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# JOHNSON HEALTH TECH. CO., LTD. AND SUBSIDIARIES
# CONSOLIDATED FINANCIAL STATEMENTS
# WITH REPORT OF INDEPENDENT ACCOUNTANTS
# FOR THE YEARS ENDED
# 31 DECEMBER 2024 AND 2023

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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# REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of JOHNSON HEALTH TECH. CO., LTD. as of and for the year ended 31 December 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, JOHNSON HEALTH TECH. CO., LTD. and its subsidiaries do not prepare a separate set of combined financial statements.

Hereby certified.

JOHNSON HEALTH TECH. CO., LTD.

Lo, Kun Chuan
Chairman

13 March 2025

安永聯合會計師事務所

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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 consolidated balance sheets of Johnson Health Tech. Co., Ltd. (the "Company") and its subsidiaries as at 31 December 2024 and 2023, the related consolidated statements of comprehensive income, statements of changes in equity and cash flows for the years ended 31 December 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (collectively referred to as "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as at 31 December 2024 and 2023, and their consolidated financial performance and cash flows for the years ended 31 December 2024 and 2023, in conformity 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.

## 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 Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries 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 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated 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

As at 31 December 2024, gross accounts receivable and allowance for bad debts by the Company and its subsidiaries amounted to NTD13,251,104 thousand and NTD153,061 thousand, respectively. Net accounts receivable represented 30% of total consolidated assets which were material to the Company and its subsidiaries. Since the amount of allowance for receivables is measured by the lifetime expected credit loss, the measurement process includes grouping the receivables and judging the use of the related assumptions in the analysis, including the appropriate accounting aging and the loss rate of each aging interval. As the measurement of expected credit losses involved judgment, analysis and estimation. we, therefore, determined 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; and 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 the disclosures related to accounts receivable in Notes 5 and 6.

Inventory valuation

As at 31 December 2024, the net inventories amounted to NTD11,800,428 thousand, accounting for 27% of the total consolidated assets. As products are vulnerable to fluctuating market demands and fast technological changes which may cause obsolete and slow-moving inventory losses, the determination of the provisions for obsolete inventories involved a high level of management judgment. 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 inventories in Notes 5 and 6.

Goodwill impairment

As at 31 December 2024, the goodwill was carried at NTD2,304,824 thousand which represented 5% of total consolidated assets. 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 the Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries 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 and its subsidiaries.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated 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 and its subsidiaries.

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 and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated 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 and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries 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 2024 consolidated 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.

**Others**

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as at and for the years ended 31 December 2024 and 2023.

Huang, Tzu Ping

Chen, Ming Hung

Ernst & Young, Taiwan

13 March 2025

**Notice to Readers**

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

JOHNSON HEALTH TECH. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December 2024 and 31 December 2023

(Expressed in Thousands of New Taiwan Dollars)

| Assets | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| | | Amount | Amount |
| **Current Assets** | | | |
| Cash and cash equivalents | 4&6(1) | $2,686,730 | $2,341,417 |
| Financial assets at fair value through profit or loss, current | 4&6(2) | 8,686 | 14,162 |
| Financial assets measured at amortized cost, current | 4&12 | 11,133 | 16,597 |
| Contract asset, current | 4,6(17)&(18) | 34,891 | 27,259 |
| Notes receivable, net | 4&6(18) | 44,152 | 80,421 |
| Trade receivables, net | 4,6(3)&(18) | 13,098,043 | 10,482,219 |
| Other accounts receivable, net | 4&8 | 434,733 | 434,611 |
| Inventories, net | 4&6(4) | 11,800,428 | 9,039,224 |
| Prepayments | 4 | 2,077,241 | 1,066,366 |
| Other current assets | | 111,654 | 107,588 |
| **Total Current Assets** | | 30,307,691 | 23,609,864 |
| **Non-current assets** | | | |
| Investments in equity instruments measured at fair value through other comprehenive income | 4&12 | 7,912 | 8,707 |
| Property, Plant and Equipment | 4,6(5)&8 | 4,661,018 | 4,580,639 |
| Right-of-use assets | 4,6(19)&8 | 3,134,068 | 2,871,402 |
| Investment property | 4 | 33,717 | 35,290 |
| Intangible assets | 4,6(6)&(7) | 2,825,764 | 2,823,009 |
| Deferred tax assets | 4&6(23) | 1,570,740 | 1,656,533 |
| Other non-current assets | | 1,074,508 | 836,396 |
| **Total non-current assets** | | 13,307,727 | 12,811,976 |
| **Total Assets** | | $43,615,418 | $36,421,840 |

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
JOHNSON HEALTH TECH. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
31 December 2024 and 31 December 2023
(Expressed in Thousands of New Taiwan Dollars)

| Liabilities and Equity | Notes | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| | | Amount | Amount |
| **Current Liabilities** | | | |
| Short-term borrowings | 4&6(8) | $6,166,733 | $5,029,244 |
| Commercial paper payable | 4&6(10) | 499,572 | 449,633 |
| Financial liabilities at fair value through profit or loss, current | 4&6(11) | - | 19,050 |
| Contract liabilities, current | 4&6(17) | 1,293,573 | 920,701 |
| Notes payable | | 277,775 | 245,234 |
| Accounts payable | | 5,750,443 | 4,088,101 |
| Other payables | 6(12) | 4,706,524 | 3,762,873 |
| Current tax liabilities | 4&6(23) | 751,859 | 628,999 |
| Lease liabilities, current | 4&6(19) | 786,705 | 690,843 |
| Current portion of long-term loans | 4&6(13) | 355,360 | 2,119,974 |
| Other current liabilities | | 200,612 | 169,669 |
| **Total Current Liabilities** | | 20,789,156 | 18,124,321 |
| | | | |
| **Non-current liabilities** | | | |
| Bonds payable | 4&6(9) | 3,000,000 | - |
| Long-term loans | 4&6(13) | 4,359,051 | 5,959,452 |
| Provisions, non-current | 4&6(12) | 551,052 | 311,003 |
| Deferred tax liabilities | 4&6(23) | 143,723 | 147,583 |
| Lease liabilities, non-current | 4&6(19) | 2,148,544 | 1,908,383 |
| Net defined benefit obligation, non-current | 5&6(14) | 58,128 | 74,304 |
| Other non-current liabilities | 4 | 521,214 | 247,351 |
| **Total non-current liabilities** | | 10,781,712 | 8,648,076 |
| **Total Liabilities** | | 31,570,868 | 26,772,397 |
| | | | |
| **Equity** | | | |
| **Capital** | | | |
| Common stock | 4&6(15) | 3,033,946 | 3,036,166 |
| **Additional paid-in capital** | 4&6(15) | 436,067 | 431,446 |
| **Retained earnings** | 4&6(15) | | |
| Legal reserve | | 1,626,536 | 1,555,699 |
| Special reserve | | 1,979,083 | 1,620,071 |
| Unappropriated earnings | | 6,717,817 | 5,031,884 |
| **Subtotal** | | 10,323,436 | 8,207,654 |
| **Other components of equity** | | (1,750,325) | (1,979,082) |
| **Treasury stock** | 4&6(15) | (5,780) | (53,612) |
| Equity attributable to owners of the parent | | 12,037,344 | 9,642,572 |
| **Non-controlling interests** | 6(16) | 7,206 | 6,871 |
| **Total equity** | | 12,044,550 | 9,649,443 |
| | | | |
| **Total liabilities and equity** | | $43,615,418 | $36,421,840 |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

JOHNSON HEALTH TECH. CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2024 and 2023

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

| | Notes | For the years ended December 31 | |
|---|---|---|---|
| | | 2024 | 2023 |
| | | Amount | Amount |
| **Operating revenues** | 4,6(17)&7 | $47,785,398 | $38,069,563 |
| **Operating costs** | 4,6(4)&(20) | (23,507,498) | (19,642,253) |
| **Gross Profit** | | 24,277,900 | 18,427,310 |
| Operating Expenses | | | |
| Selling and distribution | 6(20) | (10,488,402) | (8,355,546) |
| General and administrative | 6(20) | (9,258,076) | (7,630,247) |
| Research and development | 6(20) | (1,146,632) | (1,061,934) |
| Expected credit losses | 5&6(18) | (192,972) | (137,268) |
| Total Operating Expenses | | (21,086,082) | (17,184,995) |
| **Operating Income** | | 3,191,818 | 1,242,315 |
| **Non-operating income and expenses** | | | |
| Interset income | 4&6(21) | 311,517 | 194,186 |
| Other income | 4&6(21) | 42,700 | 75,812 |
| Other gains and losses | 6(21) | 296,101 | 199,639 |
| Finance costs | 6(21) | (349,802) | (377,470) |
| Total non-operating income and expenses | | 300,516 | 92,167 |
| **Income from continuing operations before income tax** | | 3,492,334 | 1,334,482 |
| **Income tax expense** | 4,5&6(23) | (1,061,681) | (625,045) |
| **Net income** | | 2,430,653 | 709,437 |
| | | | |
| **Other comprehensive income** | | | |
| **Items that may not to be reclassified subsequently to profit or loss** | | | |
| Remeasurements of defined benefit plans | 4&6(22) | 4,962 | (1,828) |
| Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | 4&6(22) | 14,204 | 24 |
| Income tax relating to items that may not be reclassified subsequently | 4&6(22) | (992) | 365 |
| **Items that may be reclassified subsequently to profit or loss** | | | |
| Exchange differences on translation of foreign operations | 4&6(22) | 214,415 | (359,082) |
| Income tax relating to items that may be reclassified subsequently | 4&6(22) | - | - |
| **Total other comprehensive loss , net of tax** | | 232,589 | (360,521) |
| | | | |
| **Total comprehensive income** | | $2,663,242 | $348,916 |
| | | | |
| **Net income attributable to:** | | | |
| Stockholders of the parent | | $2,430,180 | $709,828 |
| Non-controlling interests | | 473 | (391) |
| | | $2,430,653 | $709,437 |
| **Comprehensive income attributable to:** | | | |
| Stockholder of the parent | | $2,662,907 | $349,354 |
| Non-controlling interests | | 335 | (438) |
| | | $2,663,242 | $348,916 |
| **Earnings per share (NTD)** | 4&6(24) | | |
| Earnings per share-basic | | $8.02 | $2.34 |
| Earnings per share-diluted | | $8.01 | $2.34 |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
JOHNSON HEALTH TECH. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

| | | | Retained Earnings | | | Other equity interest | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Description | Common Stock | Additional Paid-in Capital | Legal Reserve | Special reserve | Unappropriated Earnings | Exchange Differences on Translation of Foreign Operations | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | Treasury stock | Total | Non-Controlling Interests | Total Equity |
| Balance as at 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 | $7,309 | $9,482,280 |
| Distribution of 2022 retained earnings | | | | | | | | | | | |
| Legal reserve | | | 43,277 | | (43,277) | | | | - | | - |
| Special reserve | | | | (321,938) | 321,938 | | | | - | | - |
| Cash dividends | | | | | (181,753) | | | | (181,753) | | (181,753) |
| Net income in 2023 | | | | | 709,828 | | | | 709,828 | (391) | 709,437 |
| Other comprehensive loss, net of tax in 2023 | | | | | (1,463) | (359,035) | 24 | | (360,474) | (47) | (360,521) |
| Total comprehensive income | - | - | - | - | 708,365 | (359,035) | 24 | - | 349,354 | (438) | 348,916 |
| Balance as at 31 December 2023 | $3,036,166 | $431,446 | $1,555,699 | $1,620,071 | $5,031,884 | $(1,979,340) | $258 | $(53,612) | $9,642,572 | $6,871 | $9,649,443 |
| Balance as at 1 January 2024 | $3,036,166 | $431,446 | $1,555,699 | $1,620,071 | $5,031,884 | $(1,979,340) | $258 | $(53,612) | $9,642,572 | $6,871 | $9,649,443 |
| Distribution of 2023 retained earnings | | | | | | | | | | | |
| Legal reserve | | | 70,837 | | (70,837) | | | | - | | - |
| Special reserve | | | | 359,012 | (359,012) | | | | - | | - |
| Cash dividends | | | | | (302,922) | | | | (302,922) | | (302,922) |
| Net income in 2024 | | | | | 2,430,180 | | | | 2,430,180 | 473 | 2,430,653 |
| Other comprehensive loss, net of tax in 2024 | | | | | 3,970 | 228,757 | | | 232,727 | (138) | 232,589 |
| Total comprehensive income | - | - | - | - | 2,434,150 | 228,757 | - | - | 2,662,907 | 335 | 2,663,242 |
| Cancellation of treasury stock | (2,220) | (40) | | | (15,446) | | | 17,706 | - | | - |
| Exercise employee stock option to purchase treasury stock | | 4,661 | | | | | | 30,126 | 34,787 | | 34,787 |
| Balance as at 31 December 2024 | $3,033,946 | $436,027 | $1,626,536 | $1,979,083 | $6,717,817 | $(1,750,583) | $258 | $(5,780) | $12,037,344 | $7,206 | $12,044,550 |

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
JOHNSON HEALTH TECH. CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

| | For the years ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Cash flows from operating activities: | | |
| Net income before income tax | $3,492,334 | $1,334,482 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 1,418,038 | 1,305,774 |
| Amortisation | 103,551 | 92,225 |
| Expected credit losses | 192,972 | 137,268 |
| Net gain of financial assets/liabilities at fair value through profit or loss | (13,574) | (3,842) |
| Finance costs | 349,802 | 377,470 |
| Interest income | (311,517) | (194,186) |
| Share-based payment awards | 4,661 | - |
| Loss on disposal of property, plant and equipment | 6,322 | 9,046 |
| Changes in operating assets and liabilities: | | |
| (Increase) Decrease in contract asset | (7,632) | 16,066 |
| Decrease in notes receivable | 36,269 | 5,023 |
| Increase in trade receivables | (2,816,181) | (1,892,216) |
| (Increase) Decrease in other receivables | (122) | 733,157 |
| (Increase) Decrease in inventories, net | (2,761,204) | 2,769,189 |
| Increase in prepayments | (1,010,875) | (303,357) |
| (Increase) Decrease in other current assets | (4,066) | 48,350 |
| Increase in other non-current assets | (262,650) | (159,972) |
| Increase in contract liabilities | 372,872 | 89,829 |
| Increase (Decrease) in notes payable | 32,541 | (221,712) |
| Increase (Decrease) in accounts payable | 1,662,342 | (202,494) |
| Increase in other payables | 603,532 | 344,349 |
| Increase in provision | 240,049 | 47,934 |
| Increase in other current liabilities | 30,943 | 9,459 |
| Decrease in accrued pension liabilities | (11,214) | (10,652) |
| Increase (Decrease) in other non-current liabilities | 273,863 | (130,961) |
| Cash generated from operations | 1,621,056 | 4,200,229 |
| Interest received | 311,517 | 194,186 |
| Interest paid | (329,744) | (407,151) |
| Income tax paid | (549,276) | (144,713) |
| Net cash generated from operating activities | 1,053,553 | 3,842,551 |

| | For the years ended December 31 | |
|---|---|---|
| | 2024 | 2023 |
| Cash flows from investing activities: | | |
| Acquisition of subsidiaries (Deduct the cash obtained) | 5,464 | - |
| Disposal of investment property | 270 | 441 |
| Acquisition of property, plant and equipment | (673,776) | (649,992) |
| Disposal of property, plant and equipment | 49,820 | 25,883 |
| Acquisition of intangible assets | (53,000) | (57,149) |
| Disposal of intangible assets | 380 | - |
| Net cash used in investing activities | (670,842) | (680,817) |
| Cash flows from financing activities: | | |
| Increase in short-term loans | 41,070,932 | 40,047,200 |
| Decrease in short-term loans | (39,914,875) | (47,234,038) |
| Increase in commercial paper payable | 4,150,000 | 1,378,271 |
| Decrease in commercial paper payable | (4,100,000) | (1,750,000) |
| Issued corporate bonds | 3,000,000 | - |
| Repayment of corporate bonds | (2,000,000) | - |
| Increase in long-term loans | 14,165,293 | 17,840,929 |
| Decrease in long-term loans | (15,445,671) | (13,202,472) |
| Cash dividends | (302,922) | (181,753) |
| Repayment of lease capital | (766,902) | (769,217) |
| Exercise of employee stock option | 30,126 | - |
| Net cash used in financing activities | (114,019) | (3,871,080) |
| Effect of changes in exchange rate on cash and cash equivalents | 76,621 | (480,791) |
| Net increase (decrease) in cash and cash equivalents | 345,313 | (1,190,137) |
| Cash and cash equivalents at beginning of period | 2,341,417 | 3,531,554 |
| Cash and cash equivalents at end of period | $2,686,730 | $2,341,417 |

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

(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 consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as “the Group”) for the years ended 31 December 2024 and 2023 were authorized for issue in accordance with a resolution of the board of directors’ meeting on 13 March 2025.

