

**JOHNSON HEALTH TECH. CO., LTD.
PARENT COMPANY ONLY
FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE YEARS ENDED
31 DECEMBER 2023 AND 2022**

Notice to readers:

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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AUDIT REPORT OF INDEPENDENT ACCOUNTANTS

English Translation of a Report Originally Issued in Chinese

To Johnson Health Tech. Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Johnson Health Tech. Co., Ltd. (the “Company”) as of 31 December 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the parent company only financial statements, including the summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Parent company only Financial Statements section of our report. We are independent of the Company and in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Impairment of accounts receivable (including subsidiaries' accounts receivable through equity method investment)

Accounts receivables of the Company and its subsidiaries through the equity method are material for the financial statements. Since the allowance for receivables is measured by the lifetime expected credit loss, the measurement process includes grouping the receivables and determining the use of the related assumptions in the analysis, including the appropriate accounting aging interval and the loss rate of each aging interval. As the measurement of expected credit losses involved judgment, analysis and estimation, we therefore considered this a key audit matter.

Our audit procedures included, but not limited to assessing the effectiveness of internal controls around accounts receivable management, including performing simple tests by sampling and understanding management's assessment for expected credit losses of accounts receivable; dividing the expected loss rate of risk group and each group; selecting samples to perform the accounts receivable confirmation, analyzing trends of changes in account receivable of prior and subsequent periods and turnover rates; reviewing the collection in the subsequent period to assess their recoverability; performing an assessment of the reasonableness of impairment for individual long term accounts receivable.

We also assessed the adequacy of disclosures related to accounts receivable in Notes 5 and 6.

Inventory valuation (including investment accounted for using the equity method – the subsidiaries' inventory)

Inventories of the Company are material for financial reports. The determination of the provisions for obsolete inventories involve a high level of management judgment and was subject to uncertainty due to product diversity. As such, we determined this to be a key audit matter.

Our audit procedures included, but were not limited to assessing the effectiveness of inventory internal control established by management, including performing simple tests by sampling and understanding management's assessment for inventory valuation; evaluating the adequacy of accounting policy around obsolete and slow-moving inventories; obtaining inventory aging intervals to test whether the aging reports were reasonable; selecting important storage locations to observe inventory counts; in addition, we obtained inventory movement report, sampled related certificates of purchases and sales to verify the unit cost and access the net realizable value of inventories valuation.

We also assessed the adequacy of the disclosures related to inventory valuation in Notes 5 and 6.

Goodwill impairment

The Company performed impairment testing on the cash-generating units according to the International Financial Reporting Standards. The recoverable amount of the cash-generating units have been determined based on the value in use because their fair value cannot be reliably measured. We determined goodwill assessment to be a key audit matter because the carrying amounts of goodwill were material to the Company and its subsidiaries, the determination of value in use was complex, and a high level of management judgment was involved when making assumptions about cash flow forecasts.

Our audit procedures included, but were not limited to: evaluating the management's assessment of value in use; involving internal expert to assist us in evaluating the reasonableness of key assumptions used by management such as growth rates, discount rates, and gross margin; involving internal expert to assist us in evaluating the reasonableness of key components of discount rates such as cost of capital, company-specific risk premium and market risk premium by comparing them to other companies of similar size with the cash-generating units; interviewing with management and assessing the reasonableness of assumptions used in their models such as gross margin, growth rates, and the expected future market and economic conditions; challenging management's budgeting process by comparing the actual financials to date versus previously forecasted financials and management's forecasting process by comparing the assumptions to the historic performance of the Company.

We also assessed the adequacy of the disclosures related to goodwill assessment in Notes 5 and 6.

Responsibilities of Management and Those Charged with Governance for the parent company only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the parent company only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Huang, Tzu Ping

Chen, Ming Hung

Ernst & Young, Taiwan

14 March 2024

Notice to Readers

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
JOHNSON HEALTH TECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2023 and 31 December 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of	
		31 December 2023	31 December 2022
		Amount	Amount
Current assets			
Cash and cash equivalents	4&6(1)	\$311,840	\$665,159
Financial assets at fair value through profit or loss, current	4,6(2)&12	14,162	8,746
Contract asset, current	4&6(16)	16,179	27,066
Notes receivable, net	4&6(17)	4,682	3,879
Trade receivables, net	4,6(3)&(17)	677,840	589,291
Trade receivables-related parties, net	4,6(3),(17)&7	7,367,940	9,751,428
Other accounts receivable, net	4&8	93,310	89,806
Other accounts receivable-related parties, net	4&7	1,749,436	1,421,331
Inventories, net	4&6(4)	1,198,855	1,604,104
Prepayments	6(5)	363,527	619,892
Other current assets		10,625	15,473
Total current assets		11,808,396	14,796,175
Non-current assets			
Investments accounted for under the equity method	4&6(6)	15,158,369	13,574,311
Property, plant and equipment	4,6(7)&8	1,171,422	1,203,928
Right-of-use assets	4&6(18)	114,010	104,299
Intangible assets	4	17,755	14,145
Deferred tax assets	4&6(22)	36,613	377,521
Other non-current assets		58,786	46,809
Total non-current assets		16,556,955	15,321,013
Total assets		\$28,365,351	\$30,117,188

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
JOHNSON HEALTH TECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2023 and 31 December 2022
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of	
		31 December 2023	31 December 2022
		Amount	Amount
Current liabilities			
Short-term borrowings	6(8)	\$4,260,000	\$10,070,000
Commercial paper payable	6(10)	449,633	849,648
Financial liabilities at fair value through profit or loss, current	4,6(11)&12	19,050	879
Contract liabilities, current	4&6(16)	217,926	189,061
Notes payable		111,220	130,385
Accounts payable		551,999	716,927
Accounts payable-related parties	7	3,856,030	3,702,446
Other payables	6(12)	511,862	526,389
Other payables-related parties	7	251,678	388,057
Current tax liabilities	4&6(22)	384,925	347,793
Lease liabilities, current	4&6(18)	38,434	39,988
Current portion of long-term loans	4,6(9)&13	2,032,531	987,695
Other current liabilities		10,219	9,108
Total current liabilities		<u>12,695,507</u>	<u>17,958,376</u>
Non-current liabilities			
Bonds payable	4&6(9)	-	2,000,000
Long-term loans	4&6(13)	5,464,857	105,026
Provisions, non-current	4&6(12)	24,958	42,865
Deferred tax liabilities	4&6(22)	87,223	154,697
Lease liabilities, non-current	4&6(18)	77,904	67,681
Net defined benefit obligation, non-current	4&6(14)	74,304	83,493
Credit balance in investment accounted for using equity method	4&6(6)	298,017	230,070
Other non-current liability	4	9	9
Total non-current liabilities		<u>6,027,272</u>	<u>2,683,841</u>
Total liabilities		<u>18,722,779</u>	<u>20,642,217</u>
Equity	4&6(15)		
Capital			
Common stock		3,036,166	3,036,166
Additional paid-in capital		<u>431,446</u>	<u>431,446</u>
Retained earnings			
Legal reserve		1,555,699	1,512,422
Special reserve		1,620,071	1,942,009
Unappropriated earnings		5,031,884	4,226,611
Subtotal		<u>8,207,654</u>	<u>7,681,042</u>
Other components of equity			
Exchange differences on translation of foreign operations		(1,979,082)	(1,620,071)
Treasury stock		<u>(53,612)</u>	<u>(53,612)</u>
Total equity		<u>9,642,572</u>	<u>9,474,971</u>
Total liabilities and equity		<u>\$28,365,351</u>	<u>\$30,117,188</u>

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

JOHNSON HEALTH TECH CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended 31 December	
		2023	2022
		Amount	Amount
Operating revenues	4,6(16)&7	\$13,952,940	\$13,642,388
Operating costs	6(4)&(19)	(10,812,339)	(10,525,354)
Gross profit		3,140,601	3,117,034
Unrealized intercompany profit		(62,040)	(107,333)
Gross profit-net		3,078,561	3,009,701
Operating expenses			
Selling and distribution	6(19)	(1,856,020)	(1,478,636)
General and administrative	6(19)	(399,080)	(358,521)
Research and development	6(19)	(711,694)	(637,399)
Expected credit losses	6(17)	(1,219)	-
Total operating expenses		(2,968,013)	(2,474,556)
Operating income		110,548	535,145
Non-operating income and expenses			
Interest income	4&6(20)	191,068	112,872
Other income	4&6(20)	61,799	87,558
Other gains and losses	6(20)	157,419	707,235
Finance costs	6(20)	(249,854)	(157,665)
Share of profit or loss of subsidiaries, associates and joint ventures	4&6(6)	550,835	(569,468)
Total non-operating income and expenses		711,267	180,532
Income from continuing operations before income tax		821,815	715,677
Income tax expense	4&6(22)	(111,987)	(286,653)
Net income		709,828	429,024
Other comprehensive (loss) income	6(21)		
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(1,828)	4,674
Share of profit or loss of associates & joint ventures accounted for using equity method	6(6)	24	(428)
Income tax relating to items that may not be reclassified subsequently		365	(935)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	6(6)	(359,035)	402,957
Income tax relating to items that may be reclassified subsequently		-	(80,591)
Total other comprehensive (loss) income, net of tax		(360,474)	325,677
Total comprehensive income		<u>\$349,354</u>	<u>\$754,701</u>
Earnings per share(NTD)	6(23)		
Earnings per share-basic		<u>\$2.34</u>	<u>\$1.42</u>
Earnings per share-diluted		<u>\$2.34</u>	<u>\$1.42</u>

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
JOHNSON HEALTH TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Common stock	Additional paid-in capital	Retained Earnings			Other components of equity		Treasury stock	Total
			Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		
Balance as of 1 January 2022	\$3,036,166	\$59,979	\$1,509,898	\$1,385,492	\$4,504,183	\$(1,942,671)	\$662	(\$73,872)	\$8,479,837
Distribution of 2021 retained earnings									
Legal reserve			2,524		(2,524)				-
Special reserve				556,517	(556,517)				-
Cash dividends					(151,294)				(151,294)
Net income in 2022					429,024				429,024
Other comprehensive income(loss), net of tax in 2022					3,739	322,366	(428)		325,677
Total comprehensive income(loss)	-	-	-	-	432,763	322,366	(428)	-	754,701
Capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed		371,467							371,467
Exercise employee stock option to purchase treasury stock								20,260	20,260
Balance as of 31 December 2022	<u>\$3,036,166</u>	<u>\$431,446</u>	<u>\$1,512,422</u>	<u>\$1,942,009</u>	<u>\$4,226,611</u>	<u>\$(1,620,305)</u>	<u>\$234</u>	<u>\$(53,612)</u>	<u>\$9,474,971</u>
Balance as of 1 January 2023	\$3,036,166	\$431,446	\$1,512,422	\$1,942,009	\$4,226,611	\$(1,620,305)	\$234	\$(53,612)	\$9,474,971
Distribution of 2022 retained earnings									
Legal reserve			43,277		(43,277)				-
Special reserve				(321,938)	321,938				-
Cash dividends					(181,753)				(181,753)
Net income in 2023					709,828				709,828
Other comprehensive (loss)income, net of tax in 2023					(1,463)	(359,035)	24		(360,474)
Total comprehensive income(loss)	-	-	-	-	708,365	(359,035)	24	-	349,354
Balance as of 31 December 2023	<u>\$3,036,166</u>	<u>\$431,446</u>	<u>\$1,555,699</u>	<u>\$1,620,071</u>	<u>\$5,031,884</u>	<u>\$(1,979,340)</u>	<u>\$258</u>	<u>\$(53,612)</u>	<u>\$9,642,572</u>

(The accompanying notes are an integral part of the financial statements)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
JOHNSON HEALTH TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December			For the years ended 31 December	
	2023	2022		2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$821,815	\$715,677	Acquisition of investments accounted for under the equity method	(1,043,798)	(169,967)
Adjustments to reconcile net income to net cash provided by operating activities:			Net cash flow from acquisition of subsidiaries	-	(251,440)
Income and expense:			Disposal of investments accounted for under the equity method	-	40,984
Depreciation	140,113	130,228	Acquisition of property, plant and equipment	(24,710)	(82,711)
Amortisation	10,291	6,716	Disposal of property, plant and equipment	50	844
Expected credit losses	1,219	-	Acquisition of intangible assets	(13,901)	(11,570)
Net loss of financial assets/liabilities at fair value through profit or loss	12,755	284	Received Cash dividend	-	50,825
Finance costs	249,854	157,665	Net cash used in investing activities	(1,082,359)	(423,035)
Interest income	(191,068)	(112,872)			
Share of (gain)loss of subsidiaries, associates and joint ventures	(550,835)	569,468	Cash flows from financing activities:		
(Gain) Loss on disposal of property, plant and equipment	(50)	1,200	Increase in short-term loans	43,473,657	41,715,000
Loss on disposal of intangible assets	-	5	Decrease in short-term loans	(49,283,657)	(37,700,143)
Loss of realized intercompany profit	62,040	107,333	Increase in commercial paper payable	1,338,271	13,470,980
Changes in operating assets and liabilities:			Decrease in commercial paper payable	(1,750,000)	(16,700,000)
Decrease in contract asset	10,887	3,666	Increase in long-term loans	17,531,423	1,271,952
(Increase) Decrease in notes receivable, net	(803)	7,774	Decrease in long-term loans	(13,190,755)	(1,328,576)
(Increase) Decrease in trade receivables, net	(89,768)	126,271	Cash dividends	(181,753)	(151,294)
Decrease (Increase) in trade receivables- related parties, net	2,383,488	(2,418,622)	Repayment of lease capital	(47,716)	(47,509)
(Increase) Decrease in other receivable, net	(3,504)	344,997	Exercise of employee stock option	-	20,260
Increase in other receivable- related parties, net	(328,105)	(25,531)	Net cash (used in) generated from financing activities	(2,110,530)	550,670
Decrease (Increase) in inventories, net	405,249	(44,603)			
Increase in prepayments	256,365	670,952			
Decrease in other current assets	4,848	19,315	Net (decrease) increase in cash and cash equivalents	(353,319)	57,536
Increase in other non-current assets	(48,200)	(40,458)	Cash and cash equivalents at beginning of period	665,159	607,623
Increase (Decrease) in contract liabilities	28,865	(258,334)	Cash and cash equivalents at end of period	\$311,840	\$665,159
Decrease in notes payable	(19,165)	(22,083)			
Decrease in accounts payable	(164,928)	(39,194)			
Increase in accounts payable-related parties	153,584	191,493			
Decrease in other payables	(13,132)	(135,734)			
(Decrease) Increase in other payables-related parties	(136,379)	61,582			
(Decrease) Increase in provisions	(17,907)	5,815			
Increase in other current liabilities	1,111	631			
Decrease in accrued pension liabilities	(11,017)	(11,130)			
Increase in other non-current liabilities	-	9			
Cash generated from operations	2,967,623	12,520			
Interest received	191,068	112,872			
Interest paid	(175,536)	(123,234)			
Income tax paid	(143,585)	(72,257)			
Net cash generated from (used in) operating activities	2,839,570	(70,099)			

(The accompanying notes are an integral part of the financial statements)

JOHNSON HEALTH TECH. CO., LTD.

Notes to Parent Company Only Financial Statements

For the years Ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, unless Otherwise Stated)

1. History and organization

Johnson Health Tech. Co., Ltd. (the Company) was incorporated in 1975. The main activities of the Company are manufacturing and selling sports equipment, cardio equipment, weight training equipment, and related electronic components. The shares of the Company were listed on the Taiwan Stock Exchange on 9 January 2003.

2. Date and procedures of authorization of financial statements for issue

The parent Company only financial statements of the Company for the years ended 31 December 2023 and 2022 were authorized for issue in accordance with a resolution of the Board of Directors' meeting on 14 March 2024.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2023. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

(a) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(b) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(c) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2024. The adoption of these new standards and amendments had no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as of the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

- (a) IFRS 10“Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

- (b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfillment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after 1 January 2025.

The abovementioned standards and interpretations issued by IASB have not yet been endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1) Statement of Compliance

The parent Company only financial statements of the Company for the years ended 31 December 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of Preparation

The Company prepared the parent Company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent Company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent Company only financial statements shall be the same as the equity attributable to the parent Company presented in the consolidated financial statements. Therefore, investment in subsidiaries was presented in the parent Company only financial statements as "Investments accounted for using equity method" and made necessary adjustments.

The parent Company only financial statements have been prepared on a historical cost basis, except for financial instruments that are measured at fair values. The parent Company only financial statements are expressed in thousands of New Taiwan Dollars ("NTD") unless otherwise stated.

