Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA = \$2,013,613 × 60% = \$1,208,168.

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

Investee Company	Relationship with the Company	Transaction Type	Price	Transaction Details			Notes/Accounts Receivable (Payable)		Unrealized Gain (Loss)
				Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Maywufa Cosmetics (Shanghai) Co., Ltd.	Subsidiary	Sales revenue	\$ 12,584	Determined by contract or negotiation	The credit period for hairdressing products is 3 months	Similar to general transaction	\$ -	-	\$ 1,422

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

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR NINE MONTHS ENDED SEPTEMBER 30, 2023
(Amounts in Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship	Transactions Details			
				Financial Statement Account	Amount (Note 1)	Payment Terms	% of Total Sales or Assets (Note 2)
0	<p><u>For the nine months ended September 30, 2023</u></p> <p>Maywufa Company Ltd.</p>	Maywufa Cosmetics (Shanghai) Co., Ltd.	Parent company to subsidiary	Operating income	\$ 12,584	Similar to general transaction	1

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

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

TABLE 5**MAYWUFA COMPANY LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****SEPTEMBER 30, 2023****(Amounts in Thousands of New Taiwan Dollars)**

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

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

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