

Maywufa Company Ltd. and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2024 and 2023 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, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, 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, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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, 2024 and 2023, 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 reports of other auditors as of September 30, 2024 and 2023, the amounts of the investments accounted for using the equity method of Maywufa Group were NT\$515,729 thousand and NT\$504,490 thousand, respectively, representing 17% and 18%, respectively, of the consolidated total assets; for the nine months ended September 30, 2024 and 2023, the amounts of investments accounted for using the equity method - losses recognized by Maywufa Group were NT\$14,230 thousand and NT\$6,248 thousand, respectively, representing (8%) and (4%), respectively, of the consolidated total profit before income tax.

The engagement partners on the reviews resulting in this independent auditors' review report are Hai-Yueh Huang and Cheng-Chuan Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 6, 2024

Notice to Readers

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

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

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 169,783	6	\$ 178,481	6	\$ 141,889	5
Notes receivable (Notes 7 and 21)	11,738	-	22,522	1	21,708	1
Accounts receivable (Notes 7, 21 and 28)	248,010	8	226,268	8	245,125	9
Other receivables (Notes 7, 21 and 28)	2,515	-	2,927	-	4,847	-
Inventories (Note 8)	270,825	9	257,911	9	253,139	9
Prepayments	2,363	-	1,321	-	4,721	-
Other financial assets - current (Note 9)	370,160	12	395,130	14	381,990	14
Other current assets (Note 15)	1,019	-	1,576	-	1,979	-
Total current assets	<u>1,076,413</u>	<u>35</u>	<u>1,086,136</u>	<u>38</u>	<u>1,055,398</u>	<u>38</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 11)	150,742	5	127,105	5	136,268	5
Investments accounted for using the equity method (Note 12)	518,081	17	507,561	18	506,859	19
Property, plant and equipment (Notes 13 and 29)	1,227,230	40	956,203	34	915,822	33
Right-of-use assets (Note 14)	4,699	-	4,588	-	5,097	-
Intangible assets	6,147	-	4,637	-	3,582	-
Deferred tax assets (Note 4)	33,653	1	26,117	1	30,538	1
Refundable deposits	5,036	-	5,336	-	5,365	-
Net defined benefit assets - non-current	60,017	2	59,742	2	60,163	2
Other non-current assets (Note 15)	-	-	54,646	2	52,549	2
Total non-current assets	<u>2,005,605</u>	<u>65</u>	<u>1,745,935</u>	<u>62</u>	<u>1,716,243</u>	<u>62</u>
TOTAL	<u>\$ 3,082,018</u>	<u>100</u>	<u>\$ 2,832,071</u>	<u>100</u>	<u>\$ 2,771,641</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ 35,000	1	\$ -	-	\$ -	-
Notes payable (Note 17)	84	-	125	-	15	-
Accounts payable (Notes 17 and 28)	83,104	3	83,514	3	95,787	4
Other payables (Notes 18 and 28)	284,567	9	215,573	7	202,629	7
Current tax liabilities (Note 4)	20,419	1	25,631	1	20,793	1
Lease liabilities - current (Note 14)	1,813	-	3,564	-	5,164	-
Other current liabilities	21,913	1	25,581	1	27,361	1
Total current liabilities	<u>446,900</u>	<u>15</u>	<u>353,988</u>	<u>12</u>	<u>351,749</u>	<u>13</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 16 and 29)	558,938	18	437,893	16	404,327	14
Deferred tax liabilities (Note 4)	10	-	5	-	7	-
Lease liabilities - non-current (Note 14)	2,949	-	1,084	-	-	-
Guarantee deposits (Note 28)	1,945	-	1,945	-	1,945	-
Total non-current liabilities	<u>563,842</u>	<u>18</u>	<u>440,927</u>	<u>16</u>	<u>406,279</u>	<u>14</u>
Total liabilities	<u>1,010,742</u>	<u>33</u>	<u>794,915</u>	<u>28</u>	<u>758,028</u>	<u>27</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Note 20)						
Share capital - ordinary shares	1,329,152	43	1,329,152	47	1,329,152	48
Capital surplus	192,425	6	189,320	7	188,146	7
Retained earnings						
Legal reserve	214,672	7	197,797	7	197,797	7
Special reserve	89,821	3	106,162	3	106,162	4
Unappropriated earnings	295,422	10	304,546	11	276,715	10
Total retained earnings	599,915	20	608,505	21	580,674	21
Other equity	(50,216)	(2)	(89,821)	(3)	(84,359)	(3)
Total equity	<u>2,071,276</u>	<u>67</u>	<u>2,037,156</u>	<u>72</u>	<u>2,013,613</u>	<u>73</u>
TOTAL	<u>\$ 3,082,018</u>	<u>100</u>	<u>\$ 2,832,071</u>	<u>100</u>	<u>\$ 2,771,641</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 6, 2024)

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			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 28)	\$ 351,804	100	\$ 303,647	100	\$ 1,109,779	100	\$ 963,924	100
OPERATING COSTS (Notes 8, 22 and 28)	<u>126,036</u>	<u>36</u>	<u>108,290</u>	<u>36</u>	<u>389,217</u>	<u>35</u>	<u>334,298</u>	<u>35</u>
GROSS PROFIT	<u>225,768</u>	<u>64</u>	<u>195,357</u>	<u>64</u>	<u>720,562</u>	<u>65</u>	<u>629,626</u>	<u>65</u>
OPERATING EXPENSES (Notes 19, 22 and 28)								
Selling and marketing expenses	153,286	44	127,770	42	468,661	42	398,823	41
General and administrative expenses	25,289	7	24,529	8	81,122	8	73,679	8
Expected credit impairment loss (gain on reversal) (Note 7)	<u>(50)</u>	<u>-</u>	<u>(48)</u>	<u>-</u>	<u>125</u>	<u>-</u>	<u>350</u>	<u>-</u>
Total operating expenses	<u>178,525</u>	<u>51</u>	<u>152,251</u>	<u>50</u>	<u>549,908</u>	<u>50</u>	<u>472,852</u>	<u>49</u>
PROFIT FROM OPERATIONS	<u>47,243</u>	<u>13</u>	<u>43,106</u>	<u>14</u>	<u>170,654</u>	<u>15</u>	<u>156,774</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)								
Interest income	1,855	-	1,810	1	6,187	-	5,643	1
Other income (Note 28)	5,633	2	4,736	1	18,443	2	15,384	2
Other gains and losses	157	-	248	-	589	-	854	-
Interest expense	(1,195)	-	(18)	-	(1,271)	-	(72)	-
Share of profit or loss of associates (Note 12)	<u>(3,769)</u>	<u>(1)</u>	<u>13</u>	<u>-</u>	<u>(14,233)</u>	<u>(1)</u>	<u>(6,256)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>2,681</u>	<u>1</u>	<u>6,789</u>	<u>2</u>	<u>9,715</u>	<u>1</u>	<u>15,553</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	49,924	14	49,895	16	180,369	16	172,327	18
INCOME TAX EXPENSE (Notes 4 and 23)	<u>10,493</u>	<u>3</u>	<u>10,131</u>	<u>3</u>	<u>36,106</u>	<u>3</u>	<u>31,863</u>	<u>3</u>
NET PROFIT	<u>39,431</u>	<u>11</u>	<u>39,764</u>	<u>13</u>	<u>144,263</u>	<u>13</u>	<u>140,464</u>	<u>15</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 12 and 20)								
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	13,699	4	5,759	2	23,637	2	17,040	2