(3) Foreign currency transactions

The parent Company only financial statements are presented in New Taiwan Dollars (NTD), which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at functional currency rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currencies are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 “Financial Instruments” are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that is part of a reporting entity’s net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of such investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date and the income and expenses are translated at an average exchange rate for the period. The exchange differences arising from the translation are recognized in other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

On partial disposal of a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and Non-current Distinction

An asset is classified as current when:

- A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle; or
- B. The Company holds the asset primarily for the purpose of trading; or
- C. The Company expects to realize the asset within twelve months after the reporting period; or
- D. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as a current when:

- A. The Company expects to settle the liability in normal operating cycle; or
- B. The Company holds the liability primarily for the purpose of trading; or
- C. The liability is due to be settled within twelve months after the reporting period; or
- D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Term of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments does not affect its classification.

All other liabilities are classified as non-current.

(6) Cash Equivalents

Cash and cash equivalents shall refer to cash, time deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, including time deposits with original maturities of three months or less.

(7) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchases or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- (a) the Company's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables, etc., on the balance sheet as at the reporting date:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and are not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income is described below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on the aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, and the gains or losses resulting from remeasurement are recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- (b) the time value of money
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

The loss allowance is measured as follows:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since the initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

- (a) The rights to receive cash flows from the asset have expired.
- (b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
- (c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- (a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- (b) on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- (a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
- (b) a Company of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Derivative instruments

The Company uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as assets or liabilities at fair value through profit or loss except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. in the principal market for the asset or liability, or
- B. in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants are in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Weighted average of actual procurements

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) Investments accounted for using the equity method

The Company prepared parent Company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent Company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent Company only financial statements shall be the same as the equity attributable to the parent Company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using the equity method and, accordingly, made necessary adjustments. The adjustments took into consideration how the subsidiaries should be accounted for in accordance with IFRS 10 and the different extent to each reporting entity IFRS applies. The adjustments are made by debiting or crediting “Investments accounted for under the equity method”, “share of profit or loss of associates and joint ventures accounted for under equity method”, and “share of other comprehensive income of associates and joint ventures accounted for using the equity method”.

The Company’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company's percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a pro-rata basis.

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment in associate. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IFRS 9 Financial Instruments. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

- A. its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- B. the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 “Property, plant and equipment”. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	3~55 years
Machinery and equipment	3~12 years
Transportation equipment	5~10 years
Office equipment	5~7 years
Tooling equipment	2~5 years
Leasehold improvements	Lower of leasehold years or useful lives
Miscellaneous equipment	2~12 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and presents them as receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets which fail to meet the recognition criteria are not capitalized and the expenditures are reflected in profit or loss in the period incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each fiscal year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in other operating income and expenses.

A summary of policies information applied to the Company's intangible assets is as follows:

	Computer software
Useful lives	1~3 years
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Externally acquired

(15) Impairment of Non-financial Assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgment and other known factors.

(17) Revenue recognition

The Company's revenue arising from contracts with customers is primarily related to the sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Company manufactures and sells fitness equipment. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers (the customer obtains the right and carrying value of the goods). The main products of the Company are cardiovascular equipment, weight training equipment, and related electronic components and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Company estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The Company provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. The warranty is accounted for in accordance with IAS 37.

The credit period for the Company's sale of goods is from 0 to 65 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after the transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the Company lifetime expected credit losses. For some of the contracts, the Company collects the payments when contracts are signed-off and has the obligations to transfer the goods or provide the services, these contracts should be presented as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component has arisen.

(18) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(19) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as an additional government grant.

(20) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, are not associated with the Company and its domestic subsidiaries. Therefore fund assets are not included in the Company's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment, and
- B. the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(21) Share-based payment transactions

The cost of equity-settled transactions between the Company and its subsidiaries is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is canceled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the canceled award, and designated as a replacement award on the date that it is granted, the canceled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Company recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of the vesting period.

(22) Treasury Stock

Reacquired issued shares of the Company are recorded as treasury stock at cost and shown as a deduction in equity.

(23) Income Tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions at the end of the reporting period that will affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.

(1) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

A. The Fair Value of Financial Instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Impairment of Non-financial Assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

C. Pension Benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, expected salary increases and decreases.

D. Income Tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company entities' domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

E. Accounts receivables—estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that are expected to receive (by evaluating forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

F. Inventory valuation

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

G. Share-Based payment

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As at	
	31 December 2023	31 December 2022
Cash on hand	\$3,248	\$4,427
Checking and savings accounts	308,592	660,732
Total	<u>\$311,840</u>	<u>\$665,159</u>

(2) Financial assets at fair value through profit or loss

	As at	
	31 December 2023	31 December 2022
Financial assets at fair value through profit or loss:		
Derivatives not designated as hedging instruments		
Pre-sale forward exchange contracts	<u>\$14,162</u>	<u>\$8,746</u>
Current	\$14,162	\$8,746
Non-current	-	-
Total	<u>\$14,162</u>	<u>\$8,746</u>

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

Please refer to Note 12 (8) for more details on forward exchange contracts.

(3) Trade receivables, net

	As at	
	31 December 2023	31 December 2022
Trade receivables	\$491,927	\$280,871
Installment accounts receivable	203,823	337,613
Less: unrealized gain on installment sales revenue	(15,929)	(28,431)
Less: loss allowance	(1,981)	(762)
Subtotal	<u>677,840</u>	<u>589,291</u>
Trade receivables-related party	<u>7,367,940</u>	<u>9,751,428</u>
Total	<u>\$8,045,780</u>	<u>\$10,340,719</u>

The expected recovery of the accounts receivables from installment sales is as follows:

	As at	
	31 December 2023	31 December 2022
2023.01~2023.12	\$-	\$184,821
2024.01~2024.12	124,559	107,856
2025.01~2025.12	51,393	36,566
2026.01~2026.12	21,509	8,370
2027.01~2027.12	6,362	-
Total	<u>\$203,823</u>	<u>\$337,613</u>

Accounts receivables were not pledged.

The total carrying amount is NTD8,047,761 thousand, NTD10,341,481 thousand as at 31 December 2023 and 2022. Please refer to Note 6(17) for more details on loss allowance of trade receivables for the years ended 31 December 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(4) Inventories, net

	As at	
	31 December 2023	31 December 2022
Merchandises	\$611,676	\$919,135
Finished goods	200,633	366,152
Work in progress	272,988	212,923
Raw materials	113,558	105,894
Total	<u>\$1,198,855</u>	<u>\$1,604,104</u>

The cost of inventories recognized in expenses for the years ended 31 December 2023 and 2022 were NTD10,812,339 thousand and NTD10,525,354 thousand, respectively. The profit and loss related to the cost of goods sold are as follows:

	For the years ended 31 December	
	2023	2022
Warranty	\$222,189	\$228,500
Loss on disposal of inventory	1,124	208
Revenue from sale of scraps	(1,631)	(2,750)
Total	<u>\$221,682</u>	<u>\$225,958</u>

No inventories were pledged.

(5) Prepayments

	As at	
	31 December 2023	31 December 2022
Prepayments to suppliers	\$313,028	\$539,056
Prepayments	50,497	72,832
Other	2	8,004
Total	<u>\$363,527</u>	<u>\$619,892</u>

(6) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Company:

Investees	As at			
	31 December 2023		31 December 2022	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Johnson International Holding Co., Ltd.	\$9,501,430	100.00%	\$9,530,425	100.00%
Fuji Medical Instruments MFG. Co., Ltd.	2,517,254	100.00%	2,177,051	100.00%
Johnson Health Tech. North America, Inc.	1,714,288	100.00%	1,115,285	100.00%
Johnson Health Tech. Retail Inc.	130,785	100.00%	124,372	100.00%
Johnson Health Tech. UK Ltd.	95,675	44.43%	134,019	44.43%
Johnson Health Technologies, S.A. de C.V.	298,111	100.00%	163,651	100.00%
Johnson Health Tech SA Proprietary Limited	22,057	100.00%	38,796	100.00%
Johnson Health Tech. Rus Limited Liability Company	139,164	100.00%	84,789	100.00%
Johnson Health Tech Turkey Spor Ve Saglik Malzemeleri Ticaret Anonim Sirketi	38,461	99.99%	13,147	99.99%
Johnson Health Industry (Vietnam) Company Limited.	325,068	100.00%	(85,721)	100.00%
Johnson Health Care Co., Ltd.	-	-	26,811	78.90%
PT Johnson Health Tech Indonesia	31,793	100.00%	18,877	100.00%
JHT FIT Company Limited	8,111	100.00%	12,351	100.00%
Johnson Health Tech Digital UK Limited	95,055	100.00%	37,494	100.00%
Johnson Health Tech Korea Co., Ltd.	53,350	100.00%	23,305	100.00%
Johnson Health Tech India Pvt Ltd	22,428	100.00%	14,717	100.00%
Johnson Health Tech. HK Ltd.	40,393	100.00%	30,449	100.00%
Johnson Health Tech UAE L.L.C	53,434	100.00%	-	-
Johnson Health Tech Japan Co., Ltd.	16,448	42.52%	-	-
Johnson Health Tech.(Schweiz) GmbH	50,064	100.00%	-	-
DAYA Corporation	5,000	100.00%	-	-
Subtotal	<u>15,158,369</u>		<u>13,459,818</u>	
Less: Investments accounted for using equity method at credit balance				
Johnson Health Tech (Vietnam) Company Limited	(52,273)	100.00%	13,056	100.00%
Johnson Health Tech Canada Inc.	(192,198)	100.00%	(117,466)	100.00%
Johnson Health Tech Philippines, Inc.	(33,834)	100.00%	(26,883)	100.00%
Johnson Fitness (Malaysia) SDN. BHD.	(19,712)	99.38%	15,716	99.38%
Subtotal	<u>(298,017)</u>		<u>(115,577)</u>	
Total	<u>\$14,860,352</u>		<u>\$13,344,241</u>	

For operational needs, the Company adjusted its investment structure in the third quarter of 2023 and merged Johnson Health Care Co., Ltd., a subsidiary held by the Company and Johnson International Holding Corp., Ltd. at 78.9% and 21.1% respectively, with Fuji Medical Instruments MFG. Co., Ltd.

For operational needs, the Company adjusted its investment structure in the second quarter of 2023, and transferred 100% of Johnson International Holding Corp., Ltd.'s subsidiary, Johnson Health Tech UAE LCC., to the Company 100% holding.

On 22 December 2023, the Company increased capital in Johnson Health Tech Japan Co., Ltd. After the capital increase, the Company's and Johnson International Holding Corp., Ltd.' shareholding amounted to 42.52% and 57.35%, respectively.

For operational needs, the Company adjusted its investment structure in the fourth quarter of 2023, and transferred 100% of Johnson International Holding Corp., Ltd.'s subsidiary, Johnson Health Tech. (Schweiz) GmbH to the Company 100% holding.

On 25 December 2023, the Company set up a fully-owned subsidiary, DAYA Corporation in Taiwan.

A. Share of profit or loss of subsidiaries, associates and joint ventures in 2023 and 2022 are as follows:

	For the years ended 31 December	
	2023	2022
Fuji Medical Instruments MFG. Co., Ltd.	\$(56,747)	\$133,906
Johnson Health Tech Rus Limited Liability Company.	73,215	46,817
Johnson Health Technologies, S.A. de C.V.	106,722	93,165
Johnson Health Care Co., Ltd.	(16,078)	12,209
PT Johnson Health Tech Indonesia	13,007	7,222
Johnson Health Tech Philippines, Inc.	(6,832)	(11,501)
JHT FIT Company Limited	(4,351)	(4,410)
Johnson Health Tech SA Proprietary Limited	(14,115)	(10,179)
Johnson Health Tech Turkey Spor Ve Saglik Malzemeleri Tica Ticaret Anonim Sirketi	8,261	(585)
Johnson Health Tech (Vietnam) Company Limited	(38,043)	(4,713)
Johnson Health Tech. UK Ltd.	(45,449)	(24,529)
Johnson Health Tech Canada Inc.	(71,487)	(38,048)
Johnson International Holding Corp., Ltd.	(16,333)	100,074
Johnson Health Tech. North America, Inc.	606,406	(78,422)
Johnson Health Industry (Viet Nam) Company Limited	(54,805)	(227,206)
Johnson Health Tech Retail Inc.	6,391	(527,660)
Johnson Health Tech Korea Co., Ltd.	31,425	(6,309)
Johnson Health Tech India Pvt Ltd	7,916	(7,512)
Johnson Health Tech Digital UK Limited	(27,748)	(25,656)
Johnson Health Tech. HK Ltd.	10,098	8,662
Johnson Fitness (Malaysia) SDN. BHD.	(35,533)	(4,793)
Johnson Health Tech UAE L.L.C	49,281	-
Johnson Health Tech.(Schweiz) GmbH	25,634	-
Total	<u>\$550,835</u>	<u>\$(569,468)</u>

B. Exchange differences in translation of foreign operations in 2023 and 2022 are as follows:

	For the years ended 31 December	
	2023	2022
Johnson Health Tech Canada Inc.	\$(3,245)	\$(3,246)
Johnson Health Tech Philippines, Inc.	(119)	(340)
JHT FIT Company Limited	111	335
Johnson Health Tech (Vietnam) Company Limited	2,009	1,110
PT Johnson Health Tech Indonesia	(91)	68
Johnson Health Tech Rus Limited Liability Company.	(18,840)	3,365
Johnson Health Care Co., Ltd.	(1,125)	(195)
Johnson Health Technologies, S.A. de C.V.	27,738	15,244
Johnson Health Industry (Viet Nam) Company Limited.	(19,656)	4,675
Johnson Health Tech SA Proprietary Limited	(2,624)	1,972
Johnson Health Tech. UK Ltd.	7,105	(1,117)
Johnson Health Tech Turkey Spor Ve Saglik Malzemeleri Tica Ticaret Anonim Sirketi	(15,957)	(3,502)
Johnson Health Tech Retail Inc.	22	49,422
Johnson Health Tech. North America, Inc.	(7,403)	101,276
Fuji Medical Instruments MFG. Co., Ltd.	(56,851)	(17,417)
Johnson International Holding Corp., Ltd.	49,739	247,625
Johnson Fitness (Malaysia) SDN. BHD.	105	64
Johnson Health Tech. HK Ltd.	(154)	1,247
Johnson Health Tech Korea Co., Ltd.	(1,380)	1,785
Johnson Health Tech India Pvt Ltd	(205)	(764)
Johnson Health Tech Digital UK Limited	22,819	1,350
Johnson Health Tech UAE L.L.C	(728)	-
Johnson Health Tech.(Schweiz) GmbH	2,224	-
Total	<u>\$(16,506)</u>	<u>\$402,957</u>

C. Unrealized gain(loss) on fair value through other comprehensive income financial assets in 2023 and 2022 are as follows:

	For the years ended 31 December	
	2023	2022
Fuji Medical Instruments MFG. Co., Ltd.	\$24	\$(428)

D. Investment in subsidiaries

The Company accounted for its investments in subsidiaries using the “equity method” and made necessary adjustments.