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 endorsed by the Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2024. The adoption of these new standards and amendments and interpretations of initial application has 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 | Lack of Exchangeability – Amendments to IAS 21 | 1 January 2025 |

(a) 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 abovementioned amendments are applicable for annual periods beginning on or after 1 January 2025 and have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which have not been 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 | 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 | IFRS 18 "Presentation and Disclosure in Financial Statements" | 1 January 2027 |
| d | Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19) | 1 January 2027 |
| e | Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 | 1 January 2026 |
| f | Annual Improvements to IFRS Accounting Standards – Volume 11 | 1 January 2026 |
| g | Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 | 1 January 2026 |

(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 fulfilment 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) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

a. Improved comparability in the statement of profit or loss (income statement)
   IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

b. Enhanced transparency of management-defined performance measures
   IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

c. Useful grouping of information in the financial statements
   IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(e) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

a. Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.

b. Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

c. Clarify the treatment of non-recourse assets and contractually linked instruments.

d. Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards – Volume 11

a. Amendments to IFRS 1
   The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

b. Amendments to IFRS 7
The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

c. Amendments to Guidance on implementing IFRS 7
The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

d. Amendments to IFRS 9
The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

e. Amendments to IFRS 10
The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

f. Amendments to IAS 7
The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(g) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

a. Clarify the application of the ‘own-use’ requirements.
b. Permit hedge accounting if these contracts are used as hedging instruments.
c. Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet 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. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (3), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

## 4. Summary of material accounting policies

### (1) Statement of Compliance

The consolidated financial statements of the Group for the years ended 31 December 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee, which are endorsed by FSC (TIFRSs).

(2) Basis of Preparation

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

(3) Basis of Consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
B. exposure, or rights, to variable returns from its involvement with the investee, and
C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

A. the contractual arrangement with the other vote holders of the investee
B. rights arising from other contractual arrangements
C. the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
B. derecognizes the carrying amount of any non-controlling interest;
C. recognizes the fair value of the consideration received;
D. recognizes the fair value of any investment retained;
E. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
F. recognizes any resulting difference in profit or loss.

(a) The consolidated entities are as follows:

| | | | As at | |
|---|---|---|---|---|
| Investor | Subsidiary | Business nature | 31 Dec 2024 | 31 Dec 2023 |
| The Company | Johnson International Holding Corp., Ltd. | Holding company | 100.00% | 100.00% |
| The Company | Johnson Health Tech (Vietnam) Company Limited | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| The Company | Johnson Health Technologies, S.A. de C.V. | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| The Company | Johnson Health Tech Canada Inc. | Holding company | 100.00% | 100.00% |
| The Company | Johnson Health Tech. UK Ltd. | Selling cardiovascular and weight training equipment | 44.43% | 44.43% |
| The Company | Johnson Health Tech Retail Inc. | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| The Company | Johnson Health Tech Philippines, Inc. | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| The Company | Johnson Health Industry (Vietnam) Company Limited | Manufacturing and selling fitness equipment | 100.00% | 100.00% |
| The Company | Johnson Health Tech Rus Limited Liability Company. | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| The Company | Fuji Medical Instruments MFG. Co., Ltd. | Massage chair research and development manufacturing and trading | 100.00% | 100.00% |
| The Company | Johnson Health Tech. North America, Inc. | Manufacturing and selling fitness equipment | 100.00% | 100.00% |
| The Company | PT Johnson Health Tech Indonesia | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| The Company | Johnson Health Tech Turkey Spor Ve Saglik Malzemeleri Ticaret Anonim Sirketi | Selling cardiovascular and weight training equipment | 99.99% | 99.99% |
| The Company | Johnson Health Tech SA Proprietary Limited | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |

| Investor | Subsidiary | Business nature | As at 31 Dec 2024 | As at 31 Dec 2023 |
|---|---|---|---|---|
| The Company | JHT FIT Company Limited | Video transmission and streaming service | 100.00% | 100.00% |
| The Company | Johnson Health Tech Digital UK Limited | Video transmission and streaming service | 100.00% | 100.00% |
| The Company | Johnson Health Tech Korea Co., Ltd. | Manufacturing and selling fitness equipment | 100.00% | 100.00% |
| The Company | Johnson Health Tech India Pvt Ltd | Manufacturing and selling fitness equipment | 100.00% | 100.00% |
| The Company | Johnson Health Tech (Hong Kong) Limited | Manufacturing and selling fitness equipment | 100.00% | 100.00% |
| The Company | Johnson Fitness (Malaysia) Sdn. Bhd. | Manufacturing and selling fitness equipment | 99.38% | 99.38% |
| The Company | Johnson Health Tech. UAE LLC | Manufacturing and selling fitness equipment | 100.00% | 100.00% |
| The Company | Johnson Health Tech. (Schweiz) GmbH | Manufacturing and selling fitness equipment | 100.00% | 100.00% |
| The Company | Johnson Health Tech Japan Co., Ltd. | Manufacturing and selling fitness equipment | 42.52% | 42.52% |
| The Company | DAYA Corporation | Catering service and wholesale of food products | 100.00% | 100.00% |
| The Company | Johnson Health Tech Digital Shanghai Limited | Video transmission and streaming service | 100.00% | 100.00% |
| The Company | Synclync Inc. | Audiphones trading | 100.00% | 100.00% |
| The Company | Johnson Health Industry (Vietnam) Thuan Thanh 1 | Manufacturing and selling fitness equipment | 100.00% (Note1) | -% |
| The Company | Johnson Health Industry (Vietnam) Thuan Thanh 2 | Manufacturing and selling fitness equipment | 100.00% (Note2) | -% |
| Johnson International Holding Corp., Ltd. | Johnson Health Tech. UK Ltd. | Selling cardiovascular and weight training equipment | 55.57% | 55.57% |
| Johnson International Holding Corp., Ltd. | Johnson Health Technology (Shanghai) Co., Ltd. | Manufacturing and selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| Johnson International Holding Corp., Ltd. | Johnson Health Tech. GmbH | Selling cardiovascular and weight training equipment | 99.77% | 99.77% |
| Johnson International Holding Corp., Ltd. | Johnson Health Technologies Ibérica, SL | Selling cardiovascular and weight training equipment | 99.99% | 99.99% |
| Johnson International Holding Corp., Ltd. | Johnson Health Tech France | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| Johnson International Holding Corp., Ltd. | Johnson Health Tech Japan Co., Ltd. | Selling cardiovascular and weight training equipment | 57.35% | 57.35% |
| Johnson International Holding Corp., Ltd. | Johnson Health Tech. (Thailand) Co., Ltd. | Selling cardiovascular and weight training equipment | 95.00% | 95.00% |
| Johnson International Holding Corp., Ltd. | Johnson Health Tech Italia S.P.A. | Selling cardiovascular and weight training equipment | 99.82% | 99.82% |

| Investor | Subsidiary | Business nature | As at 31 Dec 2024 | As at 31 Dec 2023 |
| --- | --- | --- | --- | --- |
| Johnson International Holding Corp., Ltd. | Johnson Health Tech. Netherland B.V. | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| Johnson International Holding Corp., Ltd. | Johnson Industries (Shanghai) Co., Ltd. | Manufacturing and selling equipment | 100.00% | 100.00% |
| Johnson International Holding Corp., Ltd. | Johnson Industrial do Brasil Ltda. | Manufacturing and selling fitness equipment | 99.99% | 99.99% |
| Johnson International Holding Corp., Ltd. | World of Leasing GmbH | Leasing cardiovascular and weight training equipment | 100.00% | 100.00% |
| Johnson International Holding Corp., Ltd. | Johnson Health Tech. Australia Pty., Ltd | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| Johnson International Holding Corp., Ltd. | Johnson Health Tech. Poland Sp .z o.o. | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| Johnson International Holding Corp., Ltd. | Johnson F&B Management (Shanghai) Co., Ltd. | Selling food | 100.00% | 100.00% |
| Johnson International Holding Corp., Ltd. | Joyful Trading (Shanghai) Co., Ltd. | Selling food | 100.00% | 100.00% |
| Johnson Health Tech Retail Inc. | 2nd wind Exercise Equipment, Inc. | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| Johnson Health Tech Retail Inc. | Leisure Fitness Equipment, LLC | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| Johnson Health Tech Retail Inc. | The Gym Store, LLC (Busy Body) | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| Johnson Health Tech Retail Inc. | Johnson Health Tech Trading, Inc | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| Johnson Health Tech North America Inc. | Johnson Health Tech NA Manufacturing LLC | Manufacturing and selling fitness equipment | 100.00% | 100.00% |
| Johnson Health Tech. Australia Pty., Ltd | Johnson Health Tech New Zealand | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| Johnson Health Tech Netherlands B.V. | Johnson Health Tech Denmark Aps | Selling cardiovascular and weight training equipment | 100.00% | 100.00% |
| Johnson Health Tech Italia S.P.A. | Johnson Health Tech Hellas SA | Selling cardiovascular and weight training equipment | 99.73% | 99.73% |
| Johnson Health Tech Italia S.P.A. | Johnson Health Tech Romania SA | Selling cardiovascular and weight training equipment | 99.00% | 99.00% |
| Johnson Health Tech Italia S.P.A. | Johnson Health Tech CZ & SK a.s. | Selling cardiovascular and weight training equipment | 99.00% | 99.00% |
| Johnson Health Tech Japan Co., Ltd. | Johnson Digital Japan Co., Ltd. | Video transmission and streaming service | -% (Note3) | 100.00% |
| Fuji Medical Instruments MFG. Co., Ltd.. | Fujiryoki, Inc. | Massage chair trading | 100.00% | 100.00% |
| Fuji Medical Instruments MFG. Co., Ltd. | Fuji Wellness (Shanghai) Co., Ltd. | Massage chair trading | 100.00% | 100.00% |
| Johnson Health Technology (Shanghai) Co., Ltd. | Johnson (Shanghai) Culture Co., Ltd. | Catering service and Cultural Promotion | 100.00% (Note4) | -% |

Note:

1. On 11 September 2024, the Company set up a fully-owned subsidiary, Johnson Health Industry (Vietnam) Thuan Thanh 1 in Vietnam.

2. On 11 September 2024, the Company set up a fully-owned subsidiary, Johnson Health Industry (Vietnam) Thuan Thanh 2 in Vietnam.

3. For operational needs, the Company adjusted its investment structure in the fourth quarter of 2024. Johnson Digital Japan Co., Ltd., a fully-owned subsidiary of Johnson Health Tech Japan Co., Ltd., was merged into Johnson Health Tech Japan Co., Ltd.

4. On 28 April 2024, Johnson Health Technology (Shanghai) Co., Ltd. set up a fully-owned subsidiary, Johnson (Shanghai) Culture Co., Ltd. in China.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in New Taiwan Dollars (NTD), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency 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 a foreign currency 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 forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net 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.

(5) 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 their income and expenses are translated at an average rate for the period. The exchange differences arising from the translation are recognized in other comprehensive income. On the 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 the partial disposal of a subsidiary that includes 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 joint arrangement 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.

(6) Current and Non-current Distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle; or
B. The Group holds the asset primarily for the purpose of trading; or
C. The Group 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 Group expects to settle the liability in the normal operating cycle; or
B. The Group 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
D. The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(7) 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.

(8) Financial Instruments

Financial assets and financial liabilities are recognized when the Group 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 a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

A. Financial instruments: Recognition and Measurement

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

The Group 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 Group’s business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

<u>Financial assets measured at amortized cost</u>

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 is 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 Group 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 Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

<u>Financial asset measured at fair value through other comprehensive income</u>

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 Group 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 Group 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 are neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group 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 Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial assets 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 Group 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 Group 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 Group 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 Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group 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 Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
(c) The Group 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 Group 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 Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group 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. It 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) group 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 group 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 or payable, 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 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.

(9) Derivative instruments

The Group 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 the 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.

(10) 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 by the Group.

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 act 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 Group 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.

(11) 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.

(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 Group 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 | 5～10years |
| Office equipment | 2～12 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 from the derecognition of the asset is recognized in profit or loss.

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

(13) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and exclude the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

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

| Items | Useful Lives |
|---|---|
| Buildings | 30～50 years |

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(14) Leases

The Group 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 the 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 Group 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 Group 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 Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

<u>Group as a lessee</u>

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

At the commencement date, the Group 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 Group 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 Group 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 Group 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 Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use by applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group 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 Group 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 Group accounted for as short-term leases or leases of low-value assets, the Group 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 Group 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.

<u>Group as a lessor</u>

At the inception of a contract, the Group 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 Group 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 Group allocates the consideration in the contract applying IFRS 15.

The Group 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.

(15) 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 the derecognition of an intangible asset are recognized in other operating income and expenses.

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

| | Trademarks | Patents | Software | Other intangible assets | Goodwill |
|---|---|---|---|---|---|
| Useful lives | 10~17 years | 2~7 years | 1~10 years | 3~5 years | indefinite |
| Amortization method used | Amortized on a straight- line basis over the estimated useful life | Amortized on a straight- line basis over the estimated useful life | Amortized on a straight- line basis over the estimated useful life | Amortized on a straight- line basis over the estimated useful life | No amortization |
| Internally generated or acquired | Externally acquired | Externally acquired | Externally acquired | Externally acquired | Externally acquired |

(16) Impairment of Non-financial Assets

The Group 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 Group 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 Group 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.

(17) Provisions

Provisions are recognized when the Group 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 Group 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.

The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

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.

(18) Revenue recognition

The Group'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 Group 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 (when the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods). The main products of the Group 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 Group 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 Group 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 Group's sale of goods is from 0 to 65 days. For most of the contracts, when the Group 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 Group 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 Group has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses. For some of the contracts, the Group 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.

(19) 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.

(20) 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 Group 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.

(21) 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 Group’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 contributions 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 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 Group recognizes restructuring-related costs or termination benefits

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.

(22) Share-based payment transactions

The cost of equity-settled transactions between the Group and its employees 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 Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized 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 Group 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.

(23) Treasury Stock

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

(24) 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 income 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 income 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 at the reporting date.

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.

(25) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquire.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

(26) Seasonality of operations

The Group's operation is seasonal in nature, as higher market demand for the Group's products in the second half of the year results in higher revenues in the second half of the year rather than in the first six months.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions at the end of the reporting period that 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 Group 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. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

C. Post-Employment 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 and future salary increases.

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 counties in which it operates. The amount of such provisions is based on various factors, such as the 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 Group 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 Group 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. Inventories

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. Refer to Note 6 for details.

6. Contents of significant accounts

(1) Cash and cash equivalents

| | As at | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Cash on hand | $81,463 | $15,293 |
| Checking and savings accounts | 2,605,267 | 2,326,124 |
| Total | $2,686,730 | $2,341,417 |

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

| | As at | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Financial assets at fair value through profit or loss: | | |
| Derivatives not designated as hedging instruments | | |
| Pre-sale forward exchange contracts | $8,686 | $14,162 |
| | | |
| Current | $8,686 | $14,162 |
| Non-current | - | - |
| Total | $8,686 | $14,162 |

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 2024 | 31 December 2023 |
| Accounts receivable | $10,913,819 | $9,116,312 |
| Installment accounts receivable | 2,379,509 | 1,988,877 |
| Less: unrealized gain on installment sales revenue | (242,506) | (203,520) |
| Leased accounts receivable | 229,614 | 146,668 |
| Less: unrealized gain on leased accounts receivable | (29,332) | (13,634) |
| Subtotal | 13,251,104 | 11,034,703 |
| Less: loss allowance | (153,061) | (552,484) |
| Total | $13,098,043 | $10,482,219 |

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

| | As at | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| 2024.01~2024.12 | $- | $933,309 |
| 2025.01~2025.12 | 997,765 | 426,007 |
| 2026.01~2026.12 | 499,227 | 323,583 |
| 2027.01~2027.12 | 400,206 | 214,892 |
| 2028.01~2028.12 | 201,790 | 77,193 |
| 2029.01~2029.12 | 41,548 | 13,893 |
| 2030.01~2030.12 | 258,973 | - |
| Total | $2,379,509 | $1,988,877 |

| | As at | | | |
|---|---|---|---|---|
| | 31 December 2024 | | 31 December 2023 | |
| | Current | Non-current | Current | Non-current |
| Leased accounts receivable | $229,614 | $- | $146,668 | $- |
| Less: Unrealized gain on leased accounts receivable | (29,332) | - | (13,634) | - |
| Leased accounts receivable, net | $200,282 | $- | $133,034 | $- |

Accounts receivables were not pledged.