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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			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Share of the other comprehensive income of associates accounted for using the equity method	\$ (2,051)	(1)	\$ (7,117)	(2)	\$ 9,660	1	\$ 5,000	-
Items that may be reclassified subsequently to profit and loss								
Exchange differences on translation of financial statements of foreign operations	2,503	1	4,343	1	6,308	1	219	-
Total other comprehensive income (loss) (net of income tax)	14,151	4	2,985	1	39,605	4	22,259	2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 53,582</u>	<u>15</u>	<u>\$ 42,749</u>	<u>14</u>	<u>\$ 183,868</u>	<u>17</u>	<u>\$ 162,723</u>	<u>17</u>
NET INCOME ATTRIBUTABLE TO:								
Shareholders of the parent	<u>\$ 39,431</u>	<u>11</u>	<u>\$ 39,764</u>	<u>13</u>	<u>\$ 144,263</u>	<u>13</u>	<u>\$ 140,464</u>	<u>15</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Shareholders of the parent	<u>\$ 53,582</u>	<u>15</u>	<u>\$ 42,749</u>	<u>14</u>	<u>\$ 183,868</u>	<u>17</u>	<u>\$ 162,723</u>	<u>17</u>
EARNINGS PER SHARE (Note 24)								
Basic	<u>\$ 0.30</u>		<u>\$ 0.30</u>		<u>\$ 1.09</u>		<u>\$ 1.06</u>	
Diluted	<u>\$ 0.30</u>		<u>\$ 0.30</u>		<u>\$ 1.08</u>		<u>\$ 1.05</u>	

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

(With Deloitte & Touche review report dated November 6, 2024)

(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 20)	Capital Surplus (Note 20)	Retained Earnings (Note 20)			Other Equity (Note 20)		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, 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 12 and 20)	-	104	-	-	-	-	-	104
Disposal of investments in equity instruments at fair value through other comprehensive income/disposal of investments in equity instruments at fair value through other comprehensive income by associates (Notes 11, 12 and 20)	-	-	-	-	456	-	(456)	-
Net profit for the nine months ended September 30, 2023	-	-	-	-	140,464	-	-	140,464
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	219	22,040	22,259
Total comprehensive income 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>
BALANCE AT JANUARY 1, 2024	\$ 1,329,152	\$ 189,320	\$ 197,797	\$ 106,162	\$ 304,546	\$ (18,070)	\$ (71,751)	\$ 2,037,156
Appropriation of 2023 earnings								
Legal reserve	-	-	16,875	-	(16,875)	-	-	-
Reversal of special reserve	-	-	-	(16,341)	16,341	-	-	-
Cash dividends - NT\$1.15 per share	-	-	-	-	(152,853)	-	-	(152,853)
Changes in capital surplus from investments in associates accounted for using the equity method (Notes 12 and 20)	-	3,105	-	-	-	-	-	3,105
Net profit for the nine months ended September 30, 2024	-	-	-	-	144,263	-	-	144,263
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	6,308	33,297	39,605
Total comprehensive income or the nine months ended September 30, 2024	-	-	-	-	144,263	6,308	33,297	183,868
BALANCE AT SEPTEMBER 30, 2024	<u>\$ 1,329,152</u>	<u>\$ 192,425</u>	<u>\$ 214,672</u>	<u>\$ 89,821</u>	<u>\$ 295,422</u>	<u>\$ (11,762)</u>	<u>\$ (38,454)</u>	<u>\$ 2,071,276</u>

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

(With Deloitte & Touche review report dated November 6, 2024)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 180,369	\$ 172,327
Adjustments for:		
Depreciation expenses	22,785	20,501
Amortization expenses	1,379	1,131
Expected credit impairment loss	125	350
Net gain on fair value changes of financial assets at fair value through profit or loss	(60)	(202)
Interest expense	1,271	72
Interest income	(6,187)	(5,643)
Dividend income	(7,682)	(5,953)
Share of loss of associates	14,233	6,256
Write-down of inventories	2,427	-
Gain on lease modification	-	(41)
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	60	52,206
Notes receivable	10,893	308
Accounts receivable	(21,976)	(39,664)
Other receivables	649	(1,761)
Inventories	(15,163)	(20,728)
Prepayments	(1,030)	(3,291)
Other current assets	557	(1,080)
Net defined benefit assets	(275)	(11)
Notes payable	(41)	(235)
Accounts payable	(410)	17,532
Other payables	17,003	24,513
Other current liabilities	(3,697)	2,264
Cash generated from operations	195,230	218,851
Interest paid	(3,929)	(2,347)
Income taxes paid	(48,849)	(37,889)
Net cash generated from operating activities	<u>142,452</u>	<u>178,615</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	(11,988)	-
Payments for property, plant and equipment	(171,559)	(205,140)
Decrease (increase) in refundable deposits	300	(209)
Payments for intangible assets	(2,889)	(1,104)
Decrease (increase) in other financial assets	24,970	(27,120)
Increase in other non-current assets	(6,276)	(25,195)
Interest received	5,950	4,602
Dividends received	7,682	5,953
Net cash used in investing activities	<u>(153,810)</u>	<u>(248,213)</u>

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MAYWUFA COMPANY LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 35,000	\$ -
Proceeds from long-term borrowings	121,045	186,142
Increase in guarantee deposits	-	52
Repayment of the principal portion of lease liabilities	(3,940)	(6,098)
Dividends paid to owners of the Company	<u>(152,853)</u>	<u>(146,207)</u>
Net cash (used in) generated from financing activities	<u>(748)</u>	<u>33,889</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>3,408</u>	<u>94</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,698)	(35,615)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>178,481</u>	<u>177,504</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 169,783</u>	<u>\$ 141,889</u>

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

(With Deloitte & Touche review report dated November 6, 2024)

(Concluded)

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

The main businesses of the Company are as follows:

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 6, 2024.