(7) Owner-occupied property

	31 December 2023	31 December 2022
Owner-occupied property	<u>\$1,171,422</u>	<u>\$1,203,928</u>

A. Owner-occupied property

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Tooling equipment	Leasehold improvement	Other equipment	Construction in progress	Total
Cost:										
As at 1 January 2023	\$678,817	\$504,716	\$216,464	\$30,294	\$100,959	\$210,534	\$92,603	\$105,691	\$47,739	\$1,987,817
Additions	-	151	101	-	1,684	-	4,658	124	17,992	24,710
Disposals	-	(329)	(810)	(491)	(17,253)	(1,640)	(4,551)	-	-	(25,074)
Transfers	-	48,097	1,649	-	5,791	7,724	5,671	23,285	(54,834)	37,383
As at 31 December 2023	<u>\$678,817</u>	<u>\$552,635</u>	<u>\$217,404</u>	<u>\$29,803</u>	<u>\$91,181</u>	<u>\$216,618</u>	<u>\$98,381</u>	<u>\$129,100</u>	<u>\$10,897</u>	<u>\$2,024,836</u>
Depreciation and impairment:										
As at 1 January 2023	\$-	\$224,737	\$130,210	\$30,294	\$79,735	\$186,509	\$78,830	\$53,574	\$-	\$783,889
Depreciation	-	22,071	22,905	-	13,836	9,191	10,484	16,112	-	94,599
Disposals	-	(329)	(810)	(491)	(17,253)	(1,640)	(4,551)	-	-	(25,074)
As at 31 December 2023	<u>\$-</u>	<u>\$246,479</u>	<u>\$152,305</u>	<u>\$29,803</u>	<u>\$76,318</u>	<u>\$194,060</u>	<u>\$84,763</u>	<u>\$69,686</u>	<u>\$-</u>	<u>\$853,414</u>
Net carrying amount:										
As at 31 December 2023	<u>\$678,817</u>	<u>\$306,156</u>	<u>\$65,099</u>	<u>\$-</u>	<u>\$14,863</u>	<u>\$22,558</u>	<u>\$13,618</u>	<u>\$59,414</u>	<u>\$10,897</u>	<u>\$1,171,422</u>
As at 1 January 2023	<u>\$678,817</u>	<u>\$279,979</u>	<u>\$86,254</u>	<u>\$-</u>	<u>\$21,224</u>	<u>\$24,025</u>	<u>\$13,773</u>	<u>\$52,117</u>	<u>\$47,739</u>	<u>\$1,203,928</u>

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Tooling equipment	Leasehold improvement	Other equipment	Construction in progress	Total
Cost:										
As at 1 January 2022	\$678,817	\$401,477	\$164,652	\$32,019	\$90,191	\$214,618	\$81,523	\$103,054	\$87,525	\$1,853,876
Additions	-	3,520	400	-	315	-	14,507	-	63,969	82,711
Disposals	-	(2,121)	(4,140)	-	(511)	(5,066)	(6,165)	-	-	(18,003)
Transfers	-	101,840	55,552	(1,725)	10,964	982	2,738	2,637	(103,755)	69,233
As at 31 December 2022	<u>\$678,817</u>	<u>\$504,716</u>	<u>\$216,464</u>	<u>\$30,294</u>	<u>\$100,959</u>	<u>\$210,534</u>	<u>\$92,603</u>	<u>\$105,691</u>	<u>\$47,739</u>	<u>\$1,987,817</u>
Depreciation and impairment:										
As at 1 January 2022	\$-	\$211,722	\$116,193	\$31,683	\$68,894	\$181,017	\$70,862	\$39,044	\$-	\$719,415
Depreciation	-	15,136	18,157	-	11,797	9,168	14,180	14,530	-	82,968
Disposals	-	(2,121)	(4,140)	-	(511)	(3,676)	(5,511)	-	-	(15,959)
Transfers	-	-	-	(1,389)	(445)	-	(701)	-	-	(2,535)
As at 31 December 2022	<u>\$-</u>	<u>\$224,737</u>	<u>\$130,210</u>	<u>\$30,294</u>	<u>\$79,735</u>	<u>\$186,509</u>	<u>\$78,830</u>	<u>\$53,574</u>	<u>\$-</u>	<u>\$783,889</u>
Net carrying amount:										
As at 31 December 2022	<u>\$678,817</u>	<u>\$279,979</u>	<u>\$86,254</u>	<u>\$-</u>	<u>\$21,224</u>	<u>\$24,025</u>	<u>\$13,773</u>	<u>\$52,117</u>	<u>\$47,739</u>	<u>\$1,203,928</u>
As at 1 January 2022	<u>\$678,817</u>	<u>\$189,755</u>	<u>\$48,459</u>	<u>\$336</u>	<u>\$21,297</u>	<u>\$33,601</u>	<u>\$10,661</u>	<u>\$64,010</u>	<u>\$87,525</u>	<u>\$1,134,461</u>

- (a) Components of buildings that have different useful lives are the main building structure and electrical and plumbing facilities, which are depreciated over 55 years and 13 years, respectively.
- (b) Please refer to Note 8 for property, plant and equipment pledged as collateral.
- (c) No capitalization of interest as a result of purchasing property, plant and equipment for the years ended 31 December 2023 and 2022.

(8) Short-term loans

	Interest Rates (%)	As at	
		31 December 2023	31 December 2022
Unsecured bank loans	1.79%~2.15%	<u>\$4,260,000</u>	<u>\$10,070,000</u>
Unused short-term lines of credits amount		<u>\$6,240,146</u>	<u>\$6,356,481</u>

(9) Bonds payable

	As at	
	31 December 2023	31 December 2022
Domestic secured bonds	\$2,000,000	\$2,000,000
Less: current portion	<u>2,000,000</u>	<u>-</u>
Net	<u>\$-</u>	<u>\$2,000,000</u>

The Company issued five-year secured domestic bonds with a face value of NTD2,000,000 thousand for the first time on 29 August 2019, with the remaining amount to be fully settled by the maturity date.

The interest is paid every year at the annual interest rate of 0.83%.

(10) Commercial Paper Payable

Accounting title	Guarantee	As at	
		31 December 2023	31 December 2022
Commercial paper payable	Mega Bill Finance Corporation	\$150,000	\$50,000
	International Bills Financial Corporation	150,000	-
	China Bills Finance Corporation	150,000	-
	Taiwan Cooperative Bank, etc.	-	800,000
Less: Discount on commercial paper payable		<u>(367)</u>	<u>(352)</u>
Net amount		<u>\$449,633</u>	<u>\$849,648</u>

	For the years ended 31 December	
	2023	2022
Interest rates	1.480%-1.840%	1.760%-1.871%
Maturity date	2024/1/10-2024/2/5	2023/1/6-2023/1/13

(11) Financial liabilities at fair value through profit or loss

	As at	
	31 December 2023	31 December 2022
Held for trading:		
Derivatives not designated as hedging		
Foreign exchange swaps	\$19,050	\$879
Current	\$19,050	\$879
Non-current	-	-
Total	\$19,050	\$879

Please refer to Note 12(8) for the above financial instruments contracts.

(12) Other payables

	As at	
	31 December 2023	31 December 2022
Payroll	\$192,422	\$180,780
Export fees payable	25,533	66,466
Warranty expense	56,609	43,762
Advertising expense	23,863	31,285
Assembly expense	19,628	21,214
Employees' salaries and directors' remuneration	27,200	17,200
Other expense	166,607	165,682
Total	\$511,862	\$526,389

	As at	
	31 December 2023	31 December 2022
Product maintenance warranty		
Beginning balance	\$85,976	\$67,983
Warranty recognized	34,411	46,514
Amount utilized during the year	(39,471)	(28,521)
Ending balance	<u>\$80,916</u>	<u>\$85,976</u>
Current	\$56,609	\$43,762
Non-current	24,307	42,214
Total	<u>\$80,916</u>	<u>\$85,976</u>

(13) Long-term borrowings

Details of long-term loans as at 31 December 2023 and 31 December 2022 are as follows:

Lenders	As at 31 December 2023	Redemption
Taiwan Cooperative Bank, etc. syndicated bank loans (Note 1)	\$434,600	The interest is paid monthly from 13 March 2023 to 28 January 2026, and repay the loan in full at maturity.
Taiwan Cooperative Bank, etc. syndicated bank loans (Note 1)	458,503	The interest is paid monthly from 22 February 2023 to 28 January 2026, and repay the loan in full at maturity.
Taipei Fubon Bank credit loan	300,000	From November 30 2023 to November 28 2025, the first installment is 6 months after the first drawdown date, with 3 months being one installment, which is divided into 7 installments. 10% of the principal will be amortized, 40% of the principal will be amortized in the 7th installment (i.e. the credit expiration date). The interest will be paid monthly.
First Commercial Bank credit loan	113,951	Repayable monthly from 6 September 2019 to 30 September 2029. The grace period starts on the first drawdown date until the expiration of 24 months thereafter. The interest is paid monthly.
Subtotal	<u>1,307,054</u>	
Less: current portion	(32,531)	
Less: syndicated bank loans expense	(5,865)	
Subtotal	<u>1,268,658</u>	
Commercial paper payable-syndicated bank loans (Note 1)	4,200,000	
Less: Discount on long-term commercial paper payable	(3,801)	
Subtotal	<u>4,196,199</u>	
Total	<u>\$5,464,857</u>	

Note: Long-term borrowings interest rate is between 0.96% to 1.79%, and interest is paid monthly. Long-term commercial paper payable interest rate is between 1.58%-1.595%

Lenders	As at 31 December 2022	Redemption
Taiwan Cooperative Bank, etc. syndicated bank loans(Note 1)	\$490,364	The interest is paid monthly from 12 March 2021 to 12 March 2023, and repay the loan in full at maturity.
E.SUN Bank secured bank loan	464,800	The interest is paid quarterly from 12 March 2020 to 22 February 2023, and repay the loan in full at maturity.
First Commercial Bank credit loan	146,482	Repayable monthly from 6 September 2019 to 30 September 2029. The grace period starts on the first drawdown date until the expiration of 24 months thereafter. The interest is paid monthly.
Subtotal	1,101,646	
Less: current portion	(987,695)	
Less: syndicated bank loans expense	(8,925)	
Total	<u>\$105,026</u>	

Note: Long-term borrowings interest rate is between 0.74% to 1.35%, and interest is paid monthly.

Please refer to Note 8 for property, plant and equipment pledged as collateral for long-term loans.

(Note 1) On 9 December 2020, the Company entered into a syndicated loan agreement with Taiwan Cooperative Bank and ten lending institutions. The agreement offered the Company a credit line of NTD9 billion. A summary of the agreement is as follows:

Credit period: From the date of first utilization until the end of a 5-year term

Credit Line and Utilization Method: The overall credit line is established at NTD9 billion. It is distributed and administered via the following credit mechanisms:

A. Tranche A: The revolving credit line is established at NTD9 billion, or its equivalent in USD, EUR, or JPY. However, each period of utilization shall not exceed 180 days, and the maturity date of each loan shall not exceed the expiration date of the credit period.

- B. Tranche B: The commercial paper issuance guarantees a revolving credit line of NTD4.5 billion. However, the maximum duration for each commercial paper guarantee issuance shall not exceed 180 days, and the maturity date for each guarantee shall not surpass the expiration date of the credit period.
- C. Tranche C: The non-revolving credit line is established at NT\$6.75 billion or its equivalent in USD, EUR, or JPY. It must be fully utilized by the borrower within 36 months from the initial utilization date. If the utilization period elapses without full utilization, the remaining portion of the credit line will be automatically canceled and cannot be utilized further.

The primary commitments and provisions of the syndicated loan outlined above: Throughout the duration of the credit facility, the borrower is required to uphold the following financial ratios:

- (a) The current ratio shall not be lower than 100%. (Note 1)
- (b) The financial liability ratio shall not be higher than 200%. (Note 2)
- (c) The interest coverage ratio shall not be lower than 3. (Note 3)

Note 1: Current ratio= current assets/ current liabilities

Note 2: Financial liability ratio = (bank loans + domestic secured bonds) / owners' equity

Note 3: Interest coverage ratio = (income before income tax + interest expense + amortization expense) / interest expense

The Company should review these ratios every half year based on the audited annual consolidated financial statements and the reviewed semi-annual financial statements. If the Company fails to meet any of the ratios specified in any of the above covenants, the Company should seek improvement by injecting cash capital or other means.

When the Company fails to meet any terms of the covenants for the first time, the lending banks may deem it as non-violation without filing claims with respect to the contract. However, if the Company violates the same financial ratio requirement for a second time, it is regarded as a breach. The lending bank may ask the Company to pay compensation (at 0.10% of the unpaid loan as at the second review date) in one lump sum to the agent bank, and the agent bank will pay the compensation to the other lending banks in proportion to their loans.

When reviewing if the interest rates should be adjusted, upon one year maturity from the drawdown of the loan, the banks should review the Company's pre-tax margin every year based on the audited annual consolidated financial report provided by the Company. The banks shall adjust the interest rates according to the agreed principle on the next adjustment date for interest rates.

The Company did not violate the above covenants for the years ended 31 December 2023 and 2022.

(14) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended 31 December 2023 and 2022 were NTD43,583 thousand and NTD41,767 thousand respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March of the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NTD2,849 thousand to its defined benefit plan during the 12 months beginning after 31 December 2023.

The average duration of the defined benefits plan obligation as at 31 December 2023 and 2022, are 7.1 years and 7.6 years.

Pension costs recognized in profit or loss for the years ended 31 December 2023 and 2022:

	For the years ended 31 December	
	2023	2022
Current period service costs	\$846	\$1,035
Interest expense	985	685
Total	<u>\$1,831</u>	<u>\$1,720</u>

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As at		
	31 December 2023	31 December 2022	1 January 2022
Defined benefit obligation	\$177,119	\$173,099	\$181,747
Plan assets at fair value	(102,815)	(89,606)	(82,450)
Other non-current liabilities - defined benefit obligation	<u>\$74,304</u>	<u>\$83,493</u>	<u>\$99,297</u>

Reconciliation of liability of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As at 1 January 2022	\$181,747	\$(82,450)	\$ 99,297
Current period service costs	1,035	-	1,035
Net interest expense (income)	1,267	(582)	685
Subtotal	184,049	(83,032)	101,017
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	(6,879)	-	(6,879)
Experience adjustments	8,643	-	8,643
Remeasurements of the defined benefit assets	-	(6,438)	(6,438)
Subtotal	185,813	(89,470)	96,343
Payments from the plan	(12,714)	12,714	-
Contributions by employer	-	(12,850)	(12,850)
As at 31 December 2022	173,099	(89,606)	83,493
Current period service costs	846	-	846
Net interest expense (income)	2,077	(1,092)	985
Subtotal	176,022	(90,698)	85,324
Remeasurements of the net defined benefit liability (asset):			
Experience adjustments	2,754	-	2,754
Remeasurements of the defined benefit assets	-	(925)	(925)
Subtotal	178,776	(91,623)	87,153
Payments from the plan	(1,657)	1,657	-
Contributions by employer	-	(12,849)	(12,849)
As at 31 December 2023	<u>\$177,119</u>	<u>\$(102,815)</u>	<u>\$74,304</u>

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As at	
	31 December 2023	31 December 2022
Discount rate	1.2%	1.2%
Expected rate of salary increases	2.0%	2.0%

A sensitivity analysis for significant assumption as at 31 December 2023 and 2022 is, as shown below:

For the year ended 31 December 2023:

	<u>Increase defined benefit obligation</u>	<u>Decrease defined benefit obligation</u>
Discount rate increase by 0.1%	\$-	\$1,263
Discount rate decrease by 0.1%	1,278	-
Future salary increase by 0.1%	1,113	-
Future salary decrease by 0.1%	-	1,102

For the year ended 31 December 2022:

	<u>Increase defined benefit obligation</u>	<u>Decrease defined benefit obligation</u>
Discount rate increase by 0.1%	\$-	\$1,324
Discount rate decrease by 0.1%	1,341	-
Future salary increase by 0.1%	1,178	-
Future salary decrease by 0.1%	-	1,167

The sensitivity analyses above are based on a change in a significant assumption (for example: a change in the discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

Discount rate reflects the time value of money but not the actuarial or investment risk. The discount rate for discounting post-employment benefits obligation should refer to the yield of high-quality corporate bonds at the end of reporting period. The yield of government bonds should be used in countries where the bonds have no market depth. The currency and period of corporate or government bonds should be consistent with the currency and estimated period of post-employment benefits obligation. If there is no deep-market bond with a sufficient long maturity date to coordinate the estimated due date of all benefit payments, the company should use the current market interest rate for an appropriate period to discount the payment of a shorter period. In addition, extrapolating the current market rate along the curve of yield to estimate the discount rate with a longer maturity period.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(15) Equity

A. Share capital

As at 1 January 2022 the Company's authorized capital was NTD4,500,000 thousand, divided into 450,000,000 shares with par value of NTD10 each. The issued and outstanding capital stocks were NTD3,036,166 thousand. As at 31 December 2023, the capital remained unchanged.

B. Capital surplus

	As at	
	31 December 2023	31 December 2022
Additional paid-in capital	\$54,807	\$54,807
Employee stock option	5,056	5,056
Difference between consideration and carrying amount of subsidiaries acquired or disposed	371,467	371,467
Gain on sale of assets	42	42
Other	74	74
Total	<u>\$431,446</u>	<u>\$431,446</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Legal reserve

According to the Company Act, the Company's after-tax earnings are required to first offset against any deficit, and 10% of the balance shall be set aside as legal reserve. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the issued capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

D. Special reserve

When the Company distributes distributable earnings, it shall, according to the requirements on the first adoption of IFRS, set aside supplemental special reserve based on the difference between the special reserve surplus already set aside and the contra account of other equity. For any subsequent reversal of the contra account in other equity, the amount reversed may be distributed from the special reserve.

The FSC on 31 March 2021 issued Order No. Jin - Guan - Cheng - Fa - 1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The Company's special reserve of NTD64,037 thousand at first-time adoption of IFRS with the absolute value of other equity (deduction) – net as at 1 January 2022. As at the year ended 2023 and 2022, the Company did not reverse any special reserve as a result of using, disposing of or reclassifying related assets.

During 2023 and 2022, when distributing 2022 and 2021 distributable earnings, the Company (reversal) set aside special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, amount equal to other net deductions from shareholders' equity were NTD(321,938) thousand and NTD556,517 thousand for the years ended 2023 and 2022, respectively.

E. Treasury Stock

- (a) The Company implements the treasury stock system, buyback the Company's shares from the securities centralized trading market, and its shares increase or decrease is shown as follows according to the reasons:

For the year ended 31 December 2023

(unit : shares)

Reason	Beginning balance	Increase	Decrease	Cancellation	Ending balance
Transfer to employee	695,000	-	-	-	695,000

For the year ended 31 December 2022

(unit : shares)

Reason	Beginning balance	Increase	Decrease	Cancellation	Ending balance
Transfer to employees	1,028,000	-	(333,000)	-	695,000

The board meeting held on 9 August 2019 approved to repurchase 600,000 shares. The expected period to execute the decision will take place between 26 July 2019 and 25 September 2019; the repurchase price will be between NTD70 to NTD100.