The total carrying amount is NTD13,251,104 thousand, NTD11,034,703 thousand as at 31 December 2024 and 2023. Please refer to Note 6(18) for more details on loss allowance of trade receivables for the years ended 31 December 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

(4) Inventories, net

| | As at | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Raw materials | $1,035,848 | $792,654 |
| Work in progress | 968,898 | 842,424 |
| Merchandises | 9,795,682 | 7,404,146 |
| Total | $11,800,428 | $9,039,224 |

The cost of inventories recognized in expenses amounted to NTD22,599,591 thousand for the year ended 31 December 2024, including the gain from the valuation of inventories in the amount of NTD10,942 thousand.

The cost of inventories recognized in expenses amounted to NTD18,037,894 thousand for the year ended 31 December 2023, including the loss from the valuation of inventories in the amount of NTD64,866 thousand.

(5) Owner-occupied property

| | As at | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Owner-occupied property | $4,661,018 | $4,580,639 |

(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 2024 | $1,027,282 | $2,834,174 | $1,884,077 | $466,940 | $722,021 | $1,078,952 | $446,214 | $413,460 | $67,318 | $8,940,438 |
| Additions | - | 86,987 | 192,701 | 59,803 | 101,340 | 128,708 | 24,249 | 14,720 | 65,268 | 673,776 |
| Disposals | - | (9,139) | (21,067) | (72,593) | (37,327) | (9,134) | (54,650) | (9,770) | - | (213,680) |
| Transfers | - | 24,993 | 15,543 | - | 9,201 | 99,677 | (5,038) | 6,819 | (97,352) | 53,843 |
| Exchange differences | (7,639) | 34,890 | 48,694 | 5,902 | 6,578 | 31,043 | 14,950 | 4,848 | 1,454 | 140,720 |
| As at 31 December 2024 | $1,019,643 | $2,971,905 | $2,119,948 | $460,052 | $801,813 | $1,329,246 | $425,725 | $430,077 | $36,688 | $9,595,097 |
| **Depreciation and impairment:** | | | | | | | | | | |
| As at 1 January 2024 | $- | $1,026,614 | $1,123,540 | $261,190 | $533,133 | $952,115 | $251,855 | $211,352 | $- | $4,359,799 |
| Depreciation | - | 131,609 | 151,461 | 46,768 | 79,569 | 100,385 | 43,398 | 38,578 | - | 591,768 |
| Disposals | - | (3,150) | (20,504) | (62,136) | (26,143) | (8,497) | (31,599) | (5,509) | - | (157,538) |
| Transfers | - | 5,854 | 9,862 | 18,667 | (3,782) | 220 | (1,516) | - | - | 29,305 |
| Exchange differences | - | 15,182 | 40,313 | 5,472 | 7,007 | 30,452 | 8,735 | 3,584 | - | 110,745 |
| As at 31 December 2024 | $- | $1,176,109 | $1,304,672 | $269,961 | $589,784 | $1,074,675 | $270,873 | $248,005 | $- | $4,934,079 |
| **Net carrying amount:** | | | | | | | | | | |
| As at 31 December 2024 | $1,019,643 | $1,795,796 | $815,276 | $190,091 | $212,029 | $254,571 | $154,852 | $182,072 | $36,688 | $4,661,018 |
| As at 1 January 2024 | $1,027,282 | $1,807,560 | $760,537 | $205,750 | $188,888 | $126,837 | $194,359 | $202,108 | $67,318 | $4,580,639 |

| | 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 | $1,042,774 | $2,566,761 | $1,695,832 | $419,766 | $674,887 | $1,195,599 | $378,435 | $384,610 | $326,943 | $8,685,607 |
| Additions | - | 39,061 | 224,374 | 83,029 | 73,793 | 91,877 | 65,576 | 13,357 | 58,925 | 649,992 |
| Disposals | - | (3,204) | (22,197) | (44,457) | (34,728) | (130,816) | (26,990) | (6,651) | - | (269,043) |
| Transfers | - | 269,744 | 5,613 | - | 4,485 | (48,451) | 28,869 | 22,516 | (319,432) | (36,656) |
| Exchange differences | (15,492) | (38,188) | (19,545) | 8,602 | 3,584 | (29,257) | 324 | (372) | 882 | (89,462) |
| As at 31 December 2023 | $1,027,282 | $2,834,174 | $1,884,077 | $466,940 | $722,021 | $1,078,952 | $446,214 | $413,460 | $67,318 | $8,940,438 |
| **Depreciation and impairment:** | | | | | | | | | | |
| As at 1 January 2023 | $- | $943,202 | $1,038,941 | $235,584 | $473,306 | $1,093,387 | $217,069 | $189,767 | $- | $4,191,256 |
| Depreciation | - | 110,345 | 118,912 | 40,628 | 91,980 | 71,604 | 47,874 | 27,579 | - | 508,922 |
| Disposals | - | (1,673) | (19,978) | (21,403) | (33,113) | (130,668) | (21,124) | (6,155) | - | (234,114) |
| Transfers | - | (9,673) | (4,829) | 158 | (402) | (55,398) | 8,616 | 1,590 | - | (59,938) |
| Exchange differences | - | (15,587) | (9,506) | 6,223 | 1,362 | (26,810) | (580) | (1,429) | - | (46,327) |
| As at 31 December 2023 | $- | $1,026,614 | $1,123,540 | $261,190 | $533,133 | $952,115 | $251,855 | $211,352 | $- | $4,359,799 |
| **Net carrying amount:** | | | | | | | | | | |
| As at 31 December 2023 | $1,027,282 | $1,807,560 | $760,537 | $205,750 | $188,888 | $126,837 | $194,359 | $202,108 | $67,318 | $4,580,639 |
| As at 1 January 2023 | $1,042,774 | $1,623,559 | $656,891 | $184,182 | $201,581 | $102,212 | $161,366 | $194,843 | $326,943 | $4,494,351 |

(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 2024 and 2023.

(6) Intangible assets

| | Trademarks | Patents | Software | Others | Goodwill | Total |
|---|---|---|---|---|---|---|
| **Cost:** | | | | | | |
| As at 1 January 2024 | $400,666 | $187,983 | $403,501 | $209,441 | $2,247,535 | $3,449,126 |
| Addition-acquired separately | - | 870 | 38,367 | 13,763 | - | 53,000 |
| Disposal | - | - | (191) | (354) | - | (545) |
| Exchange differences | 1,049 | (976) | (2,187) | 5,709 | 57,289 | 60,884 |
| As at 31 December 2024 | $401,715 | $187,877 | $439,490 | $228,559 | $2,304,824 | $3,562,465 |
| | | | | | | |
| **Amortization and impairment:** | | | | | | |
| As at 1 January 2024 | $85,297 | $103,528 | $324,386 | $112,906 | $- | $626,117 |
| Amortization | 21,085 | 26,657 | 34,950 | 20,859 | - | 103,551 |
| Disposal | - | - | (165) | - | - | (165) |
| Exchange differences | 802 | (81) | (1,384) | 7,861 | - | 7,198 |
| As at 31 December 2024 | $107,184 | $130,104 | $357,787 | $141,626 | $- | $736,701 |
| | | | | | | |
| **Net carrying amount:** | | | | | | |
| As at 31 December 2024 | $294,531 | $57,773 | $81,703 | $86,933 | $2,304,824 | $2,825,764 |
| As at 1 January 2024 | $315,369 | $84,455 | $79,115 | $96,535 | $2,247,535 | $2,823,009 |

| | Trademarks | Patents | Software | Others | Goodwill | Total |
|---|---|---|---|---|---|---|
| **Cost:** | | | | | | |
| As at 1 January 2023 | $400,657 | $187,226 | $367,552 | $195,217 | $2,242,784 | $3,393,436 |
| Addition-acquired separately | - | 989 | 40,946 | 15,214 | - | 57,149 |
| Exchange differences | 9 | (232) | (4,997) | (990) | 4,751 | (1,459) |
| As at 31 December 2023 | $400,666 | $187,983 | $403,501 | $209,441 | $2,247,535 | $3,449,126 |
| | | | | | | |
| **Amortization and impairment:** | | | | | | |
| As at 1 January 2023 | $64,816 | $75,969 | $295,691 | $99,531 | $- | $536,007 |
| Amortization | 20,494 | 26,681 | 31,485 | 13,565 | - | 92,225 |
| Exchange differences | (13) | 878 | (2,790) | (190) | - | (2,115) |
| As at 31 December 2023 | $85,297 | $103,528 | $324,386 | $112,906 | $- | $626,117 |
| | | | | | | |
| **Net carrying amount:** | | | | | | |
| As at 31 December 2023 | $315,369 | $84,455 | $79,115 | $96,535 | $2,247,535 | $2,823,009 |
| As at 1 January 2023 | $335,841 | $111,257 | $71,861 | $95,686 | $2,242,784 | $2,857,429 |

Intangible asset amortization expenses are summarized as follows:

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Operating costs | $323 | $469 |
| Operating expenses | $103,228 | $91,756 |

(7) Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to fitness equipment cash-generating units for the purpose of impairment tests.

Carrying amount of goodwill allocated to fitness equipment cash-generating units:

| | As at | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Fitness equipment cash-generating unit | $1,234,121 | $1,176,832 |
| Massage chair cash-generating unit | 1,070,703 | 1,070,703 |
| Total | $2,304,824 | $2,247,535 |

Fitness equipment manufacturing cash-generating unit

The recoverable amount of the fitness equipment manufacturing cash-generating unit is determined based on a value in use calculation using cash flow projections of financial budgets approved by management covering a five-year period amount. The projected cash flows have been updated to reflect the change in demand for products and services. The pre-tax discount rate applied to cash flow projections were 12.28% and 13.6%; cash flows beyond the five-year period are extrapolated using a 10%~20% growth rate (based on the current scale) for the years ended 31 December 2024 and 2023, respectively. Based on the result of this analysis, management assessed that it is not required to recognize an impairment loss for goodwill with respect to the book value in the amount of NTD1,234,121 thousand as at 31 December 2024.

Massage chair manufacturing cash-generating unit

The recoverable amount of the massage chair manufacturing cash-generating unit is determined based on a value in use calculation using cash flow projections of financial budgets approved by management covering a five-year period amount. The projected cash flows have been updated to reflect the change in demand for products and services. The pre-tax discount rate applied to cash flow projections were 12.28% and 11.32%; cash flows beyond the five-year period are extrapolated using a 10%~38% growth rate (based on the current scale) for the years ended 31 December 2024 and 2023. Based on the result of this analysis, management assessed that it is not required to recognize an impairment loss for goodwill with respect to the book value in the amount of NTD1,070,703 thousand as at 31 December 2024.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for the cash-generating unit is most sensitive to the following assumptions:

A. Gross margin
B. Discount rates
C. Raw materials price inflation
D. Market share during the budget period
E. Growth rate used to extrapolate cash flows beyond the budget period

Gross margins - Gross margins are based on the average gross margin of the financial budget period.

Discount rates - Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Company, taking into account the particular situations of the Company and its operating segments. The WACC includes both the cost of liabilities and cost of equity. The cost of equity is derived from the expected returns of the Company's investors on capital, where the cost of liabilities is measured by the interest bearing loans that the Company has obligation to settle.

Raw materials price inflation - If prices of raw materials rise, product price will increase.

Market share assumptions - These assumptions are important because, as well as using industry data for estimating growth rates, management would assess how the change in the unit's position, relative to its competitors, might take place over the budget period. Management expects the Group's share of the fitness equipment manufacturing market to be stable over the budget period.

Growth rate estimates - Rates are based on historical revenue growth rate and the rate estimated to be achieved during the budget period.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the cash-generating unit, the Company believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

(8) Short-term loans

| | Interest Rates (%) | As at 31 December 2024 | As at 31 December 2023 |
|---|---|---|---|
| Unsecured bank loans | 0.46%-6.01% | $6,166,733 | $5,029,244 |
| | | | |
| Unused short-term lines of credits amount | | $6,563,986 | $7,831,455 |

(9) Bonds payable

| | As at 31 December 2024 | As at 31 December 2023 |
|---|---|---|
| Domestic secured bonds | $3,000,000 | $2,000,000 |
| Less: current portion | - | (2,000,000) |
| Net | $3,000,000 | $- |

The Group issued five-year secured domestic bonds with a face value of NTD3,000,000 thousand for the first time on 13 August 2024,the details are as follows:

| Bond Type | Purpose | Issuance Period | Total Issue Amount | Annual Interest Rate | Repayment Terms |
|---|---|---|---|---|---|
| A | Repayment of bank borrowings | 2024/8/13 -2027/8/13 | $1,000,000 | 2.10% | Interest is paid annually, and the principal is repaid in full at maturity. |
| B | Repayment of the principal of the first secured domestic bonds issued in 2019 | 2024/8/13 -2029/8/13 | 2,000,000 | 2.20% | Interest is paid annually, and the principal is repaid in full at maturity. |

The Group 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 2024 | As at 31 December 2023 |
| --- | --- | --- | --- |
| Commercial paper payable | Mega Bills Financial Corporation | $150,000 | $150,000 |
| | International Bills Financial Corporation | 150,000 | 150,000 |
| | China Bills Financial Corporation | 200,000 | 150,000 |
| Less: Discount on commercial paper payable | | (428) | (367) |
| Net amount | | $499,572 | $449,633 |

| | For the years ended 31 December 2024 | For the years ended 31 December 2023 |
| --- | --- | --- |
| Interest rates | 1.680%-1.990% | 1.480%-1.840% |
| Maturity date | 2025/1/17 | 2024/1/10-2024/2/5 |

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

| | As at 31 December 2024 | As at 31 December 2023 |
| --- | --- | --- |
| Held for trading: | | |
| Derivatives not designated as hedging | | |
| Foreign exchange swaps | $- | $19,050 |
| | | |
| Current | $- | $19,050 |
| Non-current | - | - |
| Total | $- | $19,050 |

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

(12) Other payables

| | As at 31 December 2024 | As at 31 December 2023 |
| --- | --- | --- |
| Payroll | $1,133,376 | $816,449 |
| Commissions | 1,174,072 | 440,661 |
| Warranty expense | 778,694 | 422,645 |
| Other tax | 497,502 | 272,308 |
| Other expense | 1,122,880 | 1,810,810 |
| Total | $4,706,524 | $3,762,873 |

| | As at | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Product maintenance warranty: | | |
| Beginning of the period | $684,584 | $578,460 |
| Warranty recognized | 1,668,057 | 810,832 |
| Amount utilized during the year | (1,098,621) | (706,056) |
| Exchange effect | 20,100 | 1,348 |
| End of the period | $1,274,120 | $684,584 |
| | | |
| Current | $778,694 | $422,645 |
| Non-current | 495,426 | 261,939 |
| Total | $1,274,120 | $684,584 |

(13) Long-term borrowings

Details of long-term loans as at 31 December 2024 and 31 December 2023 are as follows:

| Lenders | As at 31 December 2024 | Redemption |
|---|---|---|
| SINOPAC Bank | $750,000 | Repayable monthly from 23 July 2024 to 23 July 2029. The grace period starts on the first drawdown date until the expiration of 24 months thereafter followed by subsequent periods of 3 month each. The interest is paid monthly. |
| Taipei Fubon Bank credit loan | 210,000 | 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. From the first to $6^{th}$ installments, 10% of the principal will be amortized, 40% of the principal will be amortized in the $7^{th}$ installment (i.e. the credit expiration date). The interest will be paid monthly. |
| First Commercial Bank credit loan | 81,420 | 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. |
| BPER Bank credit loan | 7,991 | Repayable monthly from 27 December 2020 to 27 December 2025. The grace period starts on the first drawdown date until the expiration of 12 months thereafter. The interest is paid monthly. |

| Lenders | As at 31 December 2024 | Redemption |
|---|---|---|
| BPER Bank credit loan | 25,599 | Repayable monthly from 24 April 2024 to 15 August 2025. The grace period starts on the first drawdown date until the expiration of 4 months thereafter. The interest is paid monthly. |
| Banca del Piceno Bank credit loan | 17,197 | The interest is paid quarterly from 24 April 2024 to 15 August 2025, and repay the loan and the final interest in full at maturity. |
| Resona Bank credit loan | 31,456 | Repayable monthly from 6 October 2023 to 29 September 2028 and interest is paid monthly. |
| Resona Bank credit loan | 97,928 | Repayable monthly from 25 September 2024 to 31 August 2029 and interest is paid monthly. |
| The Minato Bank credit loan | 78,692 | Repayable monthly from 25 October 2023 to 29 September 2028.The grace period starts on the first drawdown date until the expiration of 12 months thereafter. The interest is paid monthly. |
| The Shoko Chukin Bank credit loan | 17,774 | Repayable monthly from 29 March 2024 to 31 March 2029 and interest is paid monthly. |
| Societe Generale Bank credit loan | 328 | Repayable monthly from 5 April 2018 to 5 April 2024 and interest is paid monthly. |
| Sparkasse Göppingen credit loan | 7,055 | Repayable monthly from 30 April 2024 to 31 July 2028 and interest is paid monthly. |
| Subtotal | 1,325,440 | |
| Less: current portion | (355,360) | |
| Less: syndicated bank loans expense | (2,805) | |
| Subtotal | 967,275 | |
| Commercial paper payable-syndicated loans (Note1) | 3,400,000 | |
| Less: Discount on long-term commercial paper payable | (8,224) | |
| Subtotal | 3,391,776 | |
| Total | $4,359,051 | |