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

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

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 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 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

Refer to Notes 10 and 33, 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, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

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

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

2) Retirement benefits

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

3) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand and petty cash	\$ 120	\$ 120	\$ 120
Checking accounts and demand deposits	50,008	119,081	30,215
Cash equivalents			
Time deposits with original maturities of 3 months or less	38,980	59,280	42,490
Call deposits with original maturities of 3 months or less	<u>80,675</u>	<u>-</u>	<u>69,064</u>
	<u>\$ 169,783</u>	<u>\$ 178,481</u>	<u>\$ 141,889</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Bank deposits	0.05%-1.15%	0.05%-1.45%	0.70%-1.45%
Time deposits with original maturities of 3 months or less	1.225%	1.10%	1.10%-1.16%
Call deposits with original maturities of 3 months or less	1.45%	-	1.55%-2.025%

7. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 11,856	\$ 22,749	\$ 21,927
Less: Allowance for impairment loss	<u>(118)</u>	<u>(227)</u>	<u>(219)</u>
	<u>\$ 11,738</u>	<u>\$ 22,522</u>	<u>\$ 21,708</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 250,462	\$ 228,563	\$ 247,596
Less: Allowance for impairment loss	<u>(2,529)</u>	<u>(2,295)</u>	<u>(2,487)</u>
	<u>247,933</u>	<u>226,268</u>	<u>245,109</u>
Accounts receivable from related parties	77	-	16
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>77</u>	<u>-</u>	<u>16</u>
	<u>\$ 248,010</u>	<u>\$ 226,268</u>	<u>\$ 245,125</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Other receivables</u>			
Interest	\$ 491	\$ 254	\$ 1,228
Other	<u>37</u>	<u>128</u>	<u>300</u>
	528	382	1,528
Other receivables from related parties	<u>1,987</u>	<u>2,545</u>	<u>3,319</u>
	<u>\$ 2,515</u>	<u>\$ 2,927</u>	<u>\$ 4,847</u>
			(Concluded)

a. Notes receivable

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

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

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

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

September 30, 2024

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss rate	1%	-	-	-	-	
Gross carrying amount	\$ 11,856	\$ -	\$ -	\$ -	\$ -	\$ 11,856
Loss allowance (Lifetime ECLs)	<u>(118)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(118)</u>
Amortized cost	<u>\$ 11,738</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,738</u>

December 31, 2023

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

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>

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 227	\$ 210
Add: Provision	-	9
Less: Reversal	<u>(109)</u>	<u>-</u>
Balance at September 30	<u>\$ 118</u>	<u>\$ 219</u>

b. Accounts receivable

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

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

The Group writes off an account receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 180 days past due, whichever occurs earlier. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

September 30, 2024

	Not Past Due	1 to 60 Days Past Due	61 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss rate	1%	1%	-	-	-	
Gross carrying amount	\$ 239,608	\$ 10,931	\$ -	\$ -	\$ -	\$ 250,539
Loss allowance (Lifetime ECLs)	<u>(2,420)</u>	<u>(109)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,529)</u>
Amortized cost	<u>\$ 237,188</u>	<u>\$ 10,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,010</u>

December 31, 2023

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

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>

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 2,295	\$ 2,146
Add: Provision	<u>234</u>	<u>341</u>
Balance at September 30	<u>\$ 2,529</u>	<u>\$ 2,487</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. As of September 30, 2024, December 31, 2023 and September 30, 2023, the management of the Group assessed other receivables with no expected credit losses.

8. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Commodities	\$ 80,347	\$ 66,589	\$ 69,660
Finished goods	91,017	102,502	98,400
Packaging materials	45,878	35,337	32,244
Raw materials	45,580	40,989	44,013
Work in progress	<u>8,003</u>	<u>12,494</u>	<u>8,822</u>
	<u>\$ 270,825</u>	<u>\$ 257,911</u>	<u>\$ 253,139</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Cost of inventories sold	\$ 123,324	\$ 106,721	\$ 380,650	\$ 329,515
Write-down of inventories	(238)	-	2,427	-
Inventory obsolescence loss	2,951	1,570	6,141	4,665
(Gain) loss on physical inventory counts	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>118</u>
	<u>\$ 126,036</u>	<u>\$ 108,290</u>	<u>\$ 389,217</u>	<u>\$ 334,298</u>

9. OTHER FINANCIAL ASSETS - CURRENT

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits with original maturities of more than 3 months	<u>\$ 370,160</u>	<u>\$ 395,130</u>	<u>\$ 381,990</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, 2024	December 31, 2023	September 30, 2023
Time deposits	1.285%-1.690%	1.160%-1.565%	1.160%-1.565%

10. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Percentage of Ownership (%)		
			September 30, 2024	December 31, 2023	September 30, 2023
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.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 62,031	\$ 42,524	\$ 40,685
Unlisted shares	81,889	77,966	88,690
Foreign investments			
Unlisted shares	<u>6,822</u>	<u>6,615</u>	<u>6,893</u>
	<u>\$ 150,742</u>	<u>\$ 127,105</u>	<u>\$ 136,268</u>

Refer to Note 33 and Table 1 (Marketable Securities Held) for information relating to the investments in the above table.

Refer to Note 20(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 number of shares returnable to shareholders with the shares of other companies at a fair value of \$268 thousand, resulting in an unrealized loss of \$1,815 thousand on the related other equity - financial assets at fair value through other comprehensive income and loss transferred to related earnings for the nine months ended September 30, 2023.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Listed company</u>			
PhytoHealth Corporation	\$ 457,101	\$ 457,071	\$ 456,204
AmCad BioMed Corporation	36,201	24,811	25,553
<u>Unlisted company</u>			
Broadsound Corporation	22,427	23,324	22,733
Lu Te Na Company Limited	<u>2,352</u>	<u>2,355</u>	<u>2,369</u>
	<u>\$ 518,081</u>	<u>\$ 507,561</u>	<u>\$ 506,859</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, 2024	December 31, 2023	September 30, 2023
PhytoHealth Corporation	17.69%	17.69%	17.69%
AmCad BioMed Corporation	6.31%	6.52%	6.52%
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 directors of these companies; therefore, it has significant influence over these companies, which are all accounted for using the equity method.