The board meeting held on 20 March 2020 approved to repurchase 2,000,000 shares, which would be transferred to employees to motivate them. The expected period to execute the decision took place between 23 March 2020 and 22 May 2020; the repurchase price was between NTD40 to NTD80. To keep in line with the capital planning and the effectiveness of use, 531,000 shares were repurchased actually.

The board meeting held on 7 August 2020 approved to transfer 103,000 treasury shares to employees and the same day was set as the base date for employee shares subscription. The transfer price of NTD60.84, and the Company recognized a compensation cost of NTD706 thousand on the vesting date. The Company's employees fully exercised the employee stock options of 103,000 shares on 28 August 2020. On the day of transfer, the difference between the transfer price and buyback price was offset by share capital- employee stock option in the amount of NTD706 thousand.

The board meeting held on 10 May 2021 approved to transfer 333,000 treasury shares to employees and the same day was set as the base date for employee shares subscription. The transfer price was NTD60.84. The Company recognized a compensation cost of NTD4,349 thousand in share capital-employee stock option on the vesting date. The 333,000 share options vest on 18 November 2022. On the day of transfer, the difference between the transfer price and buyback price was offset by share capital- employee stock option in the amount of NTD4,349 thousand.

As at 31 December 2023, the treasury shares that the Company bought back not yet transferred to employee amounted to 695,000 shares.

- (b) According to the Securities and Exchange Act of R.O.C., the total shares of treasury stock shall not exceed 10% of issued stock, and the total purchase amount shall not exceed the sum of retained earnings, additional paid-in capital in excess of par and realized additional paid-in capital.
- (c) In compliance with the Securities and Exchange Act of R.O.C., treasury stocks shall not be pledged, nor should they be entitled to voting rights or receiving dividends.

F. Distribution of retained earnings and dividend policies

According to the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed in the following order:

- (a) Income tax obligation
- (b) Offsetting accumulated deficits, if any
- (c) Legal reserve at 10% of net income after tax
- (d) Special reserve in compliance with the Company Act or Securities and Exchange Act
- (e) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting

When the Company distributes dividends to shareholders, if all or part of the dividend is in the form of cash distribution, the distribution shall be authorized through the board of directors representing more than two-thirds of the directors, with more than half of the directors present in favor of the proposal, and shall report the resolution to the shareholders' meeting. The Company's policy of distribution is based on capital expenditure, business expansion and sustainable development. The amount of cash dividends to be distributed shall be more than 10% of the total dividends to shareholders when there is sufficient surplus remaining for distribution. The ratio may be adjusted by the board of directors to between 50% to 100% of stock dividend depending on the actual profit and funding of the year or based on the needs of capital expenditure and business expansion, upon obtaining resolution of the shareholders' meeting.

According to the Company Act, the Company needs to set aside an amount to a legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

Details of the 2022 earnings distribution and dividends per share as approved by the resolution of the shareholders' meeting held on 28 June 2023 is as follows:

	Appropriation of earnings		Dividend per share (NTD)	
	2023	2022	2023	2022
Legal reserve	(Note 2)	\$43,277		
(Reversal) Special reserve	(Note 2)	(321,938)		
Cash dividends-common stock (Note 1)	(Note 2)	181,753	(Note 2)	\$0.60

Note 1: The Company's board of directors was authorized by the Articles of Incorporation and approved the common stock cash dividend of 2022 by special resolution on 11 May 2023.

Note 2: The resolution to distribute the Company's 2022 earnings have not been finalized.

Please refer to Note 6 (19) for further details on employees' compensation and remuneration to directors and supervisors.

(16) Operating revenue

	For the years ended 31 December	
	2023	2022
Revenue from contracts with customers		
Sale of goods	\$13,946,072	\$13,634,499
Other operating revenues	6,868	7,889
Total	<u>\$13,952,940</u>	<u>\$13,642,388</u>

The Company recognizes revenues when control of the products is transferred to the customers at a point in time. Information on revenues from contracts with customers during the years ended 31 December 2023 and 2022 are as follows:

A. Contract balance

(a) Contract asset – current

	As at		
	31 December 2023	31 December 2022	1 January 2022
Sales of goods	\$16,179	\$27,066	\$30,732

The significant changes in the Company's balances of contract assets for the years ended 31 December 2023 and 2022 are as follows:

	For the years ended 31 December	
	2023	2022
The opening balance transferred to trade receivables	\$(27,066)	\$(30,732)
Increase of contract assets	16,179	27,066

Please refer to Note 6(17) for more details on the loss allowance.

(b) Contract liabilities – current

	As at		
	31 December 2023	31 December 2022	1 January 2022
Sales of goods	\$217,926	\$189,061	\$447,395

During the period, contract liabilities increased as an increase of NTD 179,573 thousand in advance sales receipts that have not yet completed performance obligations during the period.

During the past period, contract liabilities significantly decreased as performance obligations were partially satisfied and NTD301,699 thousand was recognized as revenue during the period.

(c) Transaction price allocated to unsatisfied performance obligations

None.

(d) Assets recognized from costs to fulfill a contract

None.

(17) Expected credit losses

	For the years ended 31 December	
	2023	2022
Operating expenses – Expected credit losses		
Trade receivables	\$1,219	\$-

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its contract assets and trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at 31 December 2023 is as follows:

A. The gross carrying amount of contract asset is NTD16,179 thousand. There is no need to recognize loss allowance based on individual customer assessment method.

B. The Company considers the grouping of trade receivables by counterparties' credit rating. They are divided into groups of notes receivables and trade receivables, and groups of installment accounts receivable and leased receivable. The details are as follows:

Note receivables and trade receivables as at 31 December 2023

	Not yet due (note)	Overdue				Total
		<=60 days	61-90 days	91-180 days	>=181 days	
Gross carrying amount	\$437,499	\$54,325	\$4,099	\$686	\$-	\$496,609
Loss rate	-%	-%	0-10%	100%	-%	
Lifetime expected credit losses	-	-	(76)	(686)	-	(762)
Per book	<u>\$437,499</u>	<u>\$54,325</u>	<u>\$4,023</u>	<u>\$-</u>	<u>\$-</u>	<u>\$495,847</u>

Note: The Company's note receivables are not overdue. The historical credit losses experience of the Company's note receivables and trade receivables shows that there is no significant difference in the loss patterns among different customer groups. Therefore, the Company is no longer distinguished.

Note receivables and trade receivables as at 31 December 2023—related party

	Not yet due (note)	Overdue				Total
		<=60 days	61-90 days	91-180 days	>=181 days	
Gross carrying amount	\$4,483,587	\$868,867	\$253,309	\$110,648	\$1,651,529	\$7,367,940
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Per book	<u>\$4,483,587</u>	<u>\$868,867</u>	<u>\$253,309</u>	<u>\$110,648</u>	<u>\$1,651,529</u>	<u>\$7,367,940</u>

Installment accounts receivable as at 31 December 2023

	Not yet due (note)	Overdue				Total
		<=60 days	61-90 days	91-180 days	>=181 days	
Gross carrying amount	\$186,596	\$289	\$-	\$-	\$1,009	\$187,894
Loss rate	-%	70-80%	-%	-%	100%	
Lifetime expected credit losses	-	(219)	-	-	(1,009)	(1,219)
Per book	<u>\$307,963</u>	<u>\$79</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$186,675</u>

Note receivables and trade receivables as at 31 December 2022

	Not yet due (note)	Overdue				Total
		<=60 days	61-90 days	91-180 days	>=181 days	
Gross carrying amount	\$217,254	\$60,701	\$3,609	\$2,424	\$762	\$284,750
Loss rate	-%	-%	-%	-%	100%	
Lifetime expected credit losses	-	-	-	-	(762)	(762)
Per book	<u>\$217,254</u>	<u>\$60,701</u>	<u>\$3,609</u>	<u>\$2,424</u>	<u>\$-</u>	<u>\$283,988</u>

Note: The Company's note receivables are not overdue. The historical credit losses experience of the Company's note receivables and trade receivables shows that there is no significant difference in the loss patterns among different customer groups. Therefore, the Company is no longer distinguished.

Note receivables and trade receivables as at 31 December 2022 — related party

	Not yet due (note)	Overdue				Total
		<=60 days	61-90 days	91-180 days	>=181 days	
Gross carrying amount	\$6,332,457	\$2,022,731	\$792,310	\$428,372	\$175,558	\$9,751,428
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Per book	<u>\$6,332,457</u>	<u>\$2,022,731</u>	<u>\$792,310</u>	<u>\$428,372</u>	<u>\$175,558</u>	<u>\$9,751,428</u>

Installment accounts receivable as at 31 December 2022

	Not yet due (note)	Overdue				Total
		<=60 days	61-90 days	91-180 days	>=181 days	
Gross carrying amount	\$307,963	\$-	\$-	\$-	\$1,219	\$309,182
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Per book	<u>\$307,963</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,219</u>	<u>\$309,182</u>

The movement in the provision for impairment of note receivables and trade receivables during the ended 31 December 2023 and 2022 is as follows:

	Note receivables	Trade receivables
2023.01.01	\$-	\$762
Write off	-	-
Addition for the current period	-	1,219
Reclassification for the current period	-	-
2023.12.31	<u>\$-</u>	<u>\$1,981</u>
2022.01.01	\$-	\$882
Write off	-	-
Addition for the current period	-	-
Reclassification for the current period	-	(120)
2022.12.31	<u>\$-</u>	<u>\$762</u>

(18) Leases

A. The Company is a lessee

The Company leases buildings. The lease terms range from 2 to 5 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follows:

(a) Amounts recognized in the balance sheet

(i) Right-of-use asset

The carrying amount of right-of-use assets

	As at 31 December	
	2023	2022
Buildings	\$114,010	\$104,299

During the years ended 31 December 2023 and 2022, the Company's additions to right-of-use assets amounted to NTD55,225 thousand and NTD105,675 thousand, respectively.

(ii) Lease liabilities

	As at 31 December	
	2023	2022
Current	\$38,434	\$39,988
Non-Current	77,904	67,681
Total	\$116,388	\$107,669

Please refer to Note 6(20)(d) for the interest on lease liabilities recognized during the years ended 31 December 2023 and 2022 and refer to Note 12(5) Liquidity risk management for the maturity analysis for lease liabilities as at 31 December 2023 and 2022.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended 31 December	
	2023	2022
Buildings	\$45,514	\$47,260

(c) Income and costs relating to leasing activities

	For the years ended 31 December	
	2023	2022
The expenses relating to short-term leases	\$32,472	\$29,006

(d) Cash outflow related to lessee and lease activity

During the year ended 31 December 2023 and 2022, the Company's total cash outflows for leases amounted to NTD80,188 thousand and NTD76,515 thousand, respectively.

(19) Summary statement of employee benefits, depreciation and amortization expenses by function for the years ended 31 December 2023 and 2022:

Function Nature	For the years ended 31 December					
	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$254,825	\$686,453	\$941,278	\$240,966	\$668,972	\$909,938
Labor and health insurance	29,594	63,232	92,826	27,287	59,860	87,147
Pension	11,699	33,715	45,414	11,264	32,223	43,487
Director compensation	-	7,524	7,524	-	7,704	7,704
Other employee benefits expense	12,550	23,192	35,742	12,133	22,302	34,435
Depreciation	59,436	80,677	140,113	48,906	81,322	130,228
Amortization	226	10,065	10,291	227	6,489	6,716

As at 31 December 2023 and 31 December 2022, the Company's employees were 1,268 and 1,240, respectively; the number of directors who were not concurrently employees was 8 and 7.

As at 31 December 2023 and 31 December 2022, the Company's average employee benefits expenses were NT\$885 thousand and NT\$872 thousand, respectively.

As at 31 December 2023 and 31 December 2022, the Company's average employee salaries expenses were NT\$747 thousand and NT\$738 thousand employees, respectively; the average adjusted employee salaries expense was decreased to 1.22%.

The Company has no supervisor's remuneration as the Company has set up an audit committee to replace the supervisor.

The Company's salary policy is as follows: (including directors, managers and employees)

The Company's salary policy for employee remuneration holds the spirit of providing market-competitive salary levels and provides reasonable and motivating salary based on the employee's personal responsibility, contribution, performance and ability. In addition to the monthly salary, there are other incentives such as performance bonuses, proposal bonuses, irregular incentive bonuses, and profit sharing bonuses based on the Company's current year's profit. The Company evaluates directors' and manager's performance regularly and set the achievement of directors' and managers' performance goals every year. The results of performance evaluation are used as the basis of promotion, training development and salary payment.

According to the Articles of Incorporation, at least 1% of profit of the current year is distributable as employees' compensation and no higher than 5% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit of the year ended 31 December 2023, the Company estimated the amount of the employees' compensation and remuneration to directors for the year ended 31 December 2023 to be NTD10,000 thousand and NTD7,200 thousand, respectively, recognized as employee salary expense.

A resolution was passed at the board meeting held on 14 March 2023 to distribute NTD10,000 thousand and NTD7,200 thousand in cash as employee compensation and remuneration to directors of 2022, respectively. There are no material differences between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended 31 December 2022.

(20) Non-operating income and expenses

A. Interest income

	For the years ended 31 December	
	2023	2022
Financial assets measured at amortized cost	<u>\$191,068</u>	<u>\$112,872</u>

B. Other income

	For the years ended 31 December	
	2023	2022
Others	<u>\$61,799</u>	<u>\$87,558</u>

C. Other gains and losses

	For the years ended 31 December	
	2023	2022
Foreign exchange gains, net	\$187,311	\$936,755
Gains on financial assets at fair value through profit or loss(Note 1)	5,416	595
Losses on financial liabilities at fair value through profit or loss (Note 2)	(18,170)	(879)
Losses on disposal of investments	(15,226)	(226,390)
Gains(Losses) on disposal of property, plant and equipment	50	(1,200)
Others	(1,962)	(1,646)
Total	<u>\$157,419</u>	<u>\$707,235</u>

Note:

1. Balances were arising from financial assets mandatorily measured at fair value through profit or loss.
2. Balances were arising from held for trading financial liabilities.

D. Finance costs

	For the years ended 31 December	
	2023	2022
Interest on loans from bank	\$248,864	\$156,537
Interest on lease liabilities	990	1,128
Total	<u>\$249,854</u>	<u>\$157,665</u>

(21) Components of other comprehensive income

A. For the year ended 31 December 2023

	Arising during the period	Reclassification adjustments during the period	Income tax effect	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements of defined benefit plans	\$(1,828)	\$(1,828)	\$365	\$(1,463)
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	24	24	-	24
To be reclassified to profit or loss in subsequent periods:				
Exchange differences resulting from translating the financial statements of a foreign operation	(359,035)	(359,035)	-	(359,035)
Total of other comprehensive income	<u>\$(360,839)</u>	<u>\$(360,839)</u>	<u>\$365</u>	<u>\$(360,474)</u>

B. For the year ended 31 December 2022

	Arising during the period	Reclassification adjustments during the period	Income tax effect	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements of defined benefit plans	\$4,674	\$4,674	\$(935)	\$3,739
Unrealized losses from equity instruments investments measured at fair value through other comprehensive income	(428)	(428)	-	(428)
To be reclassified to profit or loss in subsequent periods:				
Exchange differences resulting from translating the financial statements of a foreign operation	402,957	402,957	(80,591)	322,366
Total of other comprehensive income	<u>\$407,203</u>	<u>\$407,203</u>	<u>\$(81,526)</u>	<u>\$325,677</u>

(22) Income tax

The major components of income tax expense for the year ended 31 December 2023 and 2022 are as follows:

A. Income tax expense recognized in profit or loss

	For the years ended 31 December	
	2023	2022
Current income tax expense:		
Current income tax charge	\$159,200	\$176,519
Adjustments in respect of current income tax of prior periods	21,014	4,834
Deferred tax (income) expense:		
Deferred tax (income) expense relating to origination and reversal of temporary differences	(68,730)	105,300
Other components of deferred tax income	503	-
Total income tax expense	<u>\$111,987</u>	<u>\$286,653</u>

B. Income tax relating to components of other comprehensive income

	For the years ended 31 December	
	2023	2022
Deferred tax (income) expense:		
Exchange differences resulting from translating the financial statements of a foreign operation	\$-	\$80,591
Remeasurements of defined benefit plans	(365)	935
Income tax relating to components of other comprehensive income	<u>\$(365)</u>	<u>\$81,526</u>

C. Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended 31 December	
	2023	2022
Accounting profit before tax from continuing operations	<u>\$821,813</u>	<u>\$715,677</u>
Tax at the domestic rates applicable to profits in the country concerned	164,363	143,135
Tax effect of expenses not deductible for tax purposes	(99,874)	135,360
5 % surtax on undistributed retained earnings	26,484	-
Adjustments in respect of current income tax of prior periods	21,014	4,834
Other adjustments according to tax law	-	3,324
Total income tax expense recognized in profit or loss	<u>\$111,987</u>	<u>\$286,653</u>

D. Deferred tax assets (liabilities) relate to the following:

(a) For the year ended 31 December 2023

	Balance as at 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at 31 December
Temporary difference				
Unrealized foreign exchange gain (loss)	\$(105,695)	\$65,900	\$-	\$(39,795)
Provision for allowance to reduce inventories to market value	1,211	3,521	-	4,732
Gain (losses) on financial assets and liabilities at fair value through profit or loss	(1,574)	2,552	-	978
Net defined benefit liability – non-current	4,219	(2,204)	-	2,015
Remeasurement on defined benefit plans	12,480	-	365	12,845
Exchange differences on translation of foreign operations	342,529	(342,529)	-	-
Provision-warranties	17,082	(1,039)	-	16,043
Land appreciation tax	(47,428)	-	-	(47,428)
Deferred tax (income)/expense		<u>\$(273,799)</u>	<u>\$365</u>	
Net deferred tax assets/(liabilities)	<u>\$222,824</u>			<u>\$(50,610)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$377,521</u>			<u>\$36,613</u>
Deferred tax liabilities	<u>\$(154,697)</u>			<u>\$(87,223)</u>

(b) For the year ended 31 December 2022

	Balance as at 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at 31 December
Temporary difference				
Unrealized foreign exchange gain (loss)	\$1,103	\$(106,798)	\$-	\$(105,695)
Provision for allowance to reduce inventories to market value	1,211	-	-	1,211
(Loss) Gain on financial assets and liabilities at fair value through profit or loss	(1,630)	56	-	(1,574)
Net defined benefit liability – non-current	6,444	(2,225)	-	4,219
Remeasurement on defined benefit plans	13,415	-	(935)	12,480
Exchange differences on translation of foreign operations	423,120	-	(80,591)	342,529
Provision-warranties	13,415	3,667	-	17,082
Land appreciation tax	(47,428)	-	-	(47,428)
Deferred tax expense/(income)		<u>\$(105,300)</u>	<u>\$(81,526)</u>	
Net deferred tax assets/(liabilities)	<u>\$409,650</u>			<u>\$222,824</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$458,709</u>			<u>\$377,521</u>
Deferred tax liabilities	<u>\$(49,059)</u>			<u>\$(154,697)</u>

(c) Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Group did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's overseas subsidiaries, as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As at 31 December 2023 and 2022, the temporary differences associated with investment in subsidiaries, for which deferred tax liabilities have not been recognized, aggregate to NTD971,649 thousand and NTD397,711 thousand respectively.