Note: Long-term borrowings interest rate is between 0.715%-5.270%, and interest is paid monthly.
Long-term commercial paper payable interest rate is between 1.5950%-1.7820%

| Lenders | As at 31 December 2023 | Redemption |
|---|---|---|
| Taiwan Cooperative Bank, etc. syndicated bank loans (Note1) | $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 (Note1) | 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. From the first to 6th 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. |
| Mega International Commercial Bank secured loan | 337,030 | Repayable monthly from 16 March 2022 to 20 January 2029. The grace period starts on the first drawdown date until the expiration of 24 months thereafter. The interest is 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. |
| Itaú Bank credit loan | 49,462 | Repayable monthly from 26 October 2022 to 28 October 2026. The grace period starts on the first drawdown date until the expiration of 6 months thereafter. The interest is paid monthly. |
| BPER Bank credit loan | 16,535 | Repayable monthly from 27 December 2020 to 27 December 2025. The grace period starts on the first drawdown date until the expiration of 12 months thereafter. The interest is paid monthly. |
| BPER Bank credit loan | 10,696 | Repayable monthly from 18 May 2023 to 18 May 2024. The grace period starts on the first drawdown date until the expiration of 4 months thereafter. The interest is paid monthly. |
| BPER Bank credit loan | 8,098 | Repayable monthly from 18 February 2023 to 18 July 2024 and interest is paid monthly. |
| HSBC Bank mortgage loan | 5,270 | Repayable monthly from 5 April 2018 to 5 April 2024 and interest is paid monthly. |
| Banca del Piceno Bank credit loan | 25,509 | The interest is paid monthly from 15 December 2023 to 15 June 2026, and repay the loan in full maturity. |

| Lenders | As at 31 December 2023 | Redemption |
|---|---|---|
| Resona Bank credit loan | 41,292 | Repayable monthly from 6 October 2023 to 29 September 2028 and interest is paid monthly. |
| The Minato Bank credit loan | 86,939 | Repayable monthly from 25 October 2023 to 29 September 2028.The grace period starts on the first drawdown date until the expiration of 12 months thereafter. The interest is paid monthly. |
| Societe Generale Bank credit loan | 977 | Repayable monthly from 31 July 2021 to 30 June 2025 and interest is paid monthly. |
| Subtotal | 1,889,092 | |
| Less: current portion | (119,974) | |
| Less: syndicated bank loans expense | (5,865) | |
| Subtotal | 1,763,253 | |
| Commercial paper payable-syndicated loans (Note1) | 4,200,000 | |
| Less: Discount on long-term commercial paper payable | (3,801) | |
| Subtotal | 4,196,199 | |
| Total | $5,959,452 | |

Note: Long-term borrowings interest rate is between 0.55% to 19.20%, and interest is paid monthly.
Long-term commercial paper payable interest rate is between 1.58%-1.595%

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 nine 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 leading 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 2024 and 2023.

(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 Group will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Group has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with local regulations.

Expenses under the defined contribution plan for the years ended 31 December 2024 and 2023 were NTD45,550 thousand and NTD43,583 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 the 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 Group expects to contribute NTD2,849 thousand to its defined benefit plan during the 12 months beginning after 31 December 2024.

The average duration of the defined benefits plan obligation as at 31 December 2024 and 2023, is 6.7 years and 7.1 years.

Pension costs recognized in profit or loss for the years ended 31 December 2024 and 2023:

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Current period service costs | $760 | $846 |
| Interest expense | 875 | 985 |
| Total | $1,635 | $1,831 |

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

| | As at | | |
|---|---|---|---|
| | 31 December 2024 | 31 December 2023 | 1 January 2023 |
| Defined benefit obligation | $175,359 | $177,119 | $173,099 |
| Plan assets at fair value | (117,231) | (102,815) | (89,606) |
| Other non-current liabilities - defined benefit obligation | $58,128 | $74,304 | $83,493 |

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 2023 | $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 | 177,119 | (102,815) | 74,304 |
| Current period service costs | 760 | - | 760 |
| Net interest expense (income) | 2,125 | (1,250) | 875 |
| Subtotal | 180,004 | (104,065) | 75,939 |
| Remeasurements of the net defined benefit | | | |

| | Defined benefit obligation | Fair value of plan assets | Benefit liability (asset) |
|---|---|---|---|
| liability (asset): | | | |
| Experience adjustments | 4,092 | - | 4,092 |
| Remeasurements of the defined benefit assets | - | (9,054) | (9,054) |
| Subtotal | 184,096 | (113,119) | 70,977 |
| Payments from the plan | (8,737) | 8,737 | - |
| Contributions by employer | - | (12,849) | (12,849) |
| As at 31 December 2024 | $175,359 | $(117,231) | $58,128 |

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

| | As at | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Discount rate | 1.6% | 1.2% |
| Expected rate of salary increases | 2.0% | 2.0% |

A sensitivity analysis for significant assumption as at 31 December 2024 and 2023 is as shown below:

For the year ended 31 December 2024:

| | Increase defined benefit obligation | Decrease defined benefit obligation |
|---|---|---|
| Discount rate increase by 0.1% | $- | $1,171 |
| Discount rate decrease by 0.1% | 1,184 | - |
| Future salary increase by 0.1% | 1,026 | - |
| Future salary decrease by 0.1% | - | 1,017 |

For the year ended 31 December 2023:

| | Increase defined benefit obligation | Decrease defined benefit obligation |
|---|---|---|
| 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 |

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 the 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 sufficiently long maturity date to coordinate the estimated due date of all benefit payments, the company should use the current market interest rate for 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 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 2023, 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 7 August 2024, the Company canceled 222,000 repurchased shares that had not been transferred to employees, resulting in a capital reduction of NTD 2,200 thousand.

As at 31 December 2024, the Company’s authorized capital was NTD 4,500,000 thousand, divided into 450,000,000 shares with a par value of NTD 10 per share. The issued and outstanding capital stocks were NTD3,033,946 thousand.

B. Capital surplus

| | As at | |
|---|---|---|
| | 31 December 2024 | 31 December 2023 |
| Additional paid-in capital | $54,767 | $54,807 |
| Employee stock option | 9,717 | 5,056 |
| The difference between the actual acquisition or disposal of the equity price of the subsidiary company and the carrying value | 371,467 | 371,467 |
| Gain on sale of assets | 42 | 42 |
| Other | 74 | 74 |
| Total | $436,067 | $431,446 |

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 a 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 a 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 2023. As at the years ended 2024 and 2023, the Company did not reverse any special reserve as a result of using, disposing of or reclassifying related assets.

During 2024 and 2023, when distributing 2024 and 2023 distributable earnings, the Company set aside special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, amounts equal to other net deductions from shareholders’ equity were NTD359,012 thousand and NTD(321,938) thousand for the years ended 2024 and 2023, 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 2024

(unit: shares)

| Reason | Beginning balance | Increase | Decrease | Cancellation | Ending balance |
|---|---|---|---|---|---|
| Transfer to employees | 695,000 | - | 378,000 | 222,000 | 95,000 |

For the year ended 31 December 2023

(unit: shares)

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

The board meeting held on 10 May 2024 approved to transfer of 378,000 treasury shares to employees and designated the same date as the record date for employee stock subscription. The transfer price was NTD 79.77 per share. The Company recognized a compensation cost of NTD 4,661 thousand on the grant date. The 378,000 employee stock options were fully exercised on 5 July 2024. On the date of share transfer, the excess of the transfer price over the reacquisition cost was recognized in capital surplus – employee stock options, amounting to NTD 4,661 thousand.

The board meeting held on 7 August 2024 approved the cancellation of 222,000 repurchased shares that had not been transferred to employees. After offsetting NTD 40 thousand against capital surplus – additional paid-in capital in proportion to shareholding, the remaining shortfall of NTD 15,446 thousand was deducted from retained earnings.

As at 31 December 2024, the treasury shares that the Company bought back not yet transferred to employee amounted to 95,000 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 remained 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 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 reserve 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 2023 earnings distribution and dividends per share as approved by the resolution of the shareholders' meeting held on 26 June 2024 are as follows:

| | Appropriation of earnings | | Dividend per share (NTD) | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Legal reserve | (Note 2) | $70,837 | | |
| Special reserve | (Note 2) | 359,012 | | |
| Cash dividends–common stock (Note 1) | (Note 2) | 302,922 | (Note 2) | $1 |

Note 1: The Company's board of directors was authorized by the Articles of Incorporation and approved the common stock cash dividend of 2023 by special resolution on 14 March 2024.

Note 2: The resolution to distribute the Company's 2024 earnings has not been finalized.

Please refer to Note 6 (20) for further details on employees' compensation and remuneration to directors and supervisors.

(16) Non-controlling interests

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Beginning balance | 6,871 | $7,309 |
| Profit attributable to non-controlling interests | 473 | (391) |
| Other comprehensive income, attributable to non-controlling interests, net of tax: | | |
| Exchange differences resulting from translating the financial statements of a foreign operation | (138) | (47) |
| Ending balance | $7,206 | $6,871 |

(17) Operating revenue

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Revenue from contracts with customers | | |
| Sale of goods | $46,053,546 | $36,851,587 |
| Other operating revenues | 1,731,852 | 1,217,976 |
| Total | $47,785,398 | $38,069,563 |

Analysis of revenue from contracts with customers during the years ended 31 December 2024 and 2023 are as follows:

A. Disaggregation of revenue

For the year ended 31 December 2024

| | Americas department | European department | Asian department | Other department | Total |
|---|---|---|---|---|---|
| Sale of goods | $24,052,867 | $11,167,940 | $8,814,124 | $2,018,615 | $46,053,546 |
| Other operating revenues | 430,825 | 1,176,517 | 87,910 | 36,600 | 1,731,852 |
| Total | $24,483,692 | $12,344,457 | $8,902,034 | $2,055,215 | $47,785,398 |

For the year ended 31 December 2023

| | Americas department | European department | Asian department | Other department | Total |
|---|---|---|---|---|---|
| Sale of goods | $19,068,872 | $8,334,166 | $7,946,171 | $1,502,378 | $36,851,587 |
| Other operating revenues | 361,815 | 751,500 | 76,052 | 28,609 | 1,217,976 |
| Total | $19,430,687 | $9,085,666 | $8,022,223 | $1,530,987 | $38,069,563 |

The Group recognizes revenues when operating revenue is transferred to the customers at a point in time.

B. Contract balance

(a) Contract asset – current

| | As at | | |
|---|---|---|---|
| | 31 December 2024 | 31 December 2023 | 1 January 2023 |
| Sales of goods | $34,891 | $27,529 | $43,325 |

The significant changes in the Group's balances of contract assets for the years ended 31 December 2024 and 2023 are as follows:

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| The opening balance transferred to trade receivables | $(27,259) | $(43,325) |
| Increase of contract assets | 34,891 | 27,259 |

Please refer to Note 6(18) for more details on the loss allowance.

(b) Contract liabilities – current

| | As at | | |
|---|---|---|---|
| | 31 December 2024 | 31 December 2023 | 1 January 2023 |
| Sales of goods | $1,293,573 | $920,701 | $830,872 |

For the year ended 31 December 2024, the contract liabilities significantly reduced as performance obligations were mostly satisfied, of which NTD920,701 thousand were recognized as revenue.

For the year ended 31 December 2023, the contract liabilities significantly reduced as performance obligations were mostly satisfied, of which NTD820,437 thousand were recognized as revenue.

(c) Transaction price allocated to unsatisfied performance obligations

None.

(d) Assets recognized from costs to fulfill a contract

None.

(18) Expected credit losses

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Operating expenses – Expected credit losses | | |
| Trade receivables | $192,972 | $137,268 |

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

The credit risk for the Group's financial assets measured at amortized cost is assessed as low as at 31 December 2024. Therefore, the expected credit loss is equal to zero.

The Group 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 Group’s loss allowance as at 31 December 2024 is as follows:

A. The gross carrying amount of contract assets is NTD34,891 thousand. There is no need to recognize loss allowance based on individual customer assessment method.

B. The Group 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 accounts receivable. The details are as follows:

Note receivables and trade receivables as at 31 December 2024

| | Not yet due | Overdue | | | | |
|---|---|---|---|---|---|---|
| | (note) | <=60 days | 61-90 days | 91-180 days | >=181 days | Total |
| Gross carrying amount | $9,679,988 | $718,432 | $183,388 | $208,646 | $167,517 | $10,957,971 |
| Loss rate | 0%-10% | 0%-10% | 0%-10% | 0%-10% | 70%-80% | |
| Lifetime expected credit losses | (3,117) | (4,776) | (685) | (3,093) | (117,915) | (129,586) |
| Per book | $9,676,871 | $713,656 | $182,703 | $205,553 | $49,602 | $10,828,385 |

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

Installment accounts receivable and leased accounts receivable as at 31 December 2024

| | Not yet due | Overdue | | | | |
|---|---|---|---|---|---|---|
| | (note) | <=60 days | 61-90 days | 91-180 days | >=181 days | Total |
| Gross carrying amount | $2,298,389 | $7,024 | $477 | $1,461 | $29,934 | $2,337,285 |
| Loss rate | 0%-10% | 0%-10% | 0%-10% | 0%-10% | 50%-60% | |
| Lifetime expected credit losses | (6,932) | (636) | (10) | (121) | (15,776) | (23,475) |
| Per book | $2,291,457 | $6,388 | $467 | $1,340 | $14,158 | $2,313,810 |

Note receivables and trade receivables as at 31 December 2023

| | Not yet due (note) | Overdue <=60 days | 61-90 days | 91-180 days | >=181 days | Total |
|---|---|---|---|---|---|---|
| Gross carrying amount | $7,248,423 | $1,005,637 | $145,621 | $176,521 | $620,531 | $9,196,733 |
| Loss rate | 0%-10% | 0%-10% | 0%-10% | 0%-10% | 70%-80% | |
| Lifetime expected credit losses | (24,972) | (16,681) | (1,852) | (8,943) | (479,209) | (531,657) |
| Per book | $7,223,451 | $988,956 | $143,769 | $167,578 | $141,322 | $8,665,076 |

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

Installment accounts receivable and leased accounts receivable as at 31 December 2023

| | Not yet due (note) | Overdue <=60 days | 61-90 days | 91-180 days | >=181 days | Total |
|---|---|---|---|---|---|---|
| Gross carrying amount | $1,841,241 | $8,445 | $892 | $2,699 | $65,114 | $1,918,391 |
| Loss rate | 0%-10% | 0%-10% | 0%-10% | 0%-10% | 20%-30% | |
| Lifetime expected credit losses | (3,215) | (385) | (57) | (96) | (17,074) | (20,827) |
| Per book | $1,838,026 | $8,060 | $835 | $2,603 | $48,040 | $1,897,564 |

The movement in the provision for impairment of note receivables and trade receivables during the ended 31 December 2024 and 2023 is as follows:

| | Note receivables | Trade receivables |
|---|---|---|
| 2024.01.01 | $- | $552,484 |
| Addition for the current period | - | 192,972 |
| Write off | - | (606,490) |
| Exchange differences | - | 14,095 |
| 2024.12.31 | $- | $153,061 |
| 2023.01.01 | $- | $542,532 |
| Addition for the current period | - | 137,268 |
| Write off | - | (92,461) |
| Exchange differences | - | (34,855) |
| 2023.12.31 | $- | $552,484 |

(19) Leases

A. The Group is a lessee

The Group leases various properties, including real estate such as land and buildings, machinery and equipment, transportation equipment, office equipment and other equipment. The lease terms range from 1 to 50 years.