Refer to Note 33 and Table 2 (Information on Investees) 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	
	2024	2023	2024	2023
PhytoHealth Corporation	\$ (2,285)	\$ 915	\$ (10,404)	\$ (3,639)
AmCad BioMed Corporation	(1,186)	(705)	(2,929)	(2,245)
Broadsound Corporation	(298)	(181)	(897)	(364)
Lu Te Na Company Limited	<u>-</u>	<u>(16)</u>	<u>(3)</u>	<u>(8)</u>
	<u>\$ (3,769)</u>	<u>\$ 13</u>	<u>\$ (14,233)</u>	<u>\$ (6,256)</u>

As a result of the change in paid-in capital due to the exercise of employee stock options issued by the AmCad BioMed Corporation for the nine months ended September 30, 2024 and 2023, respectively, 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/decrease of \$(1) thousand and 22 thousand.

The base date for the capital increase was July 24, 2024, and AmCad BioMed Corporation increased its capital by 10,000 thousand shares at NT\$23 per share in cash. The Group subscribed to 521 thousand shares, with a subscription amount of NT\$11,988 thousand. Due to not subscribing in proportion to its shareholding, the Group's shareholding ratio in AmCad BioMed decreased to 6.31%.

The Group recognized an increase of \$3,106 thousand and \$82 thousand in capital surplus for the changes in other equity of the associates in proportion to its shareholding as of September 30, 2024 and 2023, respectively.

The Group recognized \$2,271 thousand of equity instruments measured at fair value through other comprehensive income for the nine months ended September 30, 2023, 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	
	2024	2023	2024	2023
The Group's share of:				
Profit (loss) from continuing operations	\$ (3,769)	\$ 13	\$ (14,233)	\$ (6,256)
Other comprehensive income (loss)	<u>(2,051)</u>	<u>(7,117)</u>	<u>9,660</u>	<u>5,000</u>
Total comprehensive income (loss) for the period	<u>\$ (5,820)</u>	<u>\$ (7,104)</u>	<u>\$ (4,573)</u>	<u>\$ (1,256)</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
PhytoHealth Corporation	<u>\$ 639,379</u>	<u>\$ 762,336</u>	<u>\$ 695,588</u>
AmCad BioMed Corporation	<u>\$ 90,686</u>	<u>\$ 92,750</u>	<u>\$ 72,949</u>

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Income-generating Equipment	Other Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2024	\$ 293,932	\$ 389,928	\$ 51,767	\$ 2,515	\$ 2,181	\$ 472,125	\$ 1,212,448
Additions	-	44,643	4,042	1,384	1,708	174,370	226,147
Reclassification (Note)	-	601,353	86,621	14,402	-	(641,454)	60,922
Effects of foreign currency exchange differences	-	5,547	-	5	-	-	5,552
Balance at September 30, 2024	<u>\$ 293,932</u>	<u>\$ 1,041,471</u>	<u>\$ 142,430</u>	<u>\$ 18,306</u>	<u>\$ 3,889</u>	<u>\$ 5,041</u>	<u>\$ 1,505,069</u>
Accumulated depreciation and impairment							
Balance at January 1, 2024	\$ -	\$ (213,815)	\$ (38,498)	\$ (1,776)	\$ (2,156)	\$ -	\$ (256,245)
Depreciation expenses	-	(14,024)	(3,946)	(622)	(250)	-	(18,842)
Effects of foreign currency exchange differences	-	(2,748)	-	(4)	-	-	(2,752)
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ (230,587)</u>	<u>\$ (42,444)</u>	<u>\$ (2,402)</u>	<u>\$ (2,406)</u>	<u>\$ -</u>	<u>\$ (277,839)</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 293,932</u>	<u>\$ 176,113</u>	<u>\$ 13,269</u>	<u>\$ 739</u>	<u>\$ 25</u>	<u>\$ 472,125</u>	<u>\$ 956,203</u>
Carrying amount at September 30, 2024	<u>\$ 293,932</u>	<u>\$ 810,884</u>	<u>\$ 99,986</u>	<u>\$ 15,904</u>	<u>\$ 1,483</u>	<u>\$ 5,041</u>	<u>\$ 1,227,230</u>
Cost							
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>
Accumulated depreciation and impairment							
Balance at January 1, 2023	\$ -	\$ (200,562)	\$ (34,147)	\$ (1,354)	\$ (2,073)	\$ -	\$ (238,136)
Depreciation expenses	-	(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 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>

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

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, 2024 and 2023.

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

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

The property and plant pledged as collateral for bank borrowings are set out in Note 29.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023	
<u>Carrying amount</u>				
Buildings	\$ -	\$ 2,698	\$ 4,316	
Transportation equipment	<u>4,699</u>	<u>1,890</u>	<u>781</u>	
	<u>\$ 4,699</u>	<u>\$ 4,588</u>	<u>\$ 5,097</u>	
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2024	2023	2024	2023
Additions to right-of-use assets			<u>\$ 4,054</u>	<u>\$ 2,736</u>
Depreciation charge for right-of-use assets				
Buildings	\$ -	\$ 1,612	\$ 2,698	\$ 4,802
Transportation equipment	<u>696</u>	<u>390</u>	<u>1,245</u>	<u>1,241</u>
	<u>\$ 696</u>	<u>\$ 2,002</u>	<u>\$ 3,943</u>	<u>\$ 6,043</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the nine months ended September 30, 2024 and 2023.

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amounts</u>			
Current	<u>\$ 1,813</u>	<u>\$ 3,564</u>	<u>\$ 5,164</u>
Non-current	<u>\$ 2,949</u>	<u>\$ 1,084</u>	<u>\$ -</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	1.079%	1.079%-1.569%	1.596%-1.709%
Transportation equipment	1.079%-1.211%	1.079%-1.569%	1.596%

c. Material leasing activities and terms

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

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

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

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 501</u>	<u>\$ 676</u>	<u>\$ 1,725</u>	<u>\$ 2,008</u>
Expenses relating to low-value asset leases	<u>\$ 87</u>	<u>\$ 87</u>	<u>\$ 254</u>	<u>\$ 261</u>
Total cash outflow for leases			<u>\$ (5,960)</u>	<u>\$ (8,439)</u>

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

15. OTHER ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Temporary payments	<u>\$ 1,019</u>	<u>\$ 1,576</u>	<u>\$ 1,979</u>
<u>Non-current</u>			
Prepayments for equipment	<u>\$ -</u>	<u>\$ 54,646</u>	<u>\$ 52,549</u>

16. BORROWINGS

a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured borrowings			
Credit bank loans	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ -</u>

The effective interest rate for bank loans was 0.5% as of September 30, 2024.

b. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Secured borrowings (Note 29)			
Bank loan	<u>\$ 558,938</u>	<u>\$ 437,893</u>	<u>\$ 404,327</u>

Bank loan's floating rates of the bank loans, which the Group used to build a factory, are calculated monthly on the balance of the principal, with interest paid monthly for the first 66 months and the principal repayable in equal monthly installments from the 67th month (February 2028) onward, at an effective interest rate of 0.68% to 1.21% per annum, and the loan period is eight years.