(d) The assessment of income tax returns

As at 31 December 2023, the tax authorities have assessed income tax returns of the Company through 2021.

(23) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the years attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended 31 December	
	2023	2022
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands of NTD)	\$709,828	\$429,024
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	302,922	302,628
Basic earnings per share (NTD)	\$2.34	\$1.42

Calculation of diluted earnings per share is equal to basic earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Johnson Health Tech North America, Inc.	Subsidiary
Johnson Health Industry (Viet Nam) Company Limited	Subsidiary
Johnson Health Technologies, S.A. DE C.V.	Subsidiary
Johnson Health Technologies Canada Inc.	Subsidiary
Johnson Health Tech Retail Inc	Subsidiary
Johnson Health Tech UAE L.L.C	Subsidiary
Johnson Health Tech UK Ltd.	Subsidiary
Johnson Health Tech GmbH	Subsidiary
Johnson Industries (Shanghai) Co., Ltd.	Subsidiary
Johnson Health Technology (Shanghai) Co., Ltd.	Subsidiary
Johnson Industrial do Brasil Ltda	Subsidiary
Johnson Health Tech France	Subsidiary
Johnson Health Tech Netherland B.V.	Subsidiary
Johnson Health Technologies Ibérica, SL	Subsidiary
Johnson Health Tech Italia S.P.A.	Subsidiary
Johnson Health Tech (Thailand) Co., Ltd.	Subsidiary

Significant transactions with related parties

A. Sales

	For the years ended 31 December	
	2023	2022
Johnson Health Tech North America, Inc.	\$4,282,441	\$4,639,651
Johnson Health Tech Retail Inc	1,493,320	765,432
Johnson Health Tech Netherland B.V.	1,301,031	1,465,771
Johnson Health Tech GmbH	675,102	883,844
Johnson Health Tech UK Ltd.	284,519	770,641
Others	4,043,548	3,202,293
Total	<u>\$12,079,961</u>	<u>\$11,727,632</u>

The selling price and collection terms between related parties are not significantly different from those with the third parties.

B. Purchase

	For the years ended 31 December	
	2023	2022
Johnson Industries (Shanghai) Co., Ltd.	\$5,632,191	\$5,921,199
Johnson Health Industry (Vietnam) Company Limited	1,735,675	924,924
Johnson Health Technology (Shanghai) Co., Ltd.	350,034	520,462
Others	249,217	248,354
Total	<u>\$7,967,117</u>	<u>\$7,614,939</u>

The purchase price from the above related parties was determined through a mutual agreement based on the market rates. The payment terms from the related party suppliers are similar to third party suppliers.

C. Accounts receivable, net

	As at	
	31 December 2023	31 December 2022
Johnson Health Tech Retail Inc	\$2,434,824	\$3,208,085
Johnson Health Tech North America, Inc.	1,283,215	3,199,417
Johnson Health Tech Netherland B.V.	611,773	241,389
Johnson Health Tech UK Ltd.	558,477	654,307
Johnson Industrial do Brasil Ltda.	513,422	344,809
Johnson Health Tech Italia S.P.A.	302,456	259,859
Johnson Health Tech UAE L.L.C	261,570	305,660
Johnson Health Technologies, S.A. de C.V.	241,925	257,658
Johnson Health Tech GmbH	236,483	337,273
Johnson Health Technologies Canada Inc.	163,697	305,454
Johnson Health Technologies Ibérica, SL	20,228	159,419
Others	739,870	478,098
Total	<u>\$7,367,940</u>	<u>\$9,751,428</u>

D. Other accounts receivable, net

	As at	
	31 December 2023	31 December 2022
Johnson Health Tech Retail Inc	\$493,423	\$6,671
Johnson Industrial do Brasil Ltda	438,092	468,285
Johnson Health Technologies Canada Inc.	338,130	176,752
Johnson Health Tech UAE LLC	149,484	196,292
Johnson Health Tech Netherland B.V.	110,025	2,803
Johnson Health Technologies, S.A. DE C.V.	88,933	2,706
Johnson Industries (Shanghai) Co., Ltd.	6,950	55,131
Fuji Medical Instruments Mfg. Co., Ltd.	6,591	350,420
Johnson Health Technology (Shanghai) Co., Ltd.	1,920	71,469
Others	115,888	90,802
Total	<u>\$1,749,436</u>	<u>\$1,421,331</u>

Other accounts receivable mainly consists of developing tools, purchasing material and equipment, overdue accounts receivable transfer and financing for related parties.

E. Accounts payable, net

	As at	
	31 December 2023	31 December 2022
Johnson Industries (Shanghai) Co., Ltd.	\$3,691,389	\$3,394,424
Johnson Health Technology (Shanghai) Co., Ltd.	112,871	64,992
Johnson Health Industry (Vietnam) Company Limited	-	130,906
Others	51,770	112,124
Total	<u>\$3,856,030</u>	<u>\$3,702,446</u>

F. Other payables, net

	As at	
	31 December 2023	31 December 2022
Johnson Health Tech France	\$168,197	\$106,303
Johnson Health Tech Retail, Inc.	27,846	9,709
Johnson Health Tech Netherland B.V.	23,514	63,102
Johnson Health Tech. North America, Inc.	7,464	141,134
Johnson Health Tech GmbH	353	33,342
Others	24,304	34,467
Total	<u>\$251,678</u>	<u>\$388,057</u>

G. Expenses

	For the years ended 31 December	
	2023	2022
Johnson Health Tech Retail Inc	\$954,083	\$313,085
Johnson Health Tech. North America, Inc.	470,292	670,130
Johnson Health Tech. Netherland B.V	205,492	147,787
Others	118,830	146,195
Total	<u>\$1,748,697</u>	<u>\$1,277,197</u>

H. Other Income

	For the years ended 31 December	
	2023	2022
Johnson Industries (Shanghai) Co., Ltd.	\$28,656	\$35,902
Johnson Health Tech Retail Inc	26,229	-
Johnson Health Tech North America, Inc.	20,189	19,655
Johnson Industrial do Brasil Ltda.	18,075	16,190
Johnson Health Technologies Canada Inc.	12,133	10,223
Johnson Health Tech UK Ltd.	11,068	7,952
Johnson Health Industry (Viet Nam) Company Limited	8,692	7,428
Johnson Health Technology (Shanghai) Co., Ltd.	7,973	13,276
Johnson Health Tech UAE L.L.C	2,392	3,387
Others	44,794	30,930
Total	<u>\$180,201</u>	<u>\$144,943</u>

I. Key management personnel compensation

	For the years ended 31 December	
	2023	2022
Short-term employee benefits	<u>\$79,910</u>	<u>\$62,200</u>

8. Assets pledged as security

The following table lists assets of the Company pledged as security:

	As at		Contents of secured debt
	31 December 2023	31 December 2022	
Property, plant and equipment - land	\$671,271	\$671,271	Syndicated loans / Secured loan
Property, plant and equipment – buildings (carrying value)	42,320	43,642	Syndicated loans / Secured loan
Other receivable - deposit	78,974	79,373	LC loan
Total	<u>\$792,565</u>	<u>\$794,286</u>	

9. Commitments and contingencies

(1) The important contracts of construction in progress or service

The contracts of the Company as at 31 December 2023 and 2022 are as follows:

A. As at 31 December 2023:

None.

B. As at 31 December 2022:

None.

(2) The Company issued guaranty notes as security for borrowings in the sum of NTD800,925 thousand as at 31 December 2023.

(3) The Company entered into financial guarantees to related parties as at 31 December 2023. Refer to Note 13(1)(b).

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Categories of financial instruments

	As at	
	31 December 2023	31 December 2022
<u>Financial Assets</u>		
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	\$14,162	\$8,746
Amortized cost of a financial asset:		
Cash and cash equivalents (excluding cash on hand)	308,592	660,732
Notes and trade receivable	8,050,462	10,344,598
Other receivables	1,842,746	1,511,137
Subtotal	10,201,800	12,516,467
Total	<u>\$10,215,962</u>	<u>\$12,525,213</u>

	As at	
	31 December 2023	31 December 2022
<u>Financial Liabilities</u>		
Financial liabilities at amortized cost:		
Short-term borrowings	\$4,260,000	\$10,070,000
Commercial paper payable	449,633	849,648
Notes and accounts payable	4,519,249	4,549,758
Bonds payable (including current portion)	2,000,000	2,000,000
Long-term loans (including current portion)	5,497,388	1,092,721
Lease liability	116,338	107,669
Subtotal	16,842,608	18,669,796
Financial liabilities at fair value through profit or loss:		
Held for trading	19,050	879
Total	<u>\$16,861,658</u>	<u>\$18,670,675</u>

(2) Financial risk management objectives and policies

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

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, a due approval process by the board of directors and audit committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity price risk).

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

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward exchange contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD, EUR and CNY. The information of the sensitivity analysis is as follows:

(a) When NTD strengthens/weakens against USD by 1%:

	Increase (decrease) in equity	Decrease (increase) in profit or loss
For the year ended 31 December 2023	\$-	\$40,756
For the year ended 31 December 2022	\$-	\$63,212

(b) When NTD strengthens/weakens against EUR by 1%:

	Increase (decrease) in equity	Decrease (increase) in profit or loss
For the year ended 31 December 2023	\$-	\$18
For the year ended 31 December 2022	\$-	\$(4,864)

(b) When NTD strengthens/weakens against JPY by 1%:

	Increase (decrease) in equity	Decrease (increase) in profit or loss
For the year ended 31 December 2023	\$-	\$(7,124)
For the year ended 31 December 2022	\$-	\$(4,674)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period. A change of 10 basis points of interest rate in a reporting period would cause the profit for the years ended 31 December 2023 and 2022 to decrease by NTD10,208 thousand and NTD12,012 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for trade receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial positions, ratings from credit rating agencies, historical experiences, prevailing economic conditions and the Company's internal rating criteria, etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As at 31 December 2023 and 2022, the credit concentration risk of other accounts receivables is insignificant. The accounts receivable of the top ten customers accounted for 71.65% and 86.76% of the Company's balance of accounts receivables, respectively.

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

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve at the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	2 to 3 years	4 to 5 years	>= 5 years	Total
<u>As at 31 December 2023</u>					
Short-term borrowings	\$4,273,880	\$-	\$-	\$-	\$4,273,880
Commercial paper payable	450,000	-	-	-	450,000
Notes and accounts payable	4,519,249	-	-	-	4,519,249
Bonds payable	2,011,006	-	-	-	2,011,006
Long-term loans	4,236,852	1,265,093	17,985	6,654	5,526,584
Lease liabilities	38,606	50,026	26,189	-	114,821
<u>As at 31 December 2022</u>					
Short-term borrowings	\$10,102,159	\$-	\$-	\$-	\$10,102,159
Commercial paper payable	850,000	-	-	-	850,000
Notes and accounts payable	4,549,758	-	-	-	4,549,758
Bonds payable	16,600	2,016,600	-	-	2,033,200
Long-term loans	993,453	66,161	33,923	15,504	1,109,041
Lease liabilities	40,825	38,894	28,907	-	108,626

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2023:

	Short-term borrowings	Commercial paper Payable	Bonds payable	Long-term loans	Lease liabilities	Total
As at 1 January 2023	\$10,070,000	\$849,648	\$2,000,000	\$1,092,721	\$107,669	\$14,120,038
Cash flows	(5,810,000)	(411,729)	-	4,340,668	(47,716)	(1,928,777)
Non-cash changes	-	11,714	-	63,999	56,385	132,098
As at 31 December 2023	<u>\$4,260,000</u>	<u>\$449,633</u>	<u>\$2,000,000</u>	<u>\$5,497,388</u>	<u>\$116,338</u>	<u>\$12,323,359</u>

Reconciliation of liabilities for the year ended 31 December 2022:

	Short-term borrowings	Commercial paper Payable	Bonds payable	Long-term loans	Lease liabilities	Total
As at 1 January 2022	\$6,055,143	\$4,045,492	\$2,000,000	\$1,149,345	\$52,979	\$13,302,959
Cash flows	4,014,857	(3,229,020)	-	(56,624)	(47,509)	681,704
Non-cash changes	-	33,176	-	-	102,199	135,375
As at 31 December 2022	<u>\$10,070,000</u>	<u>\$849,648</u>	<u>\$2,000,000</u>	<u>\$1,092,721</u>	<u>\$107,669</u>	<u>\$14,120,038</u>

(7) Fair value of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public Company and private Company equity securities) is estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses the DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using the interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value measurement hierarchy

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Derivative financial instruments

The Company's derivative financial instruments include forward currency contracts and embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as at 31 December 2023 and 2022 is as follows:

Forward currency contracts

The Company entered into forward currency contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to forward currency contracts:

Contract	Contract amount (in thousands)	Maturity
<u>As at 31 December 2023</u>		
Foreign exchange swaps	Sell USD 77,800	2024/1/5
Foreign exchange swaps	Sell EUR 15,300	2024/1/4-2024/1/5
Pre-sale forward exchange contracts	Sell USD 10,000	2024/1/30
<u>As at 31 December 2022</u>		
Pre-sale forward exchange contract	Sell USD 6,000	2023/2/22
Foreign exchange swaps	Sell USD 20,000	2023/1/6
Foreign exchange swaps	Sell EUR 4,000	2023/1/6

The counterparties of said derivatives financial instruments are well-known local and international banks with good credit rating, therefore carry low credit risk.

Foreign exchange forward contract transactions mainly aim at hedging the risk of exchange rate changes of net assets or net liabilities. There will be corresponding cash inflow or outflow at maturity. There is no significant cash flow risk as the Company's working capital is sufficient to support such activity.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As at 31 December 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$-	\$14,162	\$-	\$14,162
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Foreign exchange rates contracts	\$-	\$19,050	\$-	\$19,050

As at 31 December 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$-	\$8,746	\$-	\$8,746
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Foreign exchange rates contracts	\$-	\$879	\$-	\$879

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As at					
	31 December 2023			31 December 2022		
	Foreign currency (thousands)	Exchange rate	NTD (thousands)	Foreign currency (thousands)	Exchange rate	NTD (thousands)
Financial assets						
Monetary item:						
USD	\$260,449	30.735	\$8,004,902	\$328,840	30.708	\$10,098,029
EUR	47,339	34.011	1,610,062	37,612	32.704	1,230,068
JPY	180,778	0.2173	39,283	2,031,526	0.2324	472,127
Financial liabilities						
Monetary item:						
USD	\$94,692	30.735	\$2,910,369	\$71,529	30.708	\$2,196,514
EUR	47,274	34.011	1,607,824	56,202	32.704	1,838,039
JPY	4,277,903	0.2173	929,588	4,545,269	0.2324	1,056,320

The Company is unable to disclose foreign exchange gains or losses on significant assets and liabilities denominated in foreign currencies because the Company and subsidiaries use a large number of different functional currencies. The exchange gain for the years ended 31 December 2023 and 2022 were NTD187,311 thousand and NTD936,755 thousand, respectively.