The Group'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 | |
|---|---|---|
| | 2024 | 2023 |
| Land | $396,401 | $400,776 |
| Buildings | 2,578,660 | 2,380,757 |
| Machinery and equipment | 3,678 | 19,493 |
| Transportation equipment | 155,263 | 70,366 |
| Office equipment | 66 | 10 |
| Total | $3,134,068 | $2,871,402 |

During the years ended 31 December 2024 and 2023, the Group's additions to right-of-use assets amounted to NTD1,076,854 thousand and NTD1,455,294 thousand, respectively.

(ii) Lease liabilities

| | As at 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Current | $786,705 | $690,843 |
| Non-Current | 2,148,544 | 1,908,383 |
| Total | $2,935,249 | $2,599,226 |

Please refer to Note 6(21)(d) for the interest on lease liabilities recognized during the years ended 31 December 2024 and 31 December 2023, and refer to Note 12 (5) Liquidity risk management for the maturity analysis for lease liabilities as at 31 December 2024 and 31 December 2023.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Land | $11,089 | $11,764 |
| Buildings | 738,123 | 716,982 |
| Machinery and equipment | 7,638 | 14,272 |
| Transportation equipment | 69,390 | 53,060 |
| Office equipment | 30 | 774 |
| Total | $826,270 | $796,852 |

C. Income and costs relating to leasing activities

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| The expenses relating to short-term leases | $50,450 | $47,463 |

D. Cash outflow related to lessee and lease activity

During the year ended 31 December 2024 and 2023, the Group's total cash outflows for leases amounted to NTD817,352 thousand and NTD$816,680 thousand, respectively.

(20) Summary statement of employee benefits, depreciation and amortization expenses by function for the years ended 31 December 2024 and 2023:

| Function / Nature | For the years ended 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Operating costs | Operating expenses | Total amount | Operating costs | Operating expenses | Total amount |
| Employee benefits expense | | | | | | |
| Salaries | $1,148,290 | $6,395,343 | $7,543,633 | $957,508 | $5,491,053 | $6,448,561 |
| Labor and health insurance | 158,190 | 696,861 | 855,051 | 151,138 | 632,356 | 783,494 |
| Pension | 15,253 | 172,055 | 187,308 | 13,888 | 145,007 | 158,895 |
| Other employee benefits expense | 288,808 | 907,281 | 1,196,089 | 196,302 | 1,031,088 | 1,227,390 |
| Depreciation | 254,214 | 1,163,824 | 1,418,038 | 239,645 | 1,066,129 | 1,305,774 |
| Amortization | 323 | 103,228 | 103,551 | 469 | 91,756 | 92,225 |

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 2024, the Company estimated the amount of the employees' compensation and remuneration to directors for the year ended 31 December 2024 to be NTD29,500 thousand and NTD8,600 thousand, respectively, recognized as employee salary expense.

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 2024 to distribute NTD10,000 thousand and NTD8,600 thousand in cash as the employee compensation and remuneration to directors of 2023, respectively. The difference of NTD 1,400 thousand compared to the amount recognized as expenses in the financial statements for the year ended 31 December 2023 has been recorded in the profit or loss for the year 2024.

(21) Non-operating income and expenses

A. Interest income

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Financial assets measured at amortized cost | $311,517 | $194,186 |

B. Other income

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Compensate | $- | $35,525 |
| Others | 42,700 | 40,287 |
| Total | $42,700 | $75,812 |

C. Other gains and losses

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Foreign exchange gains, net | $317,247 | $376,191 |
| Losses on disposal of investments | (14,888) | (15,226) |
| Losses on disposal of property, plant and equipment | (6,322) | (9,046) |
| Gains on financial assets at fair value through profit or loss (Note 1) | 19,050 | 5,416 |
| Losses on financial liabilities at fair value through profit or loss (Note 2) | (5,476) | (18,170) |
| Others | (13,510) | (139,526) |
| Total | $296,101 | $199,639 |

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 | |
|---|---|---|
| | 2024 | 2023 |
| Interest on loans from bank | $277,046 | $318,027 |
| Interest on lease liabilities | 72,756 | 59,443 |
| Total | $349,802 | $377,470 |

(22) Components of other comprehensive income

A. For the year ended 31 December 2024

| | 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 | $4,962 | $4,962 | $(992) | $3,970 |
| Unrealized gains from equity instruments investments measured at fair value through other comprehensive income | 14,204 | 14,204 | - | 14,204 |
| To be reclassified to profit or loss in subsequent periods: | | | | |
| Exchange differences resulting from translating the financial statements of a foreign operation | 214,415 | 214,415 | - | 214,415 |
| Total of other comprehensive income | $233,581 | $233,581 | $(992) | $232,589 |

B. 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 (losses) 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 | (359,082) | (359,082) | - | (359,082) |
| Total of other comprehensive income | $(360,886) | $(360,886) | $365 | $(360,521) |

## (23) Income tax

The major components of income tax expense(income) for the year ended 31 December 2024 and 2023 are as follows:

A. Income tax expense (income) recognized in profit or loss

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Current income tax expense: | | |
| Current income tax charge | $904,728 | $470,041 |
| Adjustments in respect of current income tax of prior periods | (1,401) | 21,479 |
| Deferred tax expense (income): | | |
| Deferred tax expense relating to origination and reversal of temporary differences | (328,416) | (174,225) |
| Deferred tax expense (income) relating to origination and reversal of tax loss and tax credit | 461,850 | 290,306 |
| Other components of deferred tax income | 24,920 | 17,444 |
| Total income tax expense | $1,061,681 | $625,045 |

B. Income tax relating to components of other comprehensive income

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Deferred tax income (expense): | | |
| Exchange differences resulting from translating the financial statements of a foreign operation | $- | $- |
| Remeasurements of defined benefit plans | 992 | (365) |
| Unrealized losses from equity instruments investments measured at fair value through other comprehensive income | - | - |
| Income tax relating to components of other comprehensive income | $992 | $(365) |

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 | |
|---|---|---|
| | 2024 | 2023 |
| Accounting profit before tax from continuing operations | $3,492,334 | $1,334,482 |
| Tax at the domestic rates applicable to profits in the country concerned | $698,467 | $266,896 |
| Tax effect of different tax rates of operating individuals at other tax region | 362,671 | 198,924 |
| Tax effect of revenues exempt from taxation | (301,319) | (550,563) |
| Tax effect of expenses not deductible for tax purposes | 143,029 | 162,767 |
| Tax effect of deferred tax assets/liabilities | 133,434 | 458,610 |
| 5 % surtax on undistributed retained earnings | - | 26,484 |
| Adjustments in respect of current income tax of prior periods | (1,401) | 21,479 |
| Other adjustments according to tax law | 26,800 | 40,448 |
| Total income tax expense recognized in profit or loss | $1,061,681 | $625,045 |

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

(a) For the year ended 31 December 2024

| | Balance as at 1 January | Recognized in profit or loss | Recognized in other comprehensive income | Exchange differences | Balance as at 31 December |
|---|---|---|---|---|---|
| Temporary difference | | | | | |
| Provision for allowance to reduce inventories to market value | $91,338 | $39,352 | $- | $5,401 | $136,091 |
| Unrealized sales gross profit | 113,044 | 275,590 | - | (995) | 387,639 |
| Unrealized other income | 17,489 | (3,511) | - | 1,091 | 15,069 |
| Accrued expense | 142,300 | (5,507) | - | 885 | 137,678 |
| Prepaid Expenses | (8,947) | (7,177) | - | (745) | (16,869) |
| Unrealized financial assets measured at fair value through profit or loss | 885 | (2,626) | - | 4 | (1,737) |
| Unrealized Pension | 2,014 | (2,243) | - | - | (229) |
| Actuarial gain on defined benefit plans | 12,845 | - | (992) | - | 11,853 |
| Unrealized exchange gain or loss | (39,460) | 2,447 | - | 143 | (36,870) |
| Allowance for bad debts exceeded | 13,395 | (9,509) | - | 681 | 4,567 |
| Deferred expense | 5,688 | (1,120) | - | 355 | 4,923 |
| Depreciation | (18,192) | 4,522 | - | (1,383) | (15,053) |
| Unused tax losses | 1,052,592 | (461,850) | - | 43,380 | 634,122 |
| Provision-warranties | 89,782 | 96,648 | - | 4,234 | 190,664 |
| Land appreciation tax | (47,428) | - | - | - | (47,428) |
| Valuation gains (losses) measured at fair value through other comprehensive income | (1,092) | - | - | 207 | (885) |
| Other deferred income tax assets | 185,623 | (108,182) | - | 4,403 | 81,844 |
| Other deferred income tax liabilities | (102,926) | 49,732 | - | (5,168) | (58,362) |
| Deferred income tax expense/(income) | | $(133,434) | $(992) | $52,493 | |
| Net deferred income tax assets/(liabilities) | $1,508,950 | | | | $1,427,017 |
| Reflected in balance sheet as follows: | | | | | |
| Deferred tax assets | $1,656,533 | | | | $1,570,740 |
| Deferred tax liabilities | $(147,583) | | | | $(143,723) |

(b) For the year ended 31 December 2023

| | Balance as at 1 January | Recognized in profit or loss | Recognized in other comprehensive income | Exchange differences | Balance as at 31 December |
|---|---|---|---|---|---|
| Temporary difference | | | | | |
| Provision for allowance to reduce inventories to market value | $87,115 | $4,646 | $- | $(423) | $91,338 |
| Unrealized sales gross profit | 94,938 | 19,780 | - | (1,674) | 113,044 |
| Unrealized other income | 18,492 | (1,031) | - | 28 | 17,489 |
| Accrued expense | 128,097 | 14,401 | - | (198) | 142,300 |
| Prepaid Expenses | (7,930) | (1,010) | - | (7) | (8,947) |
| Unrealized financial assets measured at fair value through profit or loss | (1,724) | 2,554 | - | 55 | 885 |
| Exchange differences on translation of foreign operations | 342,529 | (342,529) | - | - | - |
| Unrealized Pension | 4,218 | (2,204) | - | - | 2,014 |
| Actuarial gain on defined benefit plans | 12,480 | - | 365 | - | 12,845 |
| Unrealized exchange gain or loss | (106,784) | 67,235 | - | 89 | (39,460) |
| Allowance for bad debts exceeded | 6,998 | 6,475 | - | (78) | 13,395 |
| Deferred expense | (3,896) | 9,758 | - | (174) | 5,688 |
| Depreciation | 2,595 | (20,598) | - | (189) | (18,192) |
| Unused tax losses | 1,345,976 | (290,306) | - | (3,078) | 1,052,592 |
| Provision-warranties | 91,593 | (1,295) | - | (516) | 89,782 |
| Land appreciation tax | (47,428) | - | - | - | (47,428) |
| Valuation gains (losses) measured at fair value through other comprehensive income | (463) | - | - | (629) | (1,092) |
| Other deferred income tax assets | 82,668 | 101,917 | - | 1,038 | 185,623 |
| Other deferred income tax liabilities | (76,635) | (26,403) | - | 112 | (102,926) |
| Deferred income tax expense/(income) | | $(458,610) | $365 | $(5,644) | |
| Net deferred income tax assets/(liabilities) | $1,972,839 | | | | $1,508,950 |
| Reflected in balance sheet as follows: | | | | | |
| Deferred tax assets | $2,139,856 | | | | $1,656,533 |
| Deferred tax liabilities | $(167,017) | | | | $(147,583) |

(c) The following table contains information of the unused tax:

| Year | Tax losses for the period | Unused tax losses as at 31 December 2024 | Unused tax losses as at 31 December 2023 | Expiration Year (Note) |
|---|---|---|---|---|
| 2015 | $203,811 | $10,371 | 18,449 | 2024~2035 |
| 2016 | 153,332 | 52,840 | 78,841 | 2025~2036 |
| 2017 | 407,723 | 39,189 | 119,445 | 2026~2037 |
| 2018 | 526,425 | 12,090 | 427,741 | 2027~2038 |
| 2019 | 521,504 | 68,596 | 531,833 | 2028~2039 |
| 2020 | 615,708 | 312,038 | 579,168 | 2029~2040 |
| 2021 | 1,120,941 | 307,096 | 912,897 | 2030~2041 |
| 2022 | 1,463,686 | 732,958 | 969,674 | 2031~2042 |
| 2023 | 554,241 | 192,178 | 400,952 | 2032~2043 |
| 2024 | 630,040 | 602,938 | - | 2033~2044 |
| Total | $6,197,411 | $2,330,294 | $4,039,000 | |

Note: The loss deduction of Johnson Industry Brazil Ltda. Johnson Health Tech North America Inc. and Johnson Health Tech Retail Inc. has no expiration year.

(d) 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 2024 and 2023, the temporary differences associated with investment in subsidiaries, for which deferred tax liabilities have not been recognized, aggregate to NTD1,314,290 thousand and NTD971,649 thousand respectively.

(e) The assessment of income tax returns

As at 31 December 2024, the tax authorities have assessed the income tax returns of the Company through 2021.

As at 31 December 2024, the Company's foreign subsidiaries, which are subject to foreign tax jurisdictions under the Controlled Foreign Corporation regulations, have completed tax filings up to the fiscal year 2023.

## (24) 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 | |
|---|---|---|
| | 2024 | 2023 |
| (1) Basic earnings per share | | |
| Profit attributable to ordinary equity holders of the Company (in thousands of NTD) | $2,430,180 | $709,828 |
| Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands) | 303,108 | 302,922 |
| Basic earnings per share (NTD) | $8.02 | $2.34 |

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| (2) Diluted earnings per share | | |
| Profit attributable to ordinary equity holders of the Company (in thousands of NTD) | $2,430,180 | $709,828 |
| Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands) | 303,108 | 302,922 |
| Employee stock options (in thousands) | 160 | - |
| Weighted average number of ordinary shares outstanding after dilution (in thousands) | 303,268 | 302,922 |
| Diluted earnings per share (NTD) | $8.01 | $2.34 |

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

Significant transactions with related parties

(1) Key management personnel compensation:

| | For the years ended 31 December | |
|---|---|---|
| | 2024 | 2023 |
| Short-term employee benefits | $254,173 | $217,864 |

8. Assets pledged as security

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

| | As at | | |
|---|---|---|---|
| | 31 December 2024 | 31 December 2023 | Contents of secured debt |
| Property, plant and equipment - land | $671,271 | $671,271 | Syndicated loans /Loan secured |
| Property, plant and equipment – buildings (carrying value) | 842,934 | 902,933 | Syndicated loans /Loan secured |
| Right-of-use assets-land | 245,112 | 250,063 | Loan secured |
| Machine (carrying value) | 295,356 | 330,431 | Loan secured |
| Other receivable - deposit | 128,675 | 110,443 | LC loan / Notes payable |
| Total | $2,183,348 | $2,265,141 | |

9. Commitments and contingencies

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

The contracts of the Group as at 31 December 2024 and 2023 are as follows:

A. As at 31 December 2024:

None

B. As at 31 December 2023:

| Counterparty | Contract target | Total contract amount | Accumulated payment as at 31 December 2023 |
|---|---|---|---|
| Company A | Phase 2 factory construction project | NTD578,452 thousand | NTD551,970 thousand |

(2) The Company issued guaranty notes as security for borrowings in the sum of NTD800,642 thousand as at 31 December 2024.

(3) The Company entered into financial guarantees to related parties as at 31 December 2024. Refer to Note 13(1)(b).

(4) Legal claim contingency:

(1) The Group's French subsidiary, Johnson Health Tech France, accepted the tax audit of the French tax authority from 12 November 2020 to 10 December 2020, and the notice of additional tax payment was issued on 15 December 2020 The Group believes that the reasons for additional tax payment provided by the French tax authority are clearly inconsistent with the facts, and a tax lawyer has been entrusted to file a petition within the statutory period. However, the outcome of the case cannot be ascertained and unable to reasonably estimate uncertain income tax liabilities as the petition is still in progress as at the reporting date.

(2) The Group's North American subsidiaries, Johnson Health Tech Retail Inc. and Johnson Health Tech North America, Inc., received a notification letter from the U.S. Consumer Product Safety Commission (CPSC) in April 2024, requiring a penalty related to product defects in products sold by JHT North America from 2015 to 2020. The Group believes that the reasons for the proposed penalty provided by the CPSC are inconsistent with the facts. Accordingly, legal counsel has been engaged to submit an explanation within the required timeframe. However, as at the reporting date, the process is still ongoing, and the outcome of the case remains uncertain. Consequently, the Group is unable to reasonably estimate any potential liabilities arising from this matter.