17. NOTES PAYABLE AND ACCOUNTS PAYABLE

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes payable</u>			
Operating	<u>\$ 84</u>	<u>\$ 125</u>	<u>\$ 15</u>
<u>Accounts payable</u>			
Operating	\$ 53,697	\$ 59,329	\$ 66,683
Related parties (Note 28)	<u>29,407</u>	<u>24,185</u>	<u>29,104</u>
	<u>\$ 83,104</u>	<u>\$ 83,514</u>	<u>\$ 95,787</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.

18. OTHER PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Promotion expense payable	\$ 87,209	\$ 69,002	\$ 81,883
Advertising expense payable	67,166	49,362	54,039
Construction payable	54,588	-	-
Payables on salaries and bonuses	44,044	50,639	39,830
Others	<u>31,560</u>	<u>46,570</u>	<u>26,877</u>
	<u>\$ 284,567</u>	<u>\$ 215,573</u>	<u>\$ 202,629</u>

19. RETIREMENT BENEFIT PLANS

The pension expenses of the defined benefit plan were calculated based on the actuarially determined pension cost rate on December 31, 2023 and 2022. An analysis by function of the pension expense was as follows:

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2024	2023	2024	2023
Operating expenses	<u>\$ (92)</u>	<u>\$ -</u>	<u>\$ (275)</u>	<u>\$ -</u>

20. EQUITY

a. Share capital

Ordinary shares

	September 30, 2024	December 31, 2023	September 30, 2023
Shares authorized (in thousands of shares)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Shares capital authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Shares issued and fully collected (in thousands of shares)	<u>132,915</u>	<u>132,915</u>	<u>132,915</u>
Share capital issued and fully collected	<u>\$ 1,329,152</u>	<u>\$ 1,329,152</u>	<u>\$ 1,329,152</u>

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
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	29,410	26,305	26,206
Dividends unclaimed by shareholders (Note 2)	<u>1,075</u>	<u>1,075</u>	<u>-</u>
	<u>\$ 192,425</u>	<u>\$ 189,320</u>	<u>\$ 188,146</u>

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

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

A reconciliation of the carrying amount for the nine months ended September 30, 2024 and 2023 for each class of capital surplus was as follows:

	Issuance of Ordinary Shares	Changes in Capital Surplus from Investment in Associates Accounted for Using the Equity Method	Dividends Unclaimed by Shareholders	Total
Balance at January 1, 2024	\$ 161,940	\$ 26,305	\$ 1,075	\$ 189,320
Changes in capital surplus from investments in associates accounted for using the equity method	_____ -	_____ 3,105	_____ -	_____ 3,105
Balance at September 30, 2024	<u>\$ 161,940</u>	<u>\$ 29,410</u>	<u>\$ 1,075</u>	<u>\$ 192,425</u>
Balance at January 1, 2023	\$ 161,940	\$ 26,102	\$ -	\$ 188,042
Changes in capital surplus from investments in associates accounted for using the equity method	_____ -	_____ 104	_____ -	_____ 104
Balance at September 30, 2023	<u>\$ 161,940</u>	<u>\$ 26,206</u>	<u>\$ -</u>	<u>\$ 188,146</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 in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 22 (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 the Company makes a provision for the special surplus reserve for the net reduction of other benefits accumulated in the previous period, it only makes a provision for the undistributed surplus of the previous period.

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

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

d. Special reserve

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

e. Other equity items

	September 30, 2024	December 31, 2023	September 30, 2023
Exchange differences on translation of financial statements of foreign operations Attributable to the Company	\$ (11,762)	\$ (18,070)	\$ (15,221)
Unrealized valuation gain (loss) on financial assets at FVTOCI Attributable to the Company	(70,571)	(94,208)	(85,027)
Share from associates accounted for using the equity method	<u>32,117</u>	<u>22,457</u>	<u>15,889</u>
	<u>(38,454)</u>	<u>(71,751)</u>	<u>(69,138)</u>
	<u>\$ (50,216)</u>	<u>\$ (89,821)</u>	<u>\$ (84,359)</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	
	2024	2023
Balance at January 1	\$ (18,070)	\$ (15,440)
Recognized for the period		
Exchange differences on translation of financial statements of foreign operations	<u>6,308</u>	<u>219</u>
Other comprehensive income recognized for the period	<u>6,308</u>	<u>219</u>
Balance at September 30	<u>\$ (11,762)</u>	<u>\$ (15,221)</u>

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

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ (71,751)	\$ (90,722)
Recognized for the period		
Unrealized gain (loss) - equity instruments	23,637	17,040
Share from associates accounted for using the equity method	<u>9,660</u>	<u>5,000</u>
Other comprehensive income (loss)	<u>33,297</u>	<u>22,040</u>
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(456)</u>
Balance at September 30	<u>\$ (38,454)</u>	<u>\$ (69,138)</u>

Please refer to Note 27 (b) for the reconciliation of the Level 3 fair value measurements of financial assets at fair value through other comprehensive income.

21. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from the sale of goods				
Consumer business unit	\$ 246,320	\$ 201,483	\$ 780,571	\$ 660,378
Pharmaceutical business unit	<u>105,484</u>	<u>102,164</u>	<u>329,208</u>	<u>303,546</u>
	<u>\$ 351,804</u>	<u>\$ 303,647</u>	<u>\$ 1,109,779</u>	<u>\$ 963,924</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.

Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Notes receivable (Note 8)	<u>\$ 11,738</u>	<u>\$ 22,522</u>	<u>\$ 21,708</u>	<u>\$ 22,025</u>
Accounts receivable (Note 8)	<u>\$ 248,010</u>	<u>\$ 226,268</u>	<u>\$ 245,125</u>	<u>\$ 205,802</u>

22. NET PROFIT

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Bank deposits	\$ <u>1,855</u>	\$ <u>1,810</u>	\$ <u>6,187</u>	\$ <u>5,643</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Rental income	\$ 2,822	\$ 2,773	\$ 8,440	\$ 8,288
Dividend income	2,566	1,690	7,682	5,953
Other income	<u>245</u>	<u>273</u>	<u>2,321</u>	<u>1,143</u>
	<u>\$ 5,633</u>	<u>\$ 4,736</u>	<u>\$ 18,443</u>	<u>\$ 15,384</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Fair value changes of financial assets				
Financial assets mandatorily classified as at FVTPL	\$ 26	\$ 32	\$ 60	\$ 202
Gain on lease modification	-	41	-	41
Net foreign exchange gains	<u>131</u>	<u>175</u>	<u>529</u>	<u>611</u>
	<u>\$ 157</u>	<u>\$ 248</u>	<u>\$ 589</u>	<u>\$ 854</u>

d. Interest expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest on bank loans	1,729	910	4,564	2,197
Interest on lease liabilities	24	18	41	72
Less: Capitalized interest	<u>(558)</u>	<u>(910)</u>	<u>(3,334)</u>	<u>(2,197)</u>
	<u>\$ 1,195</u>	<u>\$ 18</u>	<u>\$ 1,271</u>	<u>\$ 72</u>

Information about capitalized interest was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Capitalized interest amount	\$ <u>558</u>	\$ <u>910</u>	\$ <u>3,334</u>	\$ <u>2,197</u>
Capitalization rate	1.21%	0.68%-1.08%	1.08%-1.21%	0.68%-1.08%

e. Depreciation and amortization expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
An analysis of depreciation by function				
Operating costs	\$ 3,008	\$ 3,579	\$ 9,848	\$ 10,958
Operating expenses	<u>6,923</u>	<u>3,183</u>	<u>12,937</u>	<u>9,543</u>
	<u>\$ 9,931</u>	<u>\$ 6,762</u>	<u>\$ 22,785</u>	<u>\$ 20,501</u>
An analysis of amortization by function				
Operating costs	\$ 280	\$ 172	\$ 724	\$ 486
Operating expenses	<u>204</u>	<u>188</u>	<u>655</u>	<u>645</u>
	<u>\$ 484</u>	<u>\$ 360</u>	<u>\$ 1,379</u>	<u>\$ 1,131</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Post-employment benefits				
Defined contribution plans	\$ 1,977	\$ 1,972	\$ 5,901	\$ 5,165
Defined benefit plans (Note 19)	(92)	-	(275)	-
Other employee benefits				
Salaries and bonuses	45,175	43,637	137,801	125,594
Labor and health insurance	3,744	3,826	11,813	10,920
Other	<u>1,931</u>	<u>1,537</u>	<u>5,272</u>	<u>4,770</u>
Total employee benefits expense	<u>\$ 52,735</u>	<u>\$ 50,972</u>	<u>\$ 160,512</u>	<u>\$ 146,449</u>
An analysis of employee benefits expense by function				
Operating expenses	\$ 41,513	\$ 40,747	\$ 124,771	\$ 116,723
Operating costs	<u>11,222</u>	<u>10,225</u>	<u>35,741</u>	<u>29,726</u>
	<u>\$ 52,735</u>	<u>\$ 50,972</u>	<u>\$ 160,512</u>	<u>\$ 146,449</u>

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, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 are as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2024	2023
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	
	2024	2023	2024	2023
	Cash	Cash	Cash	Cash
Compensation of employees	\$ 1,576	\$ 1,576	\$ 5,696	\$ 5,442
Remuneration of directors	1,050	1,050	3,797	3,628

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 2023 and 2022 that were resolved by the board of directors on February 27, 2024 and February 24, 2023, respectively, are as shown below:

	2023	2022
	Cash	Cash
Compensation of employees	\$ 6,639	\$ 6,580
Remuneration of directors	4,426	4,386

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

h. Gains or losses on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Foreign exchange gains	\$ 217	\$ 177	\$ 943	\$ 701
Foreign exchange losses	<u>(86)</u>	<u>(2)</u>	<u>(414)</u>	<u>(90)</u>
Net gains	<u>\$ 131</u>	<u>\$ 175</u>	<u>\$ 529</u>	<u>\$ 611</u>

23. 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	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 11,122	\$ 10,554	\$ 44,764	\$ 42,348
Adjustments for prior years	-	-	(1,127)	(3,931)
Deferred tax				
In respect of the current period	<u>(629)</u>	<u>(423)</u>	<u>(7,531)</u>	<u>(6,554)</u>
Income tax expense recognized in profit or loss	<u>\$ 10,493</u>	<u>\$ 10,131</u>	<u>\$ 36,106</u>	<u>\$ 31,863</u>

b. Income tax assessment

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

24. 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	
	2024	2023	2024	2023
Net profit attributable to owners of the Company	<u>\$ 39,431</u>	<u>\$ 39,764</u>	<u>\$ 144,263</u>	<u>\$ 140,464</u>

Shares

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
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>237</u>	<u>266</u>	<u>294</u>	<u>332</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>133,152</u>	<u>133,181</u>	<u>133,209</u>	<u>133,247</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares 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.

25. CASH FLOW INFORMATION

a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing activities, which were not reflected in the consolidated statements of cash flows for the nine months ended September 30, 2024:

The Group's payments presented in other payables for property, plant and equipment amounted to \$54,588 thousand are still outstanding as of September 30, 2024, refer to Note 18.

b. Changes in liabilities arising from financing activities

For the nine months ended September 30, 2024

	Opening Balance	Cash Flows	Non-cash Changes			Closing Balance
			New Leases	Amortization of Interest	Others	
Short-term borrowings	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000
Long-term borrowings	437,893	121,045	-	-	-	558,938
Lease liabilities	4,648	(3,940)	4,054	41	(41)	4,762
Guarantee deposits	<u>1,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,945</u>
	<u>\$ 444,486</u>	<u>\$ 152,105</u>	<u>\$ 4,054</u>	<u>\$ 41</u>	<u>\$ (41)</u>	<u>\$ 600,645</u>

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	
Long-term borrowings	\$ 218,185	\$ 186,142	\$ -	\$ -	\$ -	\$ -	\$ 404,327
Lease liabilities	8,567	(6,098)	2,736	(41)	72	(72)	5,164
Guarantee deposits	<u>1,893</u>	<u>52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,945</u>
	<u>\$ 228,645</u>	<u>\$ 189,096</u>	<u>\$ 2,736</u>	<u>\$ (41)</u>	<u>\$ 72</u>	<u>\$ (72)</u>	<u>\$ 411,346</u>

26. CAPITAL RISK MANAGEMENT

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

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

27. 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, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 62,031	\$ -	\$ -	\$ 62,031
Domestic unlisted shares	-	-	81,889	81,889
Foreign unlisted shares	-	-	<u>6,822</u>	<u>6,822</u>
	<u>\$ 62,031</u>	<u>\$ -</u>	<u>\$ 88,711</u>	<u>\$ 150,742</u>

December 31, 2023

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

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</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>

There was no transfer between Level 1 and Level 2 for the nine months ended September 30, 2024 and 2023.