(11) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

13. Other disclosures

(1) Information at significant transactions

- A. Financing provided to others for the year ended 31 December 2023: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others for the year ended 31 December 2023: Please refer to Attachment 2.
- C. Securities held as of 31 December 2023 (excluding subsidiaries, associates and joint ventures): None
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock for the year ended 31 December 2023: None
- E. Acquisition of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock for the year ended 31 December 2023: None
- F. Disposal of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock for the year ended 31 December 2023: None
- G. Related party transactions for purchases and sales amounts exceeding the lower of NTD100 million or 20% of the capital stock for the year ended 31 December 2023:

Please refer to Note 13(1)(j) for detail.
- H. Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of capital stock as of 31 December 2023: Please refer to Attachment 3.
- I. Transaction of derivative financial instruments: Please refer to Note 12(8).

- J. The business relationship, significant transactions and amounts exceeding the lower of NTD100 million or 20% of capital stock between parent company and subsidiaries: Please refer to Attachment 4.

(2) Information on investees

Investee company names, locations, main businesses and products, original investment amount, investment as of 31 December 2023, net income(loss) of the investee company and investment income(loss) recognized as of 31 December 2023: Please refer to Attachment 5.

(3) Information on investments in mainland China

The Company ultimately invests subsidiaries in mainland China through its subsidiary, Johnson International Holding Corp., Ltd., as below: Please refer to Attachment 6.

Attachment 1: Financing provided

A.The Company

No	Lender	Counter- party	Financial statement account	Related party or not	Maximum balance for the period	Ending balance	Amount drawn	Interest rate	Nature of financing (Note 1)	Amount of sales to (purchases from) counter-party	Reason for financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party (Note 2)	Limit of total financing amount (Note 3)
													Item	Value		
0	Johnson Health Tech. Co., Ltd.	Johnson Industrial Do Brasil Ltda.	Other receivable-related parties	Yes	\$540,000	\$540,000	\$392,490	3.00%	1	\$531,489		-	-	-	\$4,821,286	\$9,642,572
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech UAE L.L.C.	Other receivable-related parties	Yes	270,000	270,000	144,928	3.00%	1	304,557		-	-	-	4,821,286	9,642,572
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technologies Canada Commercial Inc.	Other receivable-related parties	Yes	345,000	345,000	301,161	3.00%	1	240,898		-	-	-	4,821,286	9,642,572
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech North America, Inc.	Other receivable-related parties	Yes	71,000	-	-	0.00%	1	4,282,440		-	-	-	4,821,286	9,642,572
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Trading,INC.	Other receivable-related parties	Yes	1,100,000	900,000	492,407	1.50%	1	1,493,320		-	-	-	4,821,286	9,642,572
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech UK Ltd.	Other receivable-related parties	Yes	130,000	130,000	30,736	3.00%	1	284,519		-	-	-	4,821,286	9,642,572
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech.Netherlands B.V.	Other receivable-related parties	Yes	350,000	350,000	84,423	3.00%	1	1,220,216		-	-	-	4,821,286	9,642,572
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technologies, S.A. de C. V.	Other receivable-related parties	Yes	230,000	230,000	80,789	3.00%	1	363,241		-	-	-	4,821,286	9,642,572
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech.GmbH	Other receivable-related parties	Yes	50,000	50,000	5,231	3.00%	1	675,102		-	-	-	675,102	3,857,029
0	Johnson Health Tech. Co., Ltd.	Fuji Medical Instruments Mfg. Co., Ltd.	Other receivable-related parties	Yes	535,440	-	-	0.00%	2	-	Short-term financing	-	-	-	1,928,514	3,857,029
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Turkey Spor Ve Saglik Malzemeleri Ticaret Anonim Sirketi	Other receivable-related parties	Yes	23,380	-	-	0.00%	2	-	For business operation	-	-	-	1,928,514	3,857,029

Note1 : Code “1” represents business relationship between the two companies.

Code “2” represents an entity that requires short-term financing.

Note2 : Johnson Health Tech. Co., Ltd.’s financing limit for the amount of financing between foreign subsidiaries which the Company holds was set at 50% of its net worth stated in the most recent financial report.

For entities not falling under this category, the limit is set at 20% of the Company's net worth or the lower of the balance of business transactions between the parties.

Johnson Health Tech. Co., Ltd.’s financing limit for the company which needs short-term financing was set at 20% of its net worth stated in the most recent financial report.

Note3 : Inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares are not restricted to the limit of financing amount of 40% of the lender's net worth.

However these subsidiaries shall specify the duration of loans, limits on the aggregate amount of such loans, and authorization for loans in their established operational procedures.

Attachment 1: Financing provided

B.Subsidiaries

No	Lender	Counter- party	Financial statement account	Related party or not	Maximum balance for the period	Ending balance	Amount drawn	Interest rate	Nature of financing (Note 1)	Amount of sales to (purchases from) counter-party	Reason for financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party (Note 3)	Limit of total financing amount (Note 3)
													Item	Value		
1	Johnson Health Tech (Vietnam) Company Limited	Style Retail Vietnam Company Limited	Other receivable-related parties	Yes	\$13,725	\$-	\$-	0.00%	2	-	For business operation	-	-	-	-	-
2	Johnson Health Tech France	Johnson Health Tech. Co., Ltd.	Other receivable-related parties	Yes	175,250	171,050	160,787	3.36%	2	-	For business operation	-	-	-	455,159	606,879
3	Johnson Health Tech Japan Co., Ltd.	Johnson Digital Japan Co., Ltd.	Other receivable-related parties	Yes	69,840	65,790	57,018	0.5565%	2	-	For business operation	-	-	-	70,628	211,883
4	Johnson Health Tech UK Limited	Johnson Health Tech Digital UK Ltd	Other receivable-related parties	Yes	28,553	-	-	0.00%	2	-	For business operation	-	-	-	43,068	129,203

Note1 : Code “1” represents business relationship between the two companies.

Code “2” represents an entity that requires short-term financing.

註 2 : Johnson Health Tech. (Vietnam) Company Limited 's financing limit for a counterparty and total financing limit were set at 100% of its net worth stated in the most recent financial report.

Johnson Health Tech France's financing limit for a counterparty was set at 60% of its net worth stated in the most recent financial report; total financing limit was set at 80% of its net worth stated in the most recent financial report.

Johnson Health Tech Japan Co., Ltd. 's financing limit for a counterparty and total financing limit were set at 20% of its net worth stated in the most recent financial report.

Johnson Health Tech UK Limited 's financing limit for a counterparty and total financing limit were set at 20% of its net worth stated in the most recent financial report.

註3 : Limits on the overseas companies in which Johnson Health Tech. Co., Ltd. holds, directly or indirectly, 100% of the voting shares is calculated at 100% of the net worth of the most recent financial statements.

For entities not falling under this category, the limit is set at 40% of the Company's net worth or the lower of the balance of business transactions between the parties.

For entities requiring short-term financing, the limit is calculated at 40% of Johnson Health Tech. Co., Ltd.'s net worth of the most recent financial statements.

The maximum total limit for Johnson Health Tech (Vietnam) Company Limited is calculated at 100% of the net worth of the most recent financial statements.

The maximum total limit for Johnson Health Tech France is calculated at 80% of the net worth of the most recent financial statements.

The maximum total limit for Johnson Health Tech Japan Co., Ltd. is calculated at 60% of the net worth of the most recent financial statements.

The maximum total limit for Johnson Health Tech UK Limited is calculated at 60% of the net worth of the most recent financial statements.

Attachment 2 : Endorsement/Guarantee provided:

A.The Company

No	Endorser/ Guarantor	Counterparty		Guarantee limited amount for each counterparty (Note 2)	Maximum balance	Ending balance of guarantee amount	Amount drawn	Value of collaterals properties	Ratio of accumulated amount of guarantee provided to net equity of the latest financial statements	Limited of guarantee limited amount (Note 3)	Guarantee from the parent to subsidiary	Guarantee from the subsidiary to parent	Guarantee to mainland China
		Company name	Relationship (Note 1)										
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech GmbH	2	\$9,642,572	\$289,950	\$136,840	\$-	-	1.42%	\$24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech UK Limited	2	9,642,572	318,593	317,483	4,812	-	3.29%	24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	World of Leasing GmbH	2	9,642,572	140,200	136,840	-	-	1.42%	24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Iberica S. L.	2	9,642,572	315,450	307,890	280,697	-	3.19%	24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. Japan Co.,Ltd.	2	9,642,572	46,220	43,860	-	-	0.45%	24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. (Thailand) Company Limited	2	9,642,572	97,440	92,220	38,732	-	0.96%	24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. (Schweiz) GmbH	2	9,642,572	166,640	160,640	34,894	-	1.67%	24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technologies Canada Commercial Inc.	2	9,642,572	144,180	139,920	58,300	-	1.45%	24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Italia S.P.A.	2	9,642,572	162,400	153,700	68,420	-	1.59%	24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	Johnson Health Industry (VietNam) Company Limited	2	9,642,572	2,043,500	1,598,480	224,083	-	16.58%	24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technologies, S.A. de C.V.	2	9,642,572	61,520	-	-	-	0.00%	24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	Johnson Industrial Do Brasil Ltda.	2	9,642,572	526,440	517,620	143,864	-	5.37%	24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technology (Shanghai) Co., Ltd.	2	9,642,572	315,200	217,700	66,853	-	2.26%	24,106,430	Y	N	Y
0	Johnson Health Tech. Co., Ltd.	Johnson Industries (Shanghai) Co., Ltd.	2	9,642,572	684,200	525,100	26,318	-	5.45%	24,106,430	Y	N	Y
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Netherlands B.V.	2	9,642,572	105,150	102,630	-	-	1.06%	24,106,430	Y	N	N
0	Johnson Health Tech. Co., Ltd.	Fuji Medical Instruments Mfg. Co., Ltd.	2	9,642,572	293,860	285,280	-	-	2.96%	24,106,430	Y	N	N

Note1 : Code “1” represents there are business relationship between the two companies.

Code “2” represents a subsidiary in which the parent holds directly over 50% of equity interest.

Code “3” represents an investee in which the parent and its subsidiaries hold over 50% of equity interest.

Note2 : Guarantee provided to each counterparty was limited to 100% of net equity of latest financial statement of the guarantor.

Note3 : The total amount may not exceed 250% of net equity of latest financial statement of the guarantor.

Attachment 2 : Endorsement/Guarantee provided:
B.Subsidiaries

No	Endorser/ Guarantor	Counterparty		Guarantee limited amount for each counterparty (Note 2)	Maximum balance	Ending balance of guarantee amount	Amount drawn	Value of collaterals properties	Ratio of accumulated amount of guarantee provided to net equity of the latest financial statements	Limited of guarantee limited amount (Note 3)	Guarantee from the parent to subsidiary	Guarantee from the subsidiary to parent	Guarantee to mainland China
		Company name	Relationship (Note 1)										
1	Johnson Health Tech North America, Inc.	Macrolease Corporation	1	\$9,642,572	\$85,845	\$75,485	\$75,485	-	0.78%	\$24,106,430	N	N	N
1	Johnson Health Tech North America, Inc.	United Leasing, Inc	1	9,642,572	31,579	26,934	26,934	-	0.28%	24,106,430	N	N	N
1	Johnson Health Tech North America, Inc	Lease Servicing Center, Inc.	1	9,642,572	1,265	321	321	-	0.00%	24,106,430	N	N	N
1	Johnson Health Tech North America, Inc	Mitsubishi HC Capital America, Inc.	1	9,642,572	165,671	143,767	143,767	-	1.49%	24,106,430	N	N	N
2	Johnson Health Tech. Australia Pty. Ltd.	CE Finance	1	9,642,572	15,335	15,335	15,335	-	0.16%	24,106,430	N	N	N
3	Johnson Health Tech France	PEAC Finance	1	9,642,572	2,239	1,305	1,305	-	0.01%	24,106,430	N	N	N
4	Johnson Health Technologies Canada Commercial Inc.	Meridian OneCap Credit Corp.	1	9,642,572	2,171	-	-	-	0.00%	24,106,430	N	N	N
4	Johnson Health Technologies Canada Commercial Inc.	United Leasing, Inc.	1	9,642,572	1,875	-	-	-	0.00%	24,106,430	N	N	N
5	Johnson Health Technology (Shanghai) Co., Ltd.	Johnson Health Tech. Co., Ltd.	3	9,642,572	669,450	-	-	-	0.00%	24,106,430	N	Y	N
5	Johnson Health Technology (Shanghai) Co., Ltd.	Johnson Industries (Shanghai) Co., Ltd.	1	9,642,572	3,096,100	740,180	21,770	-	7.68%	24,106,430	N	N	Y
6	Johnson Health Technologies Iberica S. L.	SG Equipment Finance Iberia, E.F.C., S.A.	1	9,642,572	319,102	280,697	280,697	-	2.91%	24,106,430	N	N	N
7	Johnson Health Tech. GmbH	PEAC Finance	1	9,642,572	597	-	-	-	0.00%	24,106,430	N	N	N
7	Johnson Health Tech. GmbH	PEAC (Germany) GmbH	1	9,642,572	124,949	117,438	117,438	-	1.22%	24,106,430	N	N	N

Attachment 2 : Endorsement/Guarantee provided:
B.Subsidiaries

No	Endorser/ Guarantor	Counterparty		Guarantee limited amount for each counterparty (Note 2)	Maximum balance	Ending balance of guarantee amount	Amount drawn	Value of collaterals properties	Ratio of accumulated amount of guarantee provided to net equity of the latest financial statements	Limited of guarantee limited amount (Note 3)	Guarantee from the parent to subsidiary	Guarantee from the subsidiary to parent	Guarantee to mainland China
		Company name	Relationship (Note 1)										
8	Johnson Industrial Do Brasil Ltda.	Daycoval Leasing	1	9,642,572	99,750	94,800	94,800	-	0.98%	24,106,430	N	N	N
9	Johnson Health Tech. Netherlands B.V.	ABC Leasing	1	9,642,572	218,534	218,534	218,534	-	2.27%	24,106,430	N	N	N
9	Johnson Health Tech. Netherlands B.V.	Societe Generale	1	9,642,572	32,048	32,048	32,048	-	0.33%	24,106,430	N	N	N
10	Johnson Industries (Shanghai) Co., Ltd.	Johnson Health Technology (Shanghai) Co., Ltd.	1	9,642,572	307,860	-	-	-	0.00%	24,106,430	N	N	Y
11	Johnson Health Tech CZ & SK a.s.	PEAC Finance	1	9,642,572	4,652	4,117	4,117	-	0.04%	24,106,430	N	N	N

Note1 : Code “1” represents there are business relationship between the two companies.

Code “2” represents a subsidiary in which the parent holds directly over 50% of equity interest.

Code “3” represents an investee in which the parent and its subsidiaries hold over 50% of equity interest.

Note2 : Guarantee provided to each counterparty was limited to 100% of net equity of latest financial statement of the guarantor.

Note3 : The total amount may not exceed 250% of net equity of latest financial statement of the guarantor.