10. <u>Losses due to major disasters</u>

None.

11. <u>Significant subsequent events</u>

None.

12. Others

(1) Categories of financial instruments

| Financial Assets | As at 31 December 2024 | As at 31December 2023 |
|---|---|---|
| Financial assets at fair value through profit or loss: | | |
| Mandatorily measured at fair value through profit or loss | $8,686 | $14,162 |
| Equity instruments measured at fair value through other comprehensive income loss | 7,912 | 8,707 |
| Amortized cost of a financial asset: | | |
| Cash and cash equivalents (excluding cash on hand) | 2,605,267 | 2,326,124 |
| Financial assets measured at amortized cost | 11,133 | 16,597 |
| Notes and trade receivables | 13,142,195 | 10,562,640 |
| Other receivables | 434,733 | 434,611 |
| Subtotal | 16,193,328 | 13,339,972 |
| Total | $16,209,926 | $13,362,841 |

| Financial Liabilities | As at 31 December 2024 | As at 31 December 2023 |
|---|---|---|
| Financial liabilities at amortized cost: | | |
| Short-term borrowings | $6,166,733 | $5,029,244 |
| Commercial paper payable | 499,572 | 449,633 |
| Notes and accounts payable | 6,028,218 | 4,333,335 |
| Other payable | 4,706,524 | 3,762,873 |
| Bonds payable (including current portion) | 3,000,000 | 2,000,000 |
| Long-term loans (including current portion) | 4,714,411 | 6,079,426 |
| Lease liability | 2,935,249 | 2,599,226 |
| Subtotal | 28,050,707 | 24,253,737 |
| Financial liabilities at fair value through profit or loss: | | |
| Held for trading | - | 19,050 |
| Total | $28,050,707 | $24,272,787 |

(2) Financial risk management objectives and policies

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

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the board of directors and audit committee must be carried out based on related protocols and internal control procedures. The Group 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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expenses are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group 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 Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies at the end of the reporting period. The Group'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 2024 | $- | $8,639 |
| For the year ended 31 December 2023 | $- | $4,544 |

(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 2024 | $- | $32,892 |
| For the year ended 31 December 2023 | $- | $31,704 |

(c) When NTD strengthens/weakens against CNY by 1%:

| | Increase (decrease) in equity | Decrease (increase) in profit or loss |
|---|---|---|
| For the year ended 31 December 2024 | $- | $(21,304) |
| For the year ended 31 December 2023 | $- | $(15,613) |

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

| | Increase (decrease) in equity | Decrease (increase) in profit or loss |
|---|---|---|
| For the year ended 31 December 2024 | $- | $(2,951) |
| For the year ended 31 December 2023 | $- | $1,924 |

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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

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 2024 and 2023 to decrease/increase by NTD11,381 thousand and NTD11,558 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 Group 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 Group'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 Group's internal rating criteria, etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting prepayment or insurance.

As at 31 December 2024 and 2023, the credit concentration risk of other accounts receivables is insignificant.

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

(5) Liquidity risk management

The Group'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 Group'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 |
|---|---|---|---|---|---|
| As at 31 December 2024 | | | | | |
| Short-term borrowings | $6,200,198 | $- | $- | $- | $6,200,198 |
| Commercial paper payable | 500,000 | - | - | - | 500,000 |
| Notes and accounts payable | 6,028,218 | - | - | - | 6,028,218 |
| Bonds payable | 65,000 | 1,121,888 | 2,071,002 | - | 3,257,890 |
| Long-term loans | 363,428 | 4,329,020 | 55,283 | - | 4,747,731 |
| Lease liabilities | 841,584 | 1,153,998 | 572,731 | 543,569 | 3,111,882 |
| | | | | | |
| As at 31 December 2023 | | | | | |
| Short-term borrowings | $5,056,053 | $- | $- | $- | $5,056,053 |
| Commercial paper payable | 450,000 | - | - | - | 450,000 |
| Notes and accounts payable | 4,333,335 | - | - | - | 4,333,335 |
| Bonds payable | 2,011,006 | - | - | - | 2,011,006 |
| Long-term loans | 4,329,899 | 1,464,642 | 174,199 | 176,864 | 6,145,604 |
| Lease liabilities | 796,244 | 1,105,042 | 443,063 | 268,341 | 2,612,690 |

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2024:

| | Short-term borrowings | Commercial paper Payable | Long-term loans | Lease liabilities | Total liabilities from financing activities |
|---|---|---|---|---|---|
| As at 1 January 2024 | $5,029,244 | $449,633 | $6,079,426 | $2,599,226 | $14,157,529 |
| Cash flows | 1,156,057 | 50,000 | (1,280,378) | (766,902) | (841,223) |
| Non-cash changes | - | (61) | - | 1,076,854 | 1,076,793 |
| Foreign exchange movement | (18,568) | - | (84,637) | 26,071 | (77,134) |
| As at 31 December 2024 | $6,166,733 | $499,572 | $4,714,411 | $2,935,249 | $14,315,965 |

Reconciliation of liabilities for the year ended 31 December 2023:

| | Short-term borrowings | Commercial paper Payable | Long-term loans | Lease liabilities | Total liabilities from financing activities |
|---|---|---|---|---|---|
| As at 1 January 2023 | $12,277,783 | $849,648 | $1,471,028 | $1,852,281 | $16,450,740 |
| Cash flows | (7,186,838) | (371,729) | 4,638,457 | (769,217) | (3,689,327) |
| Non-cash changes | - | (28,286) | - | 1,455,294 | 1,427,008 |
| Foreign exchange movement | (61,701) | - | (30,059) | 60,868 | (30,892) |
| As at 31 December 2023 | $5,029,244 | $449,633 | $6,079,426 | $2,599,226 | $14,157,529 |

(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 Group 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 of financial instruments measured at amortized cost

The carrying amount of the Group's financial instruments except cash and cash equivalents, trade receivables, accounts payable and other current liabilities, financial assets and liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy

Please refer to Note 12(9) for the fair value measurement hierarchy for the financial instruments of the Group.

(8) Derivative instruments

The Group's related information for derivative instruments not qualified for hedge accounting and not yet settled as at 31 December 2024 and 2023 is as follows:

Forward currency contracts

The Group 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:

| Company | Contract | Contract amount (in thousands) | Maturity |
|---|---|---|---|
| As at 31 December 2024 | | | |
| Johnson Health Tech. Co., Ltd. | Foreign exchange swaps | Sell USD 49,000 | 2025/1/3-2025/1/7 |
| Johnson Health Tech. Co., Ltd. | Foreign exchange swaps | Sell EUR 46,000 | 2025/1/10-2025/1/14 |
| As at 31 December 2023 | | | |
| Johnson Health Tech. Co., Ltd. | Foreign exchange swaps | Sell USD 77,800 | 2024/1/5 |
| Johnson Health Tech. Co., Ltd. | Foreign exchange swaps | Sell EUR 15,300 | 2024/1/4-2024/1/5 |
| Johnson Health Tech. Co., Ltd. | Pre-sale forward exchange contracts | Sell USD 10,000 | 2024/1/30 |

(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 Group 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 Group's assets and liabilities

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

As at 31 December 2024

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets: | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Pre-sale forward exchange contracts | $- | $8,686 | $- | $8,686 |
| Equity instruments measured at fair value through other comprehensive income | 7,912 | - | - | 7,912 |
| Financial liabilities: | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Foreign exchange swaps | $- | $- | $- | $- |

As at 31 December 2023

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets: | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Pre-sale forward exchange contracts | $- | $14,162 | $- | $14,162 |
| Equity instruments measured at fair value through other comprehensive income | 8,707 | - | - | 8,707 |
| Financial liabilities: | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Foreign exchange swaps | $- | $19,050 | $- | $19,050 |

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2024 and 2023, 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 2024 | | | 31 December 2023 | | |
| | Foreign currency (thousands) | Exchange rate | NTD (thousands) | Foreign currency (thousands) | Exchange rate | NTD (thousands) |
| Financial assets | | | | | | |
| Monetary item: | | | | | | |
| EUR | $129,123 | 34.1320 | $4,407,172 | $119,969 | 34.0114 | $4,080,319 |
| USD | 112,815 | 32.7810 | 3,698,177 | 83,710 | 30.7350 | 2,572,829 |
| CNY | 75,504 | 4.4913 | 339,113 | 110,409 | 4.3338 | 478,485 |
| JPY | 5,275,400 | 0.2098 | 1,106,779 | 4,699,085 | 0.2173 | 1,021,332 |
| Financial liabilities | | | | | | |
| Monetary item: | | | | | | |
| CNY | $549,849 | 4.4913 | $2,469,536 | $470,667 | 4.3338 | $2,039,756 |
| USD | 86,463 | 32.7810 | 2,834,351 | 72,135 | 30.7350 | 2,217,072 |
| JPY | 6,681,454 | 0.2098 | 1,401,769 | 3,813,666 | 0.2173 | 828,889 |
| EUR | 32,757 | 34.1320 | 1,118,040 | 24,682 | 34.0114 | 839,475 |

The Group is unable to disclose foreign exchange gains or losses on significant assets and liabilities denominated in foreign currencies because the Group entities use a large number of different functional currencies. The exchange loss for the years ended 31 December 2024 and 2023 were NTD317,247 thousand and NTD376,191 thousand, respectively.

The information above is disclosed based on the foreign currency carrying amount (already converted into functional currency).

(11) Capital management

The primary objective of the Group'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 Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

13. <u>Other disclosures</u>

(1) Information at significant transactions

A. Financing provided to others for the year ended 31 December 2024: Please refer to Attachment 1.

B. Endorsement/Guarantee provided to others for the year ended 31 December 2024: Please refer to Attachment 2.

C. Securities held as of 31 December 2024: Please refer to Attachment 3.

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 2024: 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 2024: 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 2024: 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 2024: Please refer to Attachment 5.

H. Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of capital stock as of 31 December 2024: Please refer to Attachment 4.

I. Financial instruments and derivative transactions: 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 5.

(2) Information on investees

Investee company names, locations, main businesses and products, original investment amount, investment as of 31 December 2024, net income (loss) of the investee company and investment income (loss) recognized as of 31 December 2024: Please refer to Attachment 6.

(3) Information on investments in mainland China

The Company ultimately invests subsidiaries in mainland China through its subsidiary, Johnson International Holding Corp., Ltd.: Please refer to Attachment 7.

(4) Major Shareholder Information

| Shares / Name of major shareholder | Number of shares held | Shareholding ratio |
|---|---|---|
| Guang-ting Luo | 86,087,121 | 28.35% |
| Kun-quan Luo | 61,229,933 | 20.16% |
| Ya-fang Luo | 17,240,445 | 5.68% |

14. Operating segment information

(1) For the purpose of operation, the Company operates in a single industry segment with different strategic segments, and they are classified into four segments as follows:

A. American segment: In charge of selling cardiovascular equipment and research and development of training equipment in America.

B. European segment: In charge of selling cardiovascular equipment in Europe.

C. Asian segment: In charge of manufacturing and selling Fuji massage chairs, cardiovascular equipment and weight training equipment in Asia, and franchising the import and export of the above-mentioned products.

D. Others: In charge of selling cardiovascular machinery in other areas.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

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

Information of the reportable segments' profit and loss are listed as follows:

(a) For the year ended 31 December 2024

| | America | Europe | Asia | Other | Adjustment and eliminations | Consolidated |
|---|---|---|---|---|---|---|
| Revenue: | | | | | | |
| External customers | $24,483,692 | $12,344,457 | $8,902,034 | $2,055,215 | $- | $47,785,398 |
| Inter-segment | 475,841 | 145,364 | 32,792,565 | - | (33,413,770) | - |
| Total revenue | $24,959,533 | $12,489,821 | $41,694,599 | $2,055,215 | $(33,413,770) | $47,785,398 |
| Segment profit | $919,397 | $669,134 | $4,600,151 | $99,438 | $(2,795,786) | $3,492,334 |

(b) For the year ended 31 December 2023

| | America | Europe | Asia | Other | Adjustment and eliminations | Consolidated |
|---|---|---|---|---|---|---|
| Revenue: | | | | | | |
| External customers | $19,430,687 | $9,085,666 | $8,022,223 | $1,530,987 | $- | $38,069,563 |
| Inter-segment | 322,469 | 293,087 | 22,870,314 | 5,703 | (23,491,573) | - |
| Total revenue | $19,753,156 | $9,378,753 | $30,892,537 | $1,536,690 | $(23,491,573) | $38,069,563 |
| Segment profit | $1,158,654 | $322,424 | $974,227 | $61,014 | $(1,181,837) | $1,334,482 |

The related information of operating segment asset as at 31 December 2024 and 2023 are listed as follows:

| Segment Assets: | America | Europe | Asia | Other | Adjustments and eliminations | Consolidated |
|---|---|---|---|---|---|---|
| 31 December 2024 | $17,491,219 | $11,211,720 | $61,461,314 | $2,057,276 | $(48,606,111) | $43,615,418 |
| 31 December 2023 | $13,198,540 | $9,239,447 | $52,196,184 | $1,621,499 | $(39,833,830) | $36,421,840 |

| Segment Liabilities: | America | Europe | Asia | Other | Adjustments and eliminations | Consolidated |
|---|---|---|---|---|---|---|
| 31 December 2024 | $13,545,362 | $6,520,275 | $29,504,161 | $1,501,191 | $(19,500,121) | $31,570,868 |
| 31 December 2023 | $11,031,898 | $4,990,658 | $25,224,115 | $1,136,485 | $(15,610,759) | $26,772,397 |

(c) Reconciliations of the reported segment revenues, profit and loss, assets, liabilities and other major projects: None.

(d) Geographical information

(i) As at 31 December 2024 and 2023, the Company's external sales are listed as follows:

| Area | For the years ended 31 December 2024 | 2023 |
|---|---|---|
| Americas | $24,483,692 | $19,430,687 |
| Europe | 12,344,457 | 9,085,666 |
| Asia | 8,902,034 | 8,022,223 |
| Other | 2,055,215 | 1,530,987 |
| Total | $47,785,398 | $38,069,563 |

Sales are classified based on the area where the customers are located at.

(ii) Non-current asset:

| Area | As at 31 December 2024 | 31 December 2023 |
|---|---|---|
| America | $3,853,283 | $4,897,528 |
| Europe | 1,739,883 | 929,032 |
| Asia | 5,734,024 | 5,021,901 |
| Other | 409,797 | 306,982 |
| Total | $11,736,987 | $11,155,443 |

(e) Information about major customers

There are no sales to a single customer exceeding 10% of the consolidated sales of the Group for the years ended 2024 and 2023.