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

Financial assets at FVTOCI - equity instruments

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 84,581	\$ 82,963
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	4,130	12,620
Purchases	-	268
Disposals	-	<u>(268)</u>
Balance at September 30	<u>\$ 88,711</u>	<u>\$ 95,583</u>

3) Level 3 valuation techniques and inputs for measuring fair value

Investments in domestic and foreign unlisted equity are 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, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 807,242	\$ 830,664	\$ 800,924
Financial assets at FVTOCI			
Equity instruments	150,742	127,105	136,268
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	919,594	688,411	664,873

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, short-term borrowings and guarantee deposits.

d. Financial risk management objectives and policies

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

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates 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 32.

Sensitivity analysis

The Group is mainly exposed to the USD and EUR.

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

	USD Impact		EUR Impact	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Profit or loss	\$ (78)	\$ 163	\$ 38	\$ (12)

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

The Group's sensitivity to USD and EUR decreased and increased respectively during the current period mainly due to the reduction in USD denominated portfolio and the expansion of EUR denominated liabilities.

b) Interest rate risk

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

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	\$ 203,675	\$ 46,000	\$ 69,064
Financial liabilities	4,762	4,648	5,164
Cash flow interest rate risk			
Financial assets	336,115	527,443	454,655
Financial liabilities	593,938	437,893	404,327

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, 2024 and 2023 would have increased/decreased by \$(242) thousand and \$47 thousand, respectively, which was mainly a result of bank deposits and long-term borrowings.

The Group's sensitivity to interest rates increased during the current year mainly due to a decrease in other financial assets - current and an increase in long-term borrowings.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax other comprehensive income for the nine months ended September 30, 2024 and 2023 would have increased/decreased by \$7,537 thousand and \$6,813 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to price risk increased during the current period because of the increase in equity securities held by the Group.

2) Credit risk

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

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

The Group's 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, 2024

	Within 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 323,711	\$ -	\$ 1,945	\$ -
Lease liabilities	500	1,359	2,985	-
Variable interest rate liabilities	<u>1,692</u>	<u>5,075</u>	<u>85,472</u>	<u>513,457</u>
	<u>\$ 325,903</u>	<u>\$ 6,434</u>	<u>\$ 90,402</u>	<u>\$ 513,457</u>

December 31, 2023

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

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>

Financing facilities

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured bank facilities (reviewed annually)			
Amount used	\$ 35,000	\$ -	\$ -
Amount unused	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Secured bank facilities			
Amount used	\$ 558,938	\$ 437,893	\$ 404,327
Amount unused	<u>127,062</u>	<u>248,107</u>	<u>281,673</u>
	<u>\$ 686,000</u>	<u>\$ 686,000</u>	<u>\$ 686,000</u>
			(Concluded)

28. 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 same chairman as the Company (other related parties)

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

1) Operating Transactions

Line Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Operating revenue	Associates	<u>\$ 1,311</u>	<u>\$ 1,248</u>	<u>\$ 4,943</u>	<u>\$ 4,714</u>
	Other related parties	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 2</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	
		2024	2023	2024	2023
Operating costs	Purchases of goods PhytoHealth Corporation	<u>\$ 27,991</u>	<u>\$ 27,715</u>	<u>\$ 80,121</u>	<u>\$ 73,839</u>
	Other operation costs - associates	<u>\$ 16</u>	<u>\$ 4</u>	<u>\$ 32</u>	<u>\$ 298</u>

The Group had signed a contract with PhytoHealth Corporation to sell its products “PG2® Lyo. Injection”, and other drugs in Taiwan. The contract term is set to start in January 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. The Group issued a guarantee note for \$10,000 thousand as collateral of payment.

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

Line Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Selling expenses	Associates	\$ -	\$ -	\$ -	\$ 3

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

2) Receivables from related parties

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable	Associates	\$ 77	\$ -	\$ 16
Other receivables	PhytoHealth Corporation	\$ 1,304	\$ 1,848	\$ 2,639
	AmCad BioMed Corporation	34	48	31
		<u>\$ 1,338</u>	<u>\$ 1,896</u>	<u>\$ 2,670</u>

The outstanding accounts receivable from related parties are unsecured. For the nine months ended September 30, 2024 and 2023, no impairment losses were recognized for accounts receivable from related parties.

Other receivables represent payments made on behalf of the Group.

3) Payables to related parties

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable	PhytoHealth Corporation	\$ 29,390	\$ 24,171	\$ 29,100
	Associates	17	14	4
		<u>\$ 29,407</u>	<u>\$ 24,185</u>	<u>\$ 29,104</u>
Other payables	Associates	\$ -	\$ 366	\$ -

4) Refundable deposits

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
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 lessor of the Group under an operating lease

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

Lease receivables were as follows:

Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
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, 2024	December 31, 2023	September 30, 2023
PhytoHealth Corporation	\$ 7,166	\$ 10,472	\$ 7,166
AmCad BioMed Corporation	932	652	932
Lu Te Na Company Limited	<u>45</u>	<u>72</u>	<u>9</u>
	<u>\$ 8,143</u>	<u>\$ 11,196</u>	<u>\$ 8,107</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	
	2024	2023	2024	2023
PhytoHealth Corporation	\$ 1,575	\$ 1,575	\$ 4,725	\$ 4,725
AmCad BioMed Corporation	279	279	838	838
Lu Te Na Company Limited	<u>9</u>	<u>9</u>	<u>27</u>	<u>27</u>
	<u>\$ 1,863</u>	<u>\$ 1,863</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, 2024 and 2023, the remuneration directors and other key management personnel were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 13,335	\$ 10,894	\$ 33,883	\$ 33,120
Post-employment benefits	<u>165</u>	<u>170</u>	<u>449</u>	<u>510</u>
	<u>\$ 13,500</u>	<u>\$ 11,064</u>	<u>\$ 34,332</u>	<u>\$ 33,630</u>

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

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 74,189	\$ 74,189	\$ 74,189
Buildings	<u>703,960</u>	<u>65,439</u>	<u>63,934</u>
	<u>\$ 778,149</u>	<u>\$ 139,628</u>	<u>\$ 138,123</u>

30. 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:

- As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group issued and deposited guarantee notes as purchase and performance guarantee, both of which are \$10,000 thousand.
- As of September 30, 2023, the Group had unrecognized contractual commitments of \$278,667 thousand, respectively, for the acquisition of property, plant and equipment.