Attachment 3 : Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of capital stock as at end of the period

Company name	Related party	Relationship	Ending balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for bad debts
					Amount	Collection status		
Johnson Health Tech. Co., Ltd.	Johnson Health Tech North America, Inc.	Investee company	Account receivable USD 41,751 (NTD 1,283,215) Non-trade receivable USD 50 (NTD 1,545)	1.91	\$ -	-	\$699,456	\$ -
Johnson Health Tech. Co., Ltd.	Johnson Industrial Do Brasil Ltda	Investee company	Account receivable USD 16,461 (NTD 513,422) Non-trade receivable USD 14,498 (NTD 438,092)	1.25	-	-	231,340	-
Johnson Health Tech. Co., Ltd.	Johnson Health Tech UAE LLC	Investee company	Account receivable USD 8,003 (NTD 261,570) Non-trade receivable USD 5,371 (NTD 149,484)	1.07	-	-	27,006	-
Johnson Health Tech. Co., Ltd.	Johnson Health Tech Retail Inc.	Investee company	Account receivable USD 77,904 (NTD 2,484,824) Non-trade receivable USD 17,370 (NTD 493,423)	0.53	-	-	183,622	-
Johnson Health Tech. Co., Ltd.	Johnson Health Tech. Italia Spa	Investee company	Account receivable EUR 8,893 (NTD 302,456) Non-trade receivable EUR 151 (NTD 5,141)	1.22	-	-	61,373	-
Johnson Health Tech. Co., Ltd.	Johnson Health Tech Canada Commercial Inc.	Investee company	Account receivable USD 4,997 (NTD 163,697) Non-trade receivable USD 11,330 (NTD 338,130)	1.03	-	-	11,072	-
Johnson Health Tech. Co., Ltd.	Johnson Health Technologies, S.A. de C.V.	Investee company	Account receivable USD 7,850 (NTD 241,925) Non-trade receivable USD 2,915 (NTD 88,933)	1.45	-	-	-	-
Johnson Health Tech. Co., Ltd.	Johnson Health Tech. Netherlands B.V.	Investee company	Account receivable EUR 18,027 (NTD 611,773) Non-trade receivable EUR 3,195 (NTD 110,025)	3.05	-	-	272,728	-

Attachment 3 : Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of capital stock as at end of the period

Company name	Related party	Relationship	Ending balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for bad debts
					Amount	Collection status		
Johnson Health Tech. Co., Ltd.	Johnson Health Tech. GmbH	Investee company	Account receivable EUR 6,950 (NTD 236,483) Non-trade receivable EUR 268 (NTD 8,990)	2.35	-	-	59,170	-
Johnson Health Tech. Co., Ltd.	Johnson Health Tech UK Ltd.	Investee company	Account receivable USD 18,180 (NTD 558,477) Non-trade receivable USD 1,352 (NTD 41,827)	0.47	-	-	13,037	-
Johnson Industries (Shanghai) Co., Ltd.	Johnson Health Tech. Co., Ltd.	Investee company	Account receivable USD 74,894 (NTD 2,301,892) EUR 39,978 (NTD 1,359,698) JPY 137,136 (NTD 29,800) Non-trade receivable USD 1 (NTD 30)	1.56	-	-	1,166,376	-
Johnson Health Technology (Shanghai) Co., Ltd.	Johnson Health Tech. Co., Ltd.	Investee company	Account receivable USD 3,348 (NTD 102,900) EUR 232 (NTD 7,879) JPY 9,628 (NTD 2,092)	3.77	-	-	102,040	-

Attachment 4 : The business relationship, significant transactions and amounts between parent company and subsidiaries

No (Note 1)	Company name	Counter party	Nature of relationship (Note 2)	Inter company transactions			
				Financial statements item	Amount	Terms	Percentage of consolidated total gross sales or total assets (%) (Note 3)
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. North America, Inc.	1	Sales	\$4,282,441	The same commercial terms as with a general customer	11.25%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. North America, Inc.	1	Receivables from related parties	1,283,215	The same commercial terms as with a general customer	3.52%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. North America, Inc.	1	Other accounts receivable	1,545	The same commercial terms as with a general customer	0.00%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. UK Ltd.	1	Sales	284,519	The same commercial terms as with a general customer	0.75%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. UK Ltd.	1	Receivables from related parties	558,477	The same commercial terms as with a general customer	1.53%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. UK Ltd.	1	Other accounts receivable	41,827	The same commercial terms as with a general customer	0.11%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. GmbH	1	Sales	675,102	The same commercial terms as with a general customer	1.77%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. GmbH	1	Receivables from related parties	236,483	The same commercial terms as with a general customer	0.65%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. GmbH	1	Other accounts receivable	8,990	The same commercial terms as with a general customer	0.02%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. Netherlands B.V.	1	Sales	1,301,031	The same commercial terms as with a general customer	3.42%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. Netherlands B.V.	1	Receivables from related parties	611,773	The same commercial terms as with a general customer	1.68%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. Netherlands B.V.	1	Other accounts receivable	110,025	The same commercial terms as with a general customer	0.30%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech France	1	Sales	470,977	The same commercial terms as with a general customer	1.24%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech France	1	Receivables from related parties	203,762	The same commercial terms as with a general customer	0.56%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech France	1	Other accounts receivable	1,239	The same commercial terms as with a general customer	0.00%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Australia Pty., Ltd.	1	Sales	382,153	The same commercial terms as with a general customer	1.00%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Australia Pty., Ltd.	1	Receivables from related parties	117,552	The same commercial terms as with a general customer	0.32%

Attachment 4 : The business relationship, significant transactions and amounts between parent company and subsidiaries

No (Note 1)	Company name	Counter party	Nature of relationship (Note 2)	Inter company transactions			
				Financial statements item	Amount	Terms	Percentage of consolidated total gross sales or total assets (%) (Note 3)
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Australia Pty., Ltd.	1	Other accounts receivable	248	The same commercial terms as with a general customer	0.00%
0	Johnson Health Tech. Co., Ltd.	Johnson Industrial do Brasil Ltda	1	Sales	531,489	The same commercial terms as with a general customer	1.40%
0	Johnson Health Tech. Co., Ltd.	Johnson Industrial do Brasil Ltda	1	Receivables from related parties	513,422	The same commercial terms as with a general customer	1.41%
0	Johnson Health Tech. Co., Ltd.	Johnson Industrial do Brasil Ltda	1	Other accounts receivable	438,092	The same commercial terms as with a general customer	1.20%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Japan Co., ltd.	1	Sales	297,237	The same commercial terms as with a general customer	0.78%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Japan Co., ltd.	1	Receivables from related parties	30,822	The same commercial terms as with a general customer	0.08%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Japan Co., ltd.	1	Other accounts receivable	69	The same commercial terms as with a general customer	0.00%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Canada Inc.	1	Sales	240,898	The same commercial terms as with a general customer	0.63%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Canada Inc.	1	Receivables from related parties	163,697	The same commercial terms as with a general customer	0.45%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Canada Inc.	1	Other accounts receivable	338,130	The same commercial terms as with a general customer	0.93%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technologies Ibérica, SL	1	Sales	295,223	The same commercial terms as with a general customer	0.78%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technologies Ibérica, SL	1	Receivables from related parties	20,228	The same commercial terms as with a general customer	0.06%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technologies Ibérica, SL	1	Other accounts receivable	519	The same commercial terms as with a general customer	0.00%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. (Schweiz) GmbH	1	Sales	133,227	The same commercial terms as with a general customer	0.35%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. (Schweiz) GmbH	1	Receivables from related parties	236,483	The same commercial terms as with a general customer	0.65%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech. (Schweiz) GmbH	1	Other accounts receivable	8,990	The same commercial terms as with a general customer	0.02%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Italia S.P.A.	1	Sales	342,409	The same commercial terms as with a general customer	0.90%

Attachment 4 : The business relationship, significant transactions and amounts between parent company and subsidiaries

No (Note 1)	Company name	Counter party	Nature of relationship (Note 2)	Inter company transactions			
				Financial statements item	Amount	Terms	Percentage of consolidated total gross sales or total assets (%) (Note 3)
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Italia S.P.A.	1	Receivables from related parties	302,456	The same commercial terms as with a general customer	0.83%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Italia S.P.A.	1	Other accounts receivable	5,141	The same commercial terms as with a general customer	0.01%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech UAE L.L.C	1	Sales	304,557	The same commercial terms as with a general customer	0.80%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech UAE L.L.C	1	Receivables from related parties	261,570	The same commercial terms as with a general customer	0.72%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech UAE L.L.C	1	Other accounts receivable	149,484	The same commercial terms as with a general customer	0.41%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Retail Inc.	1	Sales	1,493,320	The same commercial terms as with a general customer	3.92%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Retail Inc.	1	Receivables from related parties	2,484,824	The same commercial terms as with a general customer	6.82%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Retail Inc.	1	Other accounts receivable	493,423	The same commercial terms as with a general customer	1.35%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technologies, S.A. D	1	Sales	363,241	The same commercial terms as with a general customer	0.95%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technologies, S.A. D	1	Receivables from related parties	241,925	The same commercial terms as with a general customer	0.66%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technologies, S.A. D	1	Other accounts receivable	88,933	The same commercial terms as with a general customer	0.24%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Rus Limited Liability Company	1	Sales	134,904	The same commercial terms as with a general customer	0.35%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Tech Rus Limited Liability Company	1	Receivables from related parties	6,766	The same commercial terms as with a general customer	0.02%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Industry (Viet Nam) Company	1	Purchases	1,735,675	The same commercial terms as with a general customer	4.56%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Industry (Viet Nam) Company	1	Payables to related parties	25,092	The same commercial terms as with a general customer	0.07%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Industry (Viet Nam) Company	1	Other payables to related parties	481	The same commercial terms as with a general customer	0.00%
0	Johnson Health Tech. Co., Ltd.	Johnson Industries (Shanghai) Co., Ltd.	1	Purchases	5,632,191	The same commercial terms as with a general customer	14.79%

Attachment 4 : The business relationship, significant transactions and amounts between parent company and subsidiaries

No (Note 1)	Company name	Counter party	Nature of relationship (Note 2)	Inter company transactions			
				Financial statements item	Amount	Terms	Percentage of consolidated total gross sales or total assets (%) (Note 3)
0	Johnson Health Tech. Co., Ltd.	Johnson Industries (Shanghai) Co., Ltd.	1	Payables to related parties	3,691,389	The same commercial terms as with a general customer	10.14%
0	Johnson Health Tech. Co., Ltd.	Johnson Industries (Shanghai) Co., Ltd.	1	Other payables to related parties	30	The same commercial terms as with a general customer	0.00%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technology (Shanghai) Co., Ltd.	1	Purchases	350,034	The same commercial terms as with a general customer	0.92%
0	Johnson Health Tech. Co., Ltd.	Johnson Health Technology (Shanghai) Co., Ltd.	1	Payables to related parties	112,871	The same commercial terms as with a general customer	0.31%
1	Johnson Health Technology (Shanghai) Co., Ltd.	Johnson Industries (Shanghai) Co., Ltd.	3	Purchases	233,485	The same commercial terms as with a general customer	0.61%
1	Johnson Health Technology (Shanghai) Co., Ltd.	Johnson Industries (Shanghai) Co., Ltd.	3	Payables to related parties	87,689	The same commercial terms as with a general customer	0.24%
1	Johnson Health Technology (Shanghai) Co., Ltd.	Johnson Industries (Shanghai) Co., Ltd.	3	Other payables to related parties	137	The same commercial terms as with a general customer	0.00%
1	Johnson Health Technology (Shanghai) Co., Ltd.	Johnson Industries (Shanghai) Co., Ltd.	3	Sales	1,206,327	The same commercial terms as with a general customer	3.17%
1	Johnson Health Technology (Shanghai) Co., Ltd.	Johnson Industries (Shanghai) Co., Ltd.	3	Receivables from related parties	406,141	The same commercial terms as with a general customer	1.12%
1	Johnson Health Technology (Shanghai) Co., Ltd.	Johnson Industries (Shanghai) Co., Ltd.	3	Other accounts receivable	928	The same commercial terms as with a general customer	0.00%

Note1 : Code "0" represents the parent company, each numerical codes starting from 1 represent each subsidiary.

Note2 : Code "1" represents transactions between the parent company and a subsidiary.

Code "2" represents transactions between a subsidiary and the parent company.

Code "3" represents transactions between subsidiaries.

Note3 : The ratio of transaction amount to the consolidated income or assets is recognized as follows: for assets or liability, the ratio is accounted as the ending balance to consolidated total assets; however, for income or loss accounts, the ratio is based on mid-term accumulated amount to consolidated income.

Attachment 5: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2023 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2023: (Excluding investment in Mainland China)

Investor company	Investee company	Address	Main businesses and products	Initial investment amount		Investment as at end of the period			Net income (loss) of investee Company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares (thousands)	Percentage of ownership (%)	Book value			
Johnson Health Tech. Co., Ltd.	Johnson International Holding Corp., Ltd.	P.O. BOX3340, Road Town, Tortola, British Virgin Islands.	Holding company	5,494,895	\$5,495,256	-	100.00%	\$9,501,430	\$272,756	\$(16,333)	Note1 Note2
Johnson Health Tech. Co., Ltd.	Johnson Health Tech (Vietnam) Company Limited	Pacific Building, No.168 Vo Thi Sau Street, Ward 8, District 3, HCM City.	Selling cardiovascular and weight training equipment	105,218 (USD 3,295)	92,706 (USD 2,900)	-	100.00%	(52,273)	(38,043)	(39,570)	
Johnson Health Tech. Co., Ltd.	Johnson Health Technologies, S.A. de C.V.	Carretera Maxico-Toluca 5631-230 Col.Cuajimalpa,Del Cuajimalpa CP 05000,Mexico DF	Selling cardiovascular and weight training equipment	97,924 (USD 3,125)	97,924 (USD 3,125)	-	100.00%	298,111	106,722	106,722	
Johnson Health Tech. Co., Ltd.	Johnson Health Tech Canada Inc.	10401,boul.Ray Lawson,Anjou,Quebec,H1J 1M3	Holding company	147,811 (USD 4,554)	147,811 (USD 4,554)	-	100.00%	(192,198)	(71,487)	(71,487)	Note1
Johnson Health Tech. Co., Ltd.	Johnson Health Tech. UK Ltd.	East Court, Riverside Park, Campbell Road, Stoke on Trent, Staffordshire, ST4 4DA, England , UK	Selling cardiovascular and weight training equipment	321,100 (USD 10,000)	321,100 (USD 10,000)	-	44.43%	95,675	(102,294)	(45,449)	
Johnson Health Tech. Co., Ltd.	Johnson Health Tech Retail Inc.	150 EAST GILMAN STREET,MADISON,WI 53703	Selling cardiovascular and weight training equipment	1,552,050 (USD 48,661)	1,552,050 (USD 48,661)	-	100.00%	130,785	6,391	6,391	Note1
Johnson Health Tech. Co., Ltd.	Johnson Health Care Co., Ltd.	2-2-7 Minamikaneden, Suita, Osaka, 564-0044, Japan	Massage chair research, development, manufacturing and trading	-	20,813 (JPY 75,000)	-	-%	-	-	-	
Johnson Health Tech. Co., Ltd.	Johnson Health Tech Philippines, Inc.	Unit1401-1402, The Orient Square Building F. Ortigas Jr. Road, Ortigas Center, Pasig City, Metro Manila,1605 Philippines	Selling cardiovascular and weight training equipment	50,440 (USD 1,597)	50,440 (USD 1,597)	-	100.00%	(33,834)	(6,832)	(6,832)	

Attachment 5: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2023 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2023: (Excluding investment in Mainland China)

Investor company	Investee company	Address	Main businesses and products	Initial investment amount		Investment as at end of the period			Net income (loss) of investee Company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares (thousands)	Percentage of ownership (%)	Book value			
Johnson Health Tech. Co., Ltd.	Johnson Health Industry (Viet Nam) Company Limited	LO CN-24, KCN Thuan Thanh II, Xa An Binh, Huyen Thuan Thanh, Tinh BAC Ninh, Vietnam	Manufacturing and selling cardiovascular and weight training equipment	1,103,332 (USD 35,000)	618,082 (USD 20,000)	-	100.00%	325,068	(54,805)	(54,805)	
Johnson Health Tech. Co., Ltd.	Johnson Health Tech Rus Limited Liability Company	Moscow, Novodanilovskaya nab. 6, building 1, floor 2, Premises XXVIII, Room 4,	Selling cardiovascular and weight training equipment	16,949 (USD 556)	16,949 (USD 556)	-	100.00%	139,164	73,215	73,215	
Johnson Health Tech. Co., Ltd.	Fuji Medical Instruments Mfg. Co., Ltd.	14F, OE BLDG, 1-22, Noninbashi 1-chome, Chuo-ku, Osaka, 540-0011, Japan	Massage chair research, development, manufacturing and trading	2,512,792 (USD 166) (JPY 9,361,000)	2,065,699 (JPY 7,361,000)	-	100.00%	2,517,254	(2,826)	(77,125)	Note3
Johnson Health Tech. Co., Ltd.	Johnson Health Tech. North America, Inc.	1600 Landmark Dr. Cottage Grove WI 53527 USA	Selling cardiovascular and weight training equipment	3,019,549 (USD 91,472)	3,019,549 (USD 91,472)	-	100.00%	1,714,288	606,406	606,406	
Johnson Health Tech. Co., Ltd.	PT Johnson Health Tech Indonesia	Rukan Citta Graha Blok 2A,Jl Arteri Kedoya,Kel.Kedoya Selatan,Kec.Kebon Jeruk,Kota Adm.Jakarta Barat,Prov.DKI Jakarta	Selling cardiovascular and weight training equipment	10,198 (USD 350)	10,198 (USD 350)	-	100.00%	31,793	13,007	13,007	
Johnson Health Tech. Co., Ltd.	Johnson Health Tech Turkey Spor Ve Saglik Malzemeleri Ticaret Anonim Sirketi	Resitpasa Mah. Eski Buyukdere Cad. Windowist Blok No: 26 Ic Kapi No: 3 Sariyer/ Istanbul.	Selling cardiovascular and weight training equipment	66,130 (EUR 2,000)	33,120 (EUR 1,000)	-	99.99%	38,461	8,261	8,261	
Johnson Health Tech. Co., Ltd.	Johnson Health Tech SA Proprietary Limited	Unit 1B Riversands Outlet Park, Riversands Boulevard, Riversands	Selling cardiovascular and weight training equipment	55,820 (USD 2,000)	55,820 (USD 2,000)	-	100.00%	22,057	(14,115)	(14,115)	
Johnson Health Tech. Co., Ltd.	JHT FIT Company Limited	2/3, BANGNA TOWER, FLOOR 9, BANG NA-TRAD, BANG KAE0, BANG PHLI, SAMUT PRAKAN 10540	Video transmission and streaming service	17,230 (USD 486) (EUR 100)	17,230 (USD 486) (EUR 100)	-	100.00%	8,111	(4,351)	(4,351)	