Attachment 1: Financing provided to others for the year ended 31 December 2024

| 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 (Note1) | Amount of sales to (purchases from) counter-party | Reason for short-term financing | Allowance for doubtful accounts | Collateral | | Limit of financing amount for individual counter-party (Note2) | Limit of total financing amount (Note3) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Item | Value | | |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Industrial Do Brasil Ltda. | Other receivable-related parties | Y | 540,000 | 350,000 | 221,154 | 3.00% | 1 | 1,716,795 | | - | - | - | 6,018,672 | 12,037,344 |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech UAE L.L.C. | Other receivable-related parties | Y | 270,000 | 270,000 | 180,751 | 3.00% | 1 | 732,861 | | - | - | - | 6,018,672 | 12,037,344 |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technologies Canada Commercial Inc. | Other receivable-related parties | Y | 345,000 | 345,000 | 126,080 | 3.00% | 1 | 612,410 | | - | - | - | 6,018,672 | 12,037,344 |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Trading, Inc. | Other receivable-related parties | Y | 900,000 | 900,000 | - | 0.00% | 1 | 4,469,570 | | - | - | - | 6,018,672 | 12,037,344 |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech UK Limited | Other receivable-related parties | Y | 340,000 | 340,000 | 71,143 | 3.00% | 1 | 1,040,875 | | - | - | - | 6,018,672 | 12,037,344 |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech.Netherlands B.V. | Other receivable-related parties | Y | 350,000 | 350,000 | 72,681 | 3.00% | 1 | 2,587,279 | | - | - | - | 6,018,672 | 12,037,344 |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technologies,S.A. de C.V. | Other receivable-related parties | Y | 320,000 | 320,000 | 251,340 | 3.00% | 1 | 1,092,222 | | - | - | - | 6,018,672 | 12,037,344 |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech.GmbH | Other receivable-related parties | Y | 232,000 | 100,000 | - | 0.00% | 1 | 1,482,380 | | - | - | - | 1,482,380 | 4,814,938 |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Retail, Inc. | Other receivable-related parties | Y | 1,304,000 | - | - | 0.00% | 2 | - | Purchase of assets | - | - | - | 2,407,469 | 4,814,938 |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Denmark Aps | Other receivable-related parties | Y | 200,000 | 200,000 | 148,774 | 3.00% | 1 | 437,864 | | - | - | - | 6,018,672 | 12,037,344 |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Turkey Spor Ve Saglik Malzemeleri Ticaret Anonim Sirketi | Other receivable-related parties | Y | 59,076 | 59,076 | 19,692 | 0.50% | 1 | 76,035 | | - | - | - | 76,035 | 4,814,938 |
| 1 | Johnson Health Tech France | Johnson Health Tech. Co., Ltd. | Other receivable-related parties | Y | 179,100 | 171,600 | 140,712 | 5.82% | 2 | - | For business operation | - | - | - | 388,680 | 518,240 |
| 2 | Johnson Health Tech Japan Co., Ltd. | Johnson Digital Japan Co., Ltd. | Other receivable-related parties | Y | 67,380 | - | - | 0.00% | 2 | - | For business operation | - | - | - | 61,068 | 183,203 |

Attachment 1: Financing provided to others for the year ended 31 December 2024

| 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 (Note1) | Amount of sales to (purchases from) counter-party | Reason for short-term financing | Allowance for doubtful accounts | Collateral | | Limit of financing amount for individual counter-party (Note2) | Limit of total financing amount (Note3) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Item | Value | | |
| 3 | Johnson Health Tech. (Thailand) Company Limited | JHT FIT Company Limited | Other receivable-related parties | Y | 2,002 | 1,962 | 1,962 | 1.50% | 2 | - | For business operation | - | - | - | 31,521 | 31,521 |
| 4 | Johnson Health Tech UK Limited | Johnson Health Tech Digital UK Ltd. | Other receivable-related parties | Y | 83,100 | 82,740 | 12,411 | 5.7500% | 2 | - | For business operation | - | - | - | 121,859 | 146,231 |
| 5 | Fuji Medical Instruments Mfg. Co., Ltd. | Fujiiryoki Inc. | Other receivable-related parties | Y | 105,800 | 105,800 | 44,737 | 1.3000% | 2 | - | For business operation | - | - | - | 172,837 | 259,255 |

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.
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.
Johnson Health Tech Japan Co., Ltd.'s financing limit for a counterparty was set at 20% of its net worth stated in the most recent financial report.
Johnson Health Tech. (Thailand) Company Limited's financing limit for a counterparty was set at 40% of its net worth stated in the most recent financial report.
Johnson Health Tech UK Limited's financing limit for a counterparty was set at 50% of its net worth stated in the most recent financial report.
Fuji Medical Instruments Mfg. Co., Ltd.'s financing limit for a counterparty was set at 20% of its net worth stated in the most recent financial report.

Note3 : Johnson Health Tech. Co., Ltd.'s financing limit for total financing between foreign subsidiaries which the Company holds was set at 100% of its net worth stated in the most recent financial report.
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.
Johnson Health Tech. Co., Ltd.'s financing limit for total financing of the company which needs short-term financing was set at 40% of its net worth stated in the most recent financial report.
Johnson Health Tech France's financing limit for 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 total financing limit was set at 60% of its net worth stated in the most recent financial report.
Johnson Health Tech. (Thailand) Company Limited's financing limit for total financing limit was set at 40% of its net worth stated in the most recent financial report.
Johnson Health Tech UK Limited's financing limit for total financing limit was set at 60% of its net worth stated in the most recent financial report.
Fuji Medical Instruments Mfg. Co., Ltd.'s financing limit for total financing limit was set at 30% of its net worth stated in the most recent financial report.

Note4 : The amount of financing between foreign subsidiaries in which the Company holds, directly and indirectly, 100% of voting shares, is not restricted. However, such subsidiaries shall specify the period, limit and authorized amount of the loan.

Attachment 2: Endorsement/Guarantee provided to others as of 31 December 2024

| No. | Endorsor/ Guarantor | Counterparty | | Guarantee limited amount for each counterparty (Note 2) | Maximum balance for the period | Ending balance of guarantee amount | Amount drawn provided | Value of collaterals properties guarantee/ endorsement | Ratio of accumulated amount of guarantee provided to net equity of the latest financial statements | Limited of guarantee amount (Note 3) | Guarantee from the parent to subsidiary | Guarantee from the subsidiary to parent | Guarantee to mainland China |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Company name | Releationship (Note 1) | | | | | | | | | | |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech GmbH | 2 | 12,037,344 | 174,048 | 168,168 | - | 0 | 1.40% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech UK Limited | 2 | 12,037,344 | 319,853 | 319,028 | 2,109 | 0 | 2.65% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | World of Leasing GmbH | 2 | 12,037,344 | 143,280 | 137,280 | - | 0 | 1.14% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Iberica S. L. | 2 | 12,037,344 | 351,648 | 339,768 | 308,880 | 0 | 2.82% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. Japan Co.,Ltd. | 2 | 12,037,344 | 44,920 | 42,320 | - | 0 | 0.35% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. (Thailand) Company Limited | 2 | 12,037,344 | 98,880 | 98,460 | 35,117 | 0 | 0.82% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. (Schweiz) GmbH | 2 | 12,037,344 | 170,520 | 167,100 | 35,007 | 0 | 1.39% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technologies Canada Commercial Inc. | 2 | 12,037,344 | 143,280 | 137,760 | 0 | 0 | 1.14% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Italia S.P.A. | 2 | 12,037,344 | 192,929 | 192,929 | 68,640 | 0 | 1.60% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Industry (VietNam) Company Limited | 2 | 12,037,344 | 1,936,380 | 1,936,380 | 110,857 | 0 | 16.09% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Industrial Do Brasil Ltda. | 2 | 12,037,344 | 717,220 | 628,080 | 349,498 | 0 | 5.22% | 30,093,360 | Y | N | N |

Attachment 2: Endorsement/Guarantee provided to others as of 31 December 2024

| No. | Endorsor/ Guarantor | Counterparty | | Guarantee limited amount for each counterparty (Note 2) | Maximum balance for the period | Ending balance of guarantee amount | Amount drawn provided | Value of collaterals properties guarantee/ endorsement | Ratio of accumulated amount of guarantee provided to net equity of the latest financial statements | Limited of guarantee amount (Note 3) | Guarantee from the parent to subsidiary | Guarantee from the subsidiary to parent | Guarantee to mainland China |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Company name | Releationship (Note 1) | | | | | | | | | | |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technology (Shanghai) Co., Ltd. | 2 | 12,037,344 | 228,350 | 225,400 | 0 | 0 | 1.87% | 30,093,360 | Y | N | Y |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Industries (Shanghai) Co., Ltd. | 2 | 12,037,344 | 538,150 | 422,320 | 39,894 | 0 | 3.51% | 30,093,360 | Y | N | Y |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Netherlands B.V. | 2 | 12,037,344 | 274,560 | 274,560 | 171,600 | 0 | 2.28% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Fuji Medical Instruments Mfg. Co., Ltd. | 2 | 12,037,344 | 295,420 | 291,060 | 0 | 0 | 2.42% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech France | 2 | 12,037,344 | 106,560 | 102,960 | 0 | 0 | 0.86% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Poland SP. Z.O.O. | 2 | 12,037,344 | 7,992 | 7,722 | 0 | 0 | 0.06% | 30,093,360 | Y | N | N |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Romania S.A. | 2 | 12,037,344 | 4,795 | 4,633 | 0 | 0 | 0.04% | 30,093,360 | Y | N | N |
| 1 | Johnson Health Tech North America, Inc. | Macrolease Corporation | 1 | 12,037,344 | 249,764 | 245,687 | 245,687 | 0 | 2.04% | 30,093,360 | N | N | N |
| 1 | Johnson Health Tech North America, Inc. | United Leasing, Inc | 1 | 12,037,344 | 94,595 | 75,707 | 75,707 | 0 | 0.63% | 30,093,360 | N | N | N |
| 1 | Johnson Health Tech North America, Inc | Lease Servicing Center, Inc. | 1 | 12,037,344 | 256 | 0 | 0 | 0 | 0.00% | 30,093,360 | N | N | N |
| 1 | Johnson Health Tech North America, Inc | Mitsubishi HC Capital America, Inc. | 1 | 12,037,344 | 142,286 | 63,637 | 63,637 | 0 | 0.53% | 30,093,360 | N | N | N |
| 2 | Johnson Health Tech. Australia Pty. Ltd. | CE Finance | 1 | 12,037,344 | 34,964 | 34,964 | 34,964 | 0 | 0.29% | 30,093,360 | N | N | N |
| 3 | Johnson Health Tech France | PEAC Finance | 1 | 12,037,344 | 1,366 | 628 | 628 | 0 | 0.01% | 30,093,360 | N | N | N |
| 4 | Johnson Health Technology (Shanghai) Co., Ltd. | Johnson Industries (Shanghai) Co., Ltd. | 4 | 12,037,344 | 2,395,070 | 2,389,240 | 451 | 0 | 19.85% | 30,093,360 | N | N | Y |

Attachment 2: Endorsement/Guarantee provided to others as of 31 December 2024

| No. | Endorsor/ Guarantor | Counterparty | | Guarantee limited amount for each counterparty (Note 2) | Maximum balance for the period | Ending balance of guarantee amount | Amount drawn provided | Value of collaterals properties guarantee/ endorsement | Ratio of accumulated amount of guarantee provided to net equity of the latest financial statements | Limited of guarantee amount (Note 3) | Guarantee from the parent to subsidiary | Guarantee from the subsidiary to parent | Guarantee to mainland China |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Company name | Releationship (Note 1) | | | | | | | | | | |
| 5 | Johnson Health Technologies Iberica S. L. | SG Equipment Finance Iberia, E.F.C., S.A. | 1 | 12,037,344 | 349,156 | 51,817 | 51,817 | 0 | 0.43% | 30,093,360 | N | N | N |
| 5 | Johnson Health Technologies Iberica S. L. | PEAC Finance | 1 | 12,037,344 | 46,394 | 46,394 | 46,394 | 0 | 0.39% | 30,093,360 | N | N | N |
| 6 | Johnson Health Tech. GmbH | PEAC (Germany) GmbH | 1 | 12,037,344 | 116,626 | 112,204 | 112,204 | 0 | 0.93% | 30,093,360 | N | N | N |
| 6 | Johnson Health Tech. GmbH | LIL Leasing | 1 | 12,037,344 | 8,429 | 7,322 | 7,322 | 0 | 0.06% | 30,093,360 | N | N | N |
| 7 | Johnson Industrial Do Brasil Ltda. | Daycoval Leasing | 1 | 12,037,344 | 95,550 | 89,879 | 89,879 | 0 | 0.75% | 30,093,360 | N | N | N |
| 8 | Johnson Health Tech. Netherlands B.V. | ABC Leasing | 1 | 12,037,344 | 423,350 | 386,891 | 386,891 | 0 | 3.21% | 30,093,360 | N | N | N |
| 9 | Johnson Industries (Shanghai) Co., Ltd. | Johnson Health Technology (Shanghai) Co., Ltd. | 4 | 12,037,344 | 677,850 | 608,580 | - | 0 | 5.06% | 30,093,360 | N | N | Y |
| 10 | Johnson Health Tech CZ & SK a.s. | PEAC Finance | 1 | 12,037,344 | 12,080 | 10,179 | 10,179 | 0 | 0.08% | 30,093,360 | N | N | N |
| 11 | Johnson Health Tech Retail Inc. | Johnson Health Technology (Shanghai) Co., Ltd. | 3 | 12,037,344 | 1,378,440 | 1,378,440 | 750,000 | 3,981,356 | 11.45% | 30,093,360 | N | Y | N |
| 12 | Johnson Health Tech Italia S.P.A. | PEAC Finance | 1 | 12,037,344 | 160,706 | 160,706 | 160,706 | 0 | 1.34% | 30,093,360 | 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: Securities held as of 31 December 2024. (Excluding subsidiaries, associates and joint ventures)

| Company | Securities species | Securities | Relationship with the securities issuer | Account | As of 31 December 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Number of shares/number of units | Book value | Shareholding ratio | Fair value |
| Fuji Medical Instruments MFG. Co., Ltd. | Stock | Joshin Denki Co.,Ltd. | - | Financial assets measured at fair value through other comprehensive income- noncurrent | 16,500 | $7,912 | 0.06% | $7,912 |

Attachment 4 : 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 31,493 (NTD 1,032,364) Non-trade receivable USD 7 (NTD 238) | 4.48 | $ – | – | $736,839 | $ – |
| Johnson Health Tech. Co., Ltd. | Johnson Industrial Do Brasil Ltda | Investee company | Account receivable USD 31,921 (NTD 1,056,354) Non-trade receivable USD 9,125 (NTD 238,166) | 1.51 | – | – | 143,419 | – |
| Johnson Health Tech. Co., Ltd. | Johnson Health Tech UAE LLC | Investee company | Account receivable USD 11,334 (NTD 377,300) Non-trade receivable USD 5,971 (NTD 189,978) | 1.34 | – | – | 47,826 | – |
| Johnson Health Tech. Co., Ltd. | Johnson Health Tech Retail Inc. | Investee company | Account receivable USD 89,154 (NTD 2,922,564) Non-trade receivable USD 2,292 (NTD 75,146) | 1.11 | – | – | 406,207 | – |
| Johnson Health Tech. Co., Ltd. | Johnson Health Tech. Italia Spa | Investee company | Account receivable EUR 11,361 (NTD 387,769 ) Non-trade receivable EUR 224 (NTD 7,651) | 1.76 | – | – | 31,455 | – |
| Johnson Health Tech. Co., Ltd. | Johnson Health Tech Canada Commercial Inc. | Investee company | Account receivable USD 19,169 (NTD 633,125 ) Non-trade receivable USD 4,394 (NTD 139,279) | 0.93 | – | – | 53,989 | – |
| Johnson Health Tech. Co., Ltd. | Johnson Health Technologies, S.A. de C.V. | Investee company | Account receivable USD 18,104 (NTD 600,504 ) Non-trade receivable USD 8,369 (NTD 267,335 ) | 1.73 | – | – | 64,091 | – |
| Johnson Health Tech. Co., Ltd. | Johnson Health Tech. Netherlands B.V. | Investee company | Account receivable EUR 20,909 (NTD 709,381 ) Non-trade receivable EUR 6,895 (NTD 239,628 ) | 2.61 | – | – | 64,404 | – |
| Johnson Health Tech. Co., Ltd. | Johnson Health Tech UK Ltd. | Investee company | Account receivable USD 19,936 (NTD 654,653 ) Non-trade receivable USD 2,769 (NTD 89,658) | 1.25 | – | – | 24,597 | – |

Attachment 4 : 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 Fitness (Malaysia) Sdn. Bhd. | Investee company | Account receivable USD 4,631 (NTD 151,808 ) Non-trade receivable USD 256 (NTD 8,392) | 0.67 | – | – | 10,840 | – |
| Johnson Health Tech. Co., Ltd. | Johnson Health Tech. Australia Pty., Ltd | Investee company | Account receivable USD 5,526 (NTD 181,134) Non-trade receivable USD 16 (NTD 528) | 3.99 | – | – | 18,018 | – |
| Johnson Health Tech. Co., Ltd. | Johnson Health Technologies Ibérica, SL | Investee company | Account receivable EUR 3,875 (NTD 132,258 ) Non-trade receivable EUR 37 (NTD 1,252 ) | 6.41 | – | – | 14,489 | – |
| Johnson Health Tech. Co., Ltd. | Johnson Health Tech Philippines Inc. | Investee company | Account receivable USD 3,286 (NTD 107,731) Non-trade receivable USD 240 (NTD 7,864) | 0.47 | - | - | - | - |
| Johnson Health Tech. Co., Ltd. | Johnson Health Tech Rus Limited Liability Company | Investee company | Account receivable USD 10,810 (NTD 354,356) Non-trade receivable USD 38 (NTD 1,245) | 2.39 | – | – | 65,746 | – |
| Johnson Industries (Shanghai) Co., Ltd. | Johnson Health Tech. Co., Ltd. | Investee company | Account receivable USD 110,826 (NTD 3,632,998) EUR 28,148 (NTD 960,744) JPY680,760 (NTD 142,823) | 1.78 | - | - | 742,945 | - |
| Johnson Health Industry (Viet Nam) Company Limited | Johnson Health Tech. Co., Ltd. | Investee company | Account receivable USD 7 (NTD 1,333) EUR 1,509 (NTD 51,505) JPY 35,716 (NTD 7,493) | 10.20 | – | – | 357,849 | – |

Attachment 4 : 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 Technology (Shanghai) Co., Ltd. | Johnson Health Tech. Co., Ltd. | Investee company | Account receivable USD 6,376<br>(NTD 209,014)<br>EUR 741<br>(NTD 25,303)<br>JPY 33,760<br>(NTD 7,083 )<br>Non-trade receivable USD USD 0<br>(NTD 7)<br>CNY 7<br>(NTD 30) | 2.61 | - | - | 65,098 | - |
| Johnson Health Technology (Shanghai) Co., Ltd. | Johnson Industries (Shanghai) Co., Ltd. | Investee company | Account receivable USD 11,892<br>(NTD 381,830)<br>CNY 69<br>(NTD 306) | 3.98 | - | - | 231,253 | - |
| Johnson Industries (Shanghai) Co., Ltd. | Johnson Health Technology (Shanghai) Co., Ltd. | Investee company | Account receivable USD 2,882<br>(NTD 92,552)<br>Non-trade receivable USD 5<br>(NTD 151)<br>CNY 28<br>(NTD 128) | 1.72 | - | - | 38,390 | - |
| Johnson Health Technology (Shanghai) Co., Ltd. | Johnson Health Industry (Viet Nam) Company Limited | Investee company | Account receivable USD 9,481<br>(NTD 304,422) | 1.79 | - | - | 97,035 | - |

Attachment 5 : 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 | $5,183,767 | The same commercial terms as with a general customer | 10.85% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. North America, Inc. | 1 | Receivables from related parties | 1,032,364 | The same commercial terms as with a general customer | 2.37% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. North America, Inc. | 1 | Other accounts receivable | 238 | The same commercial terms as with a general customer | 0.00% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. UK Ltd. | 1 | Sales | 756,356 | The same commercial terms as with a general customer | 1.58% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. UK Ltd. | 1 | Receivables from related parties | 654,652 | The same commercial terms as with a general customer | 1.50% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. UK Ltd. | 1 | Other accounts receivable | 89,658 | The same commercial terms as with a general customer | 0.21% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. GmbH | 1 | Sales | 963,284 | The same commercial terms as with a general customer | 2.02% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. GmbH | 1 | Receivables from related parties | 58,077 | The same commercial terms as with a general customer | 0.13% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. GmbH | 1 | Other accounts receivable | 471,802 | The same commercial terms as with a general customer | 1.08% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. Netherlands B.V. | 1 | Sales | 1,724,113 | The same commercial terms as with a general customer | 3.61% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. Netherlands B.V. | 1 | Receivables from related parties | 709,381 | The same commercial terms as with a general customer | 1.63% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. Netherlands B.V. | 1 | Other accounts receivable | 239,628 | The same commercial terms as with a general customer | 0.55% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech France | 1 | Sales | 277,094 | The same commercial terms as with a general customer | 0.58% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech France | 1 | Receivables from related parties | 17,951 | The same commercial terms as with a general customer | 0.04% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech France | 1 | Other accounts receivable | 213 | 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 | 595,892 | The same commercial terms as with a general customer | 1.25% |

Attachment 5 : 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 | Receivables from related parties | 181,134 | The same commercial terms as with a general customer | 0.42% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Australia Pty., Ltd. | 1 | Other accounts receivable | 528 | The same commercial terms as with a general customer | 0.00% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Industrial do Brasil Ltda | 1 | Sales | 1,185,774 | The same commercial terms as with a general customer | 2.48% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Industrial do Brasil Ltda | 1 | Receivables from related parties | 1,056,354 | The same commercial terms as with a general customer | 2.42% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Industrial do Brasil Ltda | 1 | Other accounts receivable | 289,166 | The same commercial terms as with a general customer | 0.66% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Japan Co., ltd. | 1 | Sales | 409,895 | The same commercial terms as with a general customer | 0.86% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Japan Co., ltd. | 1 | Receivables from related parties | 121,172 | The same commercial terms as with a general customer | 0.28% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Japan Co., ltd. | 1 | Other accounts receivable | 1,373 | The same commercial terms as with a general customer | 0.00% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Canada Inc. | 1 | Sales | 371,512 | The same commercial terms as with a general customer | 0.78% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Canada Inc. | 1 | Receivables from related parties | 633,125 | The same commercial terms as with a general customer | 1.45% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Canada Inc. | 1 | Other accounts receivable | 139,279 | The same commercial terms as with a general customer | 0.32% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technologies Ibérica, SL | 1 | Sales | 488,665 | The same commercial terms as with a general customer | 1.02% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technologies Ibérica, SL | 1 | Receivables from related parties | 132,258 | The same commercial terms as with a general customer | 0.30% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technologies Ibérica, SL | 1 | Other accounts receivable | 1,252 | The same commercial terms as with a general customer | 0.00% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. (Schweiz) GmbH | 1 | Sales | 151,715 | The same commercial terms as with a general customer | 0.32% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech. (Schweiz) GmbH | 1 | Receivables from related parties | 67,803 | The same commercial terms as with a general customer | 0.16% |

Attachment 5 : 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. (Schweiz) GmbH | 1 | Other accounts receivable | 49 | The same commercial terms as with a general customer | 0.00% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Italia S.P.A. | 1 | Sales | 606,082 | The same commercial terms as with a general customer | 1.27% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Italia S.P.A. | 1 | Receivables from related parties | 387,769 | The same commercial terms as with a general customer | 0.89% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Italia S.P.A. | 1 | Other accounts receivable | 7,651 | The same commercial terms as with a general customer | 0.02% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech UAE L.L.C | 1 | Sales | 428,308 | The same commercial terms as with a general customer | 0.90% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech UAE L.L.C | 1 | Receivables from related parties | 377,300 | The same commercial terms as with a general customer | 0.87% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech UAE L.L.C | 1 | Other accounts receivable | 189,978 | The same commercial terms as with a general customer | 0.44% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Retail Inc. | 1 | Sales | 2,976,250 | The same commercial terms as with a general customer | 6.23% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Retail Inc. | 1 | Receivables from related parties | 2,922,564 | The same commercial terms as with a general customer | 6.70% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Retail Inc. | 1 | Other accounts receivable | 75,146 | The same commercial terms as with a general customer | 0.17% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technologies, S.A. D | 1 | Sales | 728,981 | The same commercial terms as with a general customer | 1.53% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technologies, S.A. D | 1 | Receivables from related parties | 600,504 | The same commercial terms as with a general customer | 1.38% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technologies, S.A. D | 1 | Other accounts receivable | 267,335 | The same commercial terms as with a general customer | 0.61% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Rus Limited Liability Company | 1 | Sales | 430,672 | The same commercial terms as with a general customer | 0.90% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Rus Limited Liability Company | 1 | Receivables from related parties | 354,356 | The same commercial terms as with a general customer | 0.81% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Rus Limited Liability Company | 1 | Other accounts receivable | 1,245 | The same commercial terms as with a general customer | 0.00% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech India Private | 1 | Sales | 130,687 | The same commercial terms as with a general customer | 0.27% |

Attachment 5 : 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 India Private | 1 | Receivables from related parties | 50,940 | The same commercial terms as with a general customer | 0.12% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech India Private | 1 | Other accounts receivable | 502 | The same commercial terms as with a general customer | 0.00% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Korea Co., Ltd. | 1 | Sales | 111,869 | The same commercial terms as with a general customer | 0.23% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Korea Co., Ltd. | 1 | Receivables from related parties | 2,713 | The same commercial terms as with a general customer | 0.01% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Korea Co., Ltd. | 1 | Other accounts receivable | 20 | The same commercial terms as with a general customer | 0.00% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Poland SP. Z.O.O. | 1 | Sales | 154,841 | The same commercial terms as with a general customer | 0.32% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Poland SP. Z.O.O. | 1 | Receivables from related parties | 44,327 | The same commercial terms as with a general customer | 0.10% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Tech Poland SP. Z.O.O. | 1 | Other accounts receivable | 56 | The same commercial terms as with a general customer | 0.00% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Industry (Viet Nam) Company Limited | 1 | Purchases | 3,160,321 | The same commercial terms as with a general customer | 6.61% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Industry (Viet Nam) Company Limited | 1 | Payables to related parties | 60,331 | The same commercial terms as with a general customer | 0.14% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Industries (Shanghai) Co., Ltd. | 1 | Purchases | 7,700,717 | The same commercial terms as with a general customer | 16.12% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Industries (Shanghai) Co., Ltd. | 1 | Payables to related parties | 4,736,566 | The same commercial terms as with a general customer | 10.86% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technology (Shanghai) Co., Ltd. | 1 | Purchases | 463,150 | The same commercial terms as with a general customer | 1.06% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technology (Shanghai) Co., Ltd. | 1 | Payables to related parties | 241,400 | The same commercial terms as with a general customer | 0.55% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technology (Shanghai) Co., Ltd. | 1 | Other payables to related parties | 37 | The same commercial terms as with a general customer | 0.00% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technology (Shanghai) Co., Ltd. | 1 | Sales | 187,131 | The same commercial terms as with a general customer | 0.39% |
| 0 | Johnson Health Tech. Co., Ltd. | Johnson Health Technology (Shanghai) Co., Ltd. | 1 | Receivables from related parties | 9,429 | The same commercial terms as with a general customer | 0.02% |

Attachment 5 : 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 Technology (Shanghai) Co., Ltd. | 1 | Other accounts receivable | 1,854 | The same commercial terms as with a general customer | 0.00% |
| 1 | Johnson Health Tech. Co., Ltd. | Johnson Health Industry (Viet Nam) Company Limited | 3 | Sales | 449,523 | The same commercial terms as with a general customer | 0.94% |
| 1 | Johnson Health Tech. Co., Ltd. | Johnson Health Industry (Viet Nam) Company Limited | 3 | Receivables from related parties | 297,949 | The same commercial terms as with a general customer | 0.68% |
| 1 | Johnson Health Technology (Shanghai) Co., Ltd. | Johnson Industries (Shanghai) Co., Ltd. | 3 | Purchases | 193,380 | The same commercial terms as with a general customer | 0.40% |
| 1 | Johnson Health Technology (Shanghai) Co., Ltd. | Johnson Industries (Shanghai) Co., Ltd. | 3 | Payables to related parties | 120,296 | The same commercial terms as with a general customer | 0.28% |
| 1 | Johnson Health Technology (Shanghai) Co., Ltd. | Johnson Industries (Shanghai) Co., Ltd. | 3 | Sales | 1,573,949 | The same commercial terms as with a general customer | 3.29% |
| 1 | Johnson Health Technology (Shanghai) Co., Ltd. | Johnson Industries (Shanghai) Co., Ltd. | 3 | Receivables from related parties | 380,139 | The same commercial terms as with a general customer | 0.87% |
| 1 | Johnson Health Technology (Shanghai) Co., Ltd. | Johnson Industries (Shanghai) Co., Ltd. | 3 | Other accounts receivable | 750 | 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 6: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2024 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2024: (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 | $5,494,895 | - | 100.00% | $9,525,057 | $1,087,486 | $119,444 | 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) | 105,218 (USD 3,295) | - | 100.00% | (62,738) | (9,686) | (9,686) | |
| 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% | 302,081 | 46,763 | 46,763 | |
| 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% | (318,603) | (133,266) | (133,266) | |
| 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% | 108,284 | 17,307 | 7,690 | |
| Johnson Health Tech. Co., Ltd. | Johnson Health Tech Retail Inc. | 150 EAST GILMAN STREET,MADISON,WI 53703 | Selling cardiovascular and weight training equipment | 2,652,190 (USD 82,161) | 1,552,050 (USD 48,661) | - | 100.00% | 1,355,444 | 115,371 | 115,371 | Note1 |
| 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% | (29,942) | 4,570 | 4,570 | |

Attachment 6: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2024 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2024: (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) | 1,103,332 (USD 35,000) | - | 100.00% | 611,325 | 280,547 | 280,547 | |
| 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% | 231,357 | 133,495 | 133,495 | |
| 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 | 2,538,900 (JPY 9,456,000) | 2,538,900 (JPY 9,456,000) | - | 100.00% | 2,142,550 | (276,781) | (351,583) | 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% | 2,362,761 | 532,581 | 532,581 | |
| 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% | 56,825 | 24,259 | 24,259 | |
| 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) | 66,130 (EUR 2,000) | - | 99.99% | 38,319 | 4,434 | 4,434 | |
| 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% | 16,296 | (6,596) | (6,596) | |
| Johnson Health Tech. Co., Ltd. | JHT FIT Company Limited | 2/3, BANGNA TOWER, FLOOR 9, BANG NA-TRAD, BANG KAEO, BANG PHLI, SAMUT PRAKAN 10540 | Video transmission and streaming service | 17,230 (USD 486) (EUR 100) | 17,230 (USD 486) (EUR 100) | - | 100.00% | 3,990 | (4,424) | (4,424) | |

Attachment 6: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2024 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2024: (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 | 156,380 (USD 5,000) | 124,290 (USD 4,000) | - | 100.00% | 49,308 | (50,398) | (50,398) | |
| 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% | 61,364 | 13,217 | 13,217 | |
| 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% | 36,284 | 13,111 | 13,111 | |
| 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% | (30,839) | (8,903) | (8,848) | |
| 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% | 35,344 | (7,807) | (7,807) | |
| 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 | 38,451 (USD 1,175) | 38,451 (USD 1,175) | - | 100.00% | 85,871 | 28,294 | 28,294 | |
| 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) | 64,780 (USD 2,006) | 2,000 | 100.00% | 21,820 | (28,058) | (28,058) | |

Attachment 6: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2024 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2024: (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 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) | 16,488 (JPY 75,000) | 13,489 | 42.52% | 129,830 | (58,110) | (24,708) | |
| 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. | 17,500 (NTD 17,500) | 5,000 (NTD 5,000) | - | 100.00% | 7,413 | (10,087) | (10,087) | |
| Johnson Health Tech. Co., Ltd. | Synclync | 1600 LANDMARK DR COTTAGE GROVE, WI 53527 | Hearing aid trading industry | 16,240 (USD 500) | - | - | 100.00% | 4,171 | (11,968) | (11,968) | |
| Johnson Health Tech. Co., Ltd. | Johnson Health Tech Industry (THUAN THANH 1) Company Limited | Lot CN2-1, Thuan Thanh I Industrial Park, Ninh Xa Ward and Tram Lo Ward, Thuan Thanh Town, Bac Ninh Province, Vietnam | Manufacturing and selling cardiovascular and weight training equipment | 515,456 (USD 15,987) | - | - | 100.00% | 575,112 | - | - | |
| Johnson Health Tech. Co., Ltd. | Johnson Health Tech Industry (THUAN THANH 2) Company Limited | Lot CN2-2, Thuan Thanh I Industrial Park, Ninh Xa Ward and Tram Lo Ward, Thuan Thanh Town, Bac Ninh Province, Vietnam | Manufacturing and selling cardiovascular and weight training equipment | 194,534 (USD 6,034) | - | - | 100.00% | 223,655 | - | - | |
| 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% | 153,413 | 17,307 | 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% | 681,932 | (80,754) | 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% | 597,018 | 62,287 | Not applicable | |

Attachment 6: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2024 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2024: (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 Technologies Ibérica, SL | Avenida del Sol, 8<br>28850 - Torrejón de Ardoz (Madrid) España | Selling cardiovascular and weight training equipment | 770,787<br>(USD 23,992) | 770,787<br>(USD 23,992) | 446,175 | 99.99% | 781,942 | 68,350 | 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<br>(USD 7,262) | 235,752<br>(USD 7,262) | 13,489 | 57.35% | 174,086 | (58,110) | 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<br>(USD 1,217) | 39,363<br>(USD 1,217) | 475,000 | 95.00% | 74,863 | 699 | 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<br>(USD 15,683) | 505,995<br>(USD 15,683) | 1,098,000 | 99.82% | 871,193 | 196,750 | 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<br>(USD 17,177) | 539,077<br>(USD 17,177) | 18,100 | 100.00% | 881,819 | 136,462 | 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<br>(USD 26,363) | 826,035<br>(USD 26,363) | - | 99.99% | 381,082 | 93,372 | Not applicable | |
| Johnson International Holding Corp., Ltd. | World of Leasing GmbH | Gänseberg 5<br>22926 Ahrensburg | Selling cardiovascular and weight training equipment | 46,442<br>(USD 1,503) | 46,442<br>(USD 1,503) | - | 100.00% | 194,891 | 15,037 | Not applicable | |
| Johnson International Holding Corp., Ltd. | Johnson