31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

32. 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, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 50	31.65 (USD:NTD)	\$ 1,597
EUR	115	35.38 (EUR:NTD)	4,071
<u>Financial liabilities</u>			
Monetary items			
USD	1	31.65 (USD:NTD)	45
EUR	136	35.38 (EUR:NTD)	4,824

December 31, 2023

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

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

Please refer to Note 22 (h) for the foreign currency exchange gains and losses (realized and unrealized) of the Group for the nine months ended September 30, 2024 and 2023. Due to the wide variety of foreign currency transactions, it is impractical to disclose the exchange gains and losses by each foreign currency.

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others: None;
- 2) Endorsements/guarantees provided: None;
- 3) Marketable securities held (excluding investments in subsidiaries, 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 period, 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)

34. SEGMENT INFORMATION

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

a. Segment revenue and results

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

	Segment Income		Segment Gain/Loss	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Consumer Business Unit	\$ 780,571	\$ 660,378	\$ 164,209	\$ 151,472
Pharmaceutical Business Unit	<u>329,208</u>	<u>303,546</u>	<u>80,683</u>	<u>72,111</u>
	<u>\$ 1,109,779</u>	<u>\$ 963,924</u>	244,892	223,583
Inseparable management expense			(74,238)	(66,809)
Interest income			6,187	5,643
Rental income			8,440	8,288
Dividend income			7,682	5,953
Other income			2,321	1,184
Gain on financial assets at fair value through profit or loss			60	202
Foreign exchange gains, net			529	611
Interest expenses			(1,271)	(72)
Share of loss of associates			<u>(14,233)</u>	<u>(6,256)</u>
Profit before taxes			<u>\$ 180,369</u>	<u>\$ 172,327</u>

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales for the nine months ended September 30, 2024 and 2023.

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

b. Segment assets

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

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES)

SEPTEMBER 30, 2024

(Amounts in Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 1)	
Maywufa Company Ltd.	<u>Share</u> Cathay Financial Holdings Co., Ltd.	-	Financial assets at fair value through other comprehensive income	503	\$ 33,446	-	\$ 33,446	Listed shares
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income	316	28,585	-	28,585	Listed shares
	Taiwan Incubator SME Development Corp.	Same chairman	Financial assets at fair value through other comprehensive income	8,526	71,829	12.08	71,829	
	Miho International Cosmetic Co., Ltd.	-	Financial assets at fair value through other comprehensive income	333	2,436	0.39	2,436	
	Career Consulting Co., Ltd.	-	Financial assets at fair value through other comprehensive income	505	7,379	3.23	7,379	
	Amersen Bioscience International, Inc.	-	Financial assets at fair value through other comprehensive income	568	-	8.43	-	
	Biowell Technology, Inc.	-	Financial assets at fair value through other comprehensive income	3,272	-	7.56	-	
	WS Fashion Group Co., Ltd.	-	Financial assets at fair value through other comprehensive income	13	245	0.38	245	
	Amkey Biotechnology Venture Capital Inc.	-	Financial assets at fair value through other comprehensive income	147	<u>6,822</u>	6.66	6,822	
					<u>\$ 150,742</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 2024, 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 2024.

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

MAYWUFA COMPANY LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				September 30, 2024	December 31, 2023	Shares (In Thousands)	%	Carrying Amount			
Maywufa Company Ltd.	<u>Related company</u> PhytoHealth Corporation	Fuxing N. Rd., Taipei City, Taiwan (R.O.C.)	Pharmaceutical research and development, production, manufacturing and sales	\$ 1,016,963	\$ 1,016,963	35,131	17.69	\$ 457,101	\$ (54,899)	\$ (10,404)	
	AmCad BioMed Corporation	Fuxing N. Rd., Taipei City, Taiwan (R.O.C.)	Medical Materials and Equipment Manufacturing	77,737	65,749	3,995	6.31	36,201	(43,801)	(2,929)	
	Broadsound Corporation	Xintai Rd., Zhubei City, Taiwan (R.O.C.)	Medical Materials and Equipment Manufacturing	26,360	26,360	2,019	10.00	22,427	(6,918)	(897)	
	Lu Te Na Company Limited	Fuxing N. Rd., Taipei City, Taiwan (R.O.C.)	Cosmetics Sales	7,000	7,000	700	35.00	2,352	(9)	(3)	
	<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	143,641	(1,917)	(1,917)	(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	143,924	(1,917)	(1,917)	(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	143,921	(1,917)	(1,917)	(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 information on investment 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, 2024
(Amounts in Thousands of New Taiwan Dollars and US Dollars)

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Accumulated Repatriation of Investment Income as of September 30, 2024	Carrying Amount as of September 30, 2024	Accumulated Inward Remittance for Investment from Taiwan as of September 30, 2024
					Outward	Inward						
Maywufa Cosmetics (Shanghai) Co., Ltd.	Cosmetics and household goods wholesale	\$ 226,459 (US\$ 7,500)	Reinvesting in mainland China through companies located in a third region (Note 1)	\$ 226,459 (US\$ 7,500)	\$ -	\$ -	\$ 226,459 (US\$ 7,500)	\$ (1,917)	100	\$ (1,917) (Note 2)	\$ 143,921	\$ -

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, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$226,459 (US\$7,500)	\$348,150 (US\$11,000)	\$1,242,766

Note: Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA = \$2,071,276 × 60% = \$1,242,766.

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	\$ 4,342	Determined by contract or negotiation	The credit period for hairdressing products is 3 months	Similar to general transaction	\$ 1,433	-	\$ 284

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, 2024
(Amounts in Thousands of New Taiwan Dollars)**

No.	Investee Company	Counterparty	Relationship	Transactions Details			
				Financial Statement Account	Amount (Note 1)	Payment Terms	% of Total Sales or Assets (Note 2)
0	Maywufa Company Ltd.	Maywufa Cosmetics (Shanghai) Co., Ltd.	Parent company to subsidiary	Operating income Accounts receivable	\$ 4,342 1,433	Similar to general transaction	- -

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

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

MAYWUFA COMPANY LTD. AND SUBSIDIARIES**INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2024**

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 Company Ltd.	14,946,556	11.24

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

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