Attachment 5: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2023 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2023: (Excluding investment in Mainland China)

Investor company	Investee company	Address	Main businesses and products	Initial investment amount		Investment as at end of the period			Net income (loss) of investee Company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares (thousands)	Percentage of ownership (%)	Book value			
Johnson Health Tech. Co., Ltd.	Johnson Health Tech Digital UK Limited	Unit 2 40:40 Link Mill End Road, High Wycombe, England, HP12 4AX	Video transmission and streaming service	124,290 (USD 4,000)	61,800 (USD 2,000)	-	100.00%	95,055	(27,748)	(27,748)	
Johnson Health Tech. Co., Ltd.	Johnson Health Tech Korea Co., Ltd.	Woori Bldg., #302, 3F, 42, Chilpae-ro, Jung-gu, Seoul, Korea	Selling cardiovascular and weight training equipment	27,829 (USD 1,000)	27,829 (USD 1,000)	-	100.00%	53,350	28,871	28,871	
Johnson Health Tech. Co., Ltd.	Johnson Health Tech India Pvt Ltd	Forbes Building, Charanjit Rai Marg, Fort, Mumbai, Mumbai City Maharashtra	Selling cardiovascular and weight training equipment	22,993 (USD 775)	22,993 (USD 775)	-	100.00%	22,428	7,916	7,916	
Johnson Health Tech. Co., Ltd.	Johnson Fitness (Malaysia) Sdn. Bhd.	Lot 557D, Jalan Subang 3, Subang Jaya Industrial Estate, 47610 Subang Jaya, Selangor, Malaysia.	Selling cardiovascular and weight training equipment	130,489 (USD 4,144)	130,489 (USD 4,144)	16,052,000	99.38%	(19,712)	(35,755)	(35,533)	
Johnson Health Tech. Co., Ltd.	Johnson Health Tech. HK Ltd.	Room 1501-1502, Golden Milan Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong	Selling cardiovascular and weight training equipment	13,763 (USD 429)	13,763 (USD 429)	3,340,000	100.00%	40,393	10,098	10,098	
Johnson Health Tech. Co., Ltd.	Johnson Health Tech UAE LLC	No. 602, 6th Floor, ICON Tower, Barsha Heights, Dubai, UAE	Selling cardiovascular and weight training equipment	32,830 (USD 1,000)	-	-	100.00%	53,434	53,356	49,281	
Johnson Health Tech. Co., Ltd.	Johnson Health Tech. (Schweiz) GmbH	Riedthofstrasse 214, 8105 Regensdorf, Switzerland	Selling cardiovascular and weight training equipment	64,780 (USD 2,006)	-	2,000	100.00%	50,064	25,904	25,634	
Johnson Health Tech. Co., Ltd.	Johnson Health Tech Japan Co., Ltd.	Loop-X Bldg. 7F, 3-9-15 Kaigan, Minato-ku, Tokyo 109-0022, Japan	Selling cardiovascular and weight training equipment	16,488 (JPY 75,000)	-	10,000	42.52%	16,448	(15,399)	-	

Attachment 5: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2023 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2023: (Excluding investment in Mainland China)

Investor company	Investee company	Address	Main businesses and products	Initial investment amount		Investment as at end of the period			Net income (loss) of investee Company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares (thousands)	Percentage of ownership (%)	Book value			
Johnson Health Tech. Co., Ltd.	DAYA Corporation	No. 999, Sec. 2, Dongda Rd., Zhongyi Vil., Daya Dist., Taichung City 428314, Taiwan (R.O.C.)	Catering industry, food and beverage wholesale, etc.	5,000 (NTD 5,000)	-	-	100.00%	5,000	-	-	
Johnson International Holding Corp., Ltd.	Johnson Health Tech. UK Ltd.	East Court, Riverside Park, Campbell Road, Stoke on Trent, Staffordshire, ST4 4DA, England , UK	Selling cardiovascular and weight training equipment	444,921 (USD 13,952)	444,921 (USD 13,952)	-	55.57%	137,642	(102,294)	Not applicable	
Johnson International Holding Corp., Ltd.	Johnson Health Tech France	45, Avenue Georges Politzer 78190 Trappes – France.	Selling cardiovascular and weight training equipment	925,413 (USD 28,436)	925,413 (USD 28,436)	-	100.00%	758,598	(21,463)	Not applicable	
Johnson International Holding Corp., Ltd.	Johnson Health Tech. GmbH	Europaallee 51, 50226 Frechen, Germany	Selling cardiovascular and weight training equipment	513,423 (USD 15,908)	513,423 (USD 15,908)	-	99.77%	534,070	50,038	Not applicable	
Johnson International Holding Corp., Ltd	Johnson Health Technologies Ibérica, SL	Avenida del Sol, 8 28850 - Torrejón de Ardoz (Madrid) España	Selling cardiovascular and weight training equipment	770,787 (USD 23,992)	770,787 (USD 23,992)	446,175	99.99%	712,271	37,456	Not applicable	
Johnson International Holding Corp., Ltd.	Johnson Health Tech Japan Co., Ltd.	Loop-X Bldg. 7F, 3-9-15 Kaigan, Minato-ku, Tokyo 109-0022, Japan	Selling cardiovascular and weight training equipment	235,752 (USD 7,262)	235,752 (USD 7,262)	13,489	57.35%	335,963	(15,399)	Not applicable	
Johnson International Holding Corp., Ltd.	Johnson Health Tech. (Thailand) Co., Ltd.	9th Floor, Unit 9B, Bangna Tower A2/3, Bangna-Trad Road K.M.6.5 Bangkaew, Bangplee Samutprakan 10540 Thailand	Selling cardiovascular and weight training equipment	39,363 (USD 1,217)	39,363 (USD 1,217)	475,000	95.00%	69,587	(12,486)	Not applicable	
Johnson International Holding Corp., Ltd.	Johnson Health Tech Italia S.P.A.	Zona Industriale Campolungo11,Ascoli Piceno,AP,Italy	Selling cardiovascular and weight training equipment	505,995 (USD 15,683)	505,995 (USD 15,683)	1,098,000	99.82%	675,828	107,586	Not applicable	

Attachment 5: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2023 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2023: (Excluding investment in Mainland China)

Investor company	Investee company	Address	Main businesses and products	Initial investment amount		Investment as at end of the period			Net income (loss) of investee Company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares (thousands)	Percentage of ownership (%)	Book value			
Johnson International Holding Corp., Ltd.	Johnson Health Tech. (Schweiz) GmbH	Riedthofstrasse 214, 8105 Regensdorf, Switzerland	Selling cardiovascular and weight training equipment	-	64,780 (USD 2,006)	-	-%	-	-	Not applicable	
Johnson International Holding Corp., Ltd.	Johnson Health Tech. Netherland B.V.	Duwboot 25-29, 3991, CD Houten, Netherland.	Selling cardiovascular and weight training equipment	539,077 (USD 17,177)	539,077 (USD 17,177)	18,100	100.00%	745,099	43,654	Not applicable	
Johnson International Holding Corp., Ltd.	Johnson Health Care Co., Ltd.	1-3-8 Tokiwa-machi, Chuo-ku, Osaka, 540-0028, Japan	Massage chair research, development, manufacturing and trading	-	5,493 (USD 166)	-	-%	-	-	Not applicable	
Johnson International Holding Corp., Ltd.	Johnson Industrial do Brasil Ltda.	Estrada Municipal José Costa de Mesquita, 200 - Chácara Alvorada - Gleba 3 - Módulos 14 e 15 do CLIN - Indaiatuba - São Paulo - 13337-200 - Brasil	Selling cardiovascular and weight training equipment	826,035 (USD 26,363)	826,035 (USD 26,363)	-	99.99%	356,739	161,049	Not applicable	
Johnson International Holding Corp., Ltd.	World of Leasing GmbH	Gänseberg 5 22926 Ahrensburg	Selling cardiovascular and weight training equipment	46,442 (USD 1,503)	46,442 (USD 1,503)	-	100.00%	179,482	4,932	Not applicable	
Johnson International Holding Corp., Ltd.	Johnson Health Tech. Australia Pty., Ltd	78 Logis Boulevard, Dandenong South VIC 3175	Selling cardiovascular and weight training equipment	573,150 (EUR 18,505)	573,150 (EUR 18,505)	20,715,330	100.00%	409,524	16,114	Not applicable	
Johnson International Holding Corp., Ltd.	Johnson Health Tech. Poland Sp. z o.o.	ul. Działkowa, No. 62, WARSAW, 02-234 code, post office WARSAW, POLAND country	Selling cardiovascular and weight training equipment	121,209 (EUR 3,299)	121,209 (EUR 3,299)	33,840	100.00%	103,525	7,376	Not applicable	
Johnson International Holding Corp., Ltd.	Style Retail Vietnam Company Limited	Pacific Building, No.168 Vo Thi Sau Street, Ward 8, District 3, HCM City.	Selling cardiovascular and weight training equipment	-	12,512 (USD 395)	-	-%	-	-	Not applicable	

Attachment 5: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2023 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2023: (Excluding investment in Mainland China)

Investor company	Investee company	Address	Main businesses and products	Initial investment amount		Investment as at end of the period			Net income (loss) of investee Company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares (thousands)	Percentage of ownership (%)	Book value			
Johnson International Holding Corp., Ltd.	Johnson Health Tech UAE LLC	No. 602, 6th Floor, ICON Tower, Barsha Heights, Dubai, UAE	Selling cardiovascular and weight training equipment	-	32,830 (USD 1,000)	-	-%	-	-	Not applicable	
Johnson Health Tech Retail Inc.	2nd wind Exercise Equipment, Inc.	7585 Equitable Dr Eden Prairie, Minnesota 55344	Selling cardiovascular and weight training equipment	657,600 (USD 19,900)	657,600 (USD 19,900)	-	100.00%	695,527	123,041	Not applicable	
Johnson Health Tech Retail Inc.	Leisure Fitness Equipment, LLC	231 Executive Drive, Suite 15 Newark, DE 19702	Selling cardiovascular and weight training equipment	258,317 (USD 7,993)	258,317 (USD 7,993)	-	100.00%	546,889	(212,123)	Not applicable	
Johnson Health Tech Retail Inc.	The Gym Store, LLC (Busy Body)	11900 Community Road, Powar, CA 92064	Selling cardiovascular and weight training equipment	150,278 (USD 4,650)	150,278 (USD 4,650)	-	100.00%	171,996	(133,052)	Not applicable	
Johnson Health Tech Retail Inc.	Johnson Health Tech Trading, Inc.	150 East Gilman Street, Madison, WI 53703.	Selling cardiovascular and weight training equipment	351,886 (USD 11,511)	351,886 (USD 11,511)	10,000	100.00%	153,109	168,005	Not applicable	
Johnson Health Tech. North America, Inc.	Johnson Health Tech NA Manufacturing LLC	1600 Landmark Dr. Cottage Grove WI53527 USA	Selling and Manufacturing weight training equipment	394,287 (USD 12,698)	394,287 (USD 12,698)	-	100.00%	99,812	1,312	Not applicable	
Johnson Health Tech. North America, Inc.	Synclync	1600 LANDMARK DR COTTAGE GROVE, WI 53527	Hearing aid trading industry	-	-	-	-%	-	-	-	

Attachment 5: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2023 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2023: (Excluding investment in Mainland China)

Investor company	Investee company	Address	Main businesses and products	Initial investment amount		Investment as at end of the period			Net income (loss) of investee Company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares (thousands)	Percentage of ownership (%)	Book value			
Johnson Health Tech Australia Pty., Ltd	Johnson Health Tech New Zealand	WHK AUCKLAND, Whk, Level 6, 51-53 Shortland St, Auckland, 1010, NZ	Selling cardiovascular and weight training equipment	2 (NZD -)	2 (NZD -)	100	100.00%	(14,936)	(8,984)	Not applicable	
Johnson Health Tech. Netherland B.V.	Johnson Health Tech Denmark Aps	Tuborgvej 5, 2900 Hellerup, Denmark	Selling cardiovascular and weight training equipment	239 (DK 50)	239 (DK 50)	50,000	100.00%	(142,126)	(17,611)	Not applicable	
Johnson Health Tech Italia S.P.A.	Johnson Health Tech Hellas SA	Alimou Avenue nr. 36-40, 17455 Alimos	Selling cardiovascular and weight training equipment	50,699 (EUR 1,496)	50,699 (EUR 1,496)	14,960	99.73%	32,944	12,024	Not applicable	
Johnson Health Tech Italia S.P.A.	Johnson Health Tech Romania SA	15 Aleea Dealul Mitropoliei Street, Room 9, Apartment 2, District 4, Bucharest	Selling cardiovascular and weight training equipment	4,058 (EUR 120)	4,058 (EUR 120)	1,732,000	99.00%	72,134	21,416	Not applicable	
Johnson Health Tech Italia S.P.A.	Johnson Health Tech CZ & SK a.s.	Plynární 1617, 170 00 Praha 7-Holešovice	Selling cardiovascular and weight training equipment	12,853 (CKZ 9,900)	12,853 (CKZ 9,900)	99	99.00%	12,611	8,923	Not applicable	
Johnson Health Tech Japan Co., Ltd.	Johnson Digital Japan Co., Ltd.	Shiodome Shiba Rikyu Building 21F, 1-2-15 Kaigan, Minato-ku, Tokyo, Japan	Video transmission and streaming service	-	-	-	100.00%	4,616	(13,732)	Not applicable	
Fuji Medical Instruments Mfg. Co., Ltd.	Fujiyoki, Inc.	c/o Foley & Lardner LLP 150 East Gilman Street, Suite 5000 Madison, WI 53703	Massage chair trading	31 (USD 1)	-	-	100.00%	31	-	Not applicable	

Note1 : Current investment income from investees recognized by the Company included investment gain / loss recognized by these investees from their reinvestment.

Note2 : Current investment income from investees recognized by the Company included investment gain/loss recognized by these investees from concurrent/upstream transactions.

Note3 : Current investment income from investees recognized by the Company included investment gain/loss recognized by these investees from sidestream transactions.

Attachment 6 : Information on investments in mainland China

(Amounts in thousands; Currency denomination in NTD or in foreign currencies)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Beginning accumulated outflow of investment from	Investment Flows		Ending accumulated outflow of investment from Taiwan	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note 2)	Carrying value as at end of the period	Accumulated inward remittance of earnings as at end
					Outflow	Inflow						
Johnson Health Technology (Shanghai) Co., Ltd.	Manufacturing and selling fitness equipment	\$1,010,296 (RMB 244,757)	Indirect investments through JIH (BVI)	\$748,894 (USD 22,500)	\$ -	\$ -	\$748,894 (USD 22,500)	\$(379,735)	100.00%	\$(379,735)	\$1,807,191	\$ -
Johnson Industries (Shanghai) Co., Ltd.	Manufacturing and selling fitness equipment	1,288,274 (RMB 292,683)	Indirect investments through JIH (BVI)	62,955 (USD 2,000)	-	-	62,955 (USD 2,000)	333,455	100.00%	333,455	3,313,024	-
Johnson F&B Management (Shanghai) Co., Ltd.	Selling food	72,566 (USD 2,350)	Indirect investments through JIH (BVI)	72,566 (USD 2,350)	-	-	72,566 (USD 2,350)	(1,923)	100.00%	(1,923)	33,877	-
Joyful Trading (Shanghai) Co., Ltd.	Selling food	29,905 (USD 950)	Indirect investments through JIH (BVI)	29,905 (USD 950)	-	-	29,905 (USD 950)	87	100.00%	87	5,600	-
Johnson Health Tech Digital Shanghai Limited	Video transmission and streaming service	-	Indirect investments through JIH (BVI)	-	-	-	-	-	100.00%	-	-	-
Fuji Wellness (Shanghai) Co., Ltd.	Massage chair trading	4,333,700 (RMB 1,000,000)	Indirect investments through JIH (BVI)	-	-	-	-	-	100.00%	-	-	-

Note1 : Indirect investment in Mainland China was made through Johnson International Holding Corp. Ltd.

Note2 : The financial statements were certificated by the public accountants of the parent company in Taiwan.

Note3 : The figures in this table are presented in New Taiwan Dollars and the foreign currency is converted at the exchange rate on the balance sheet date.

Accumulated investment in Mainland China as at 31 December 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
		The lender's net accounts value × 60%
\$914,320 (USD27,800)	\$2,501,053 (USD76,450)	\$5,785,543

Please refer to Notes 13(1) and (2) for details on information such as the price, payment of transactions between the Company and its investment in mainland China through its investees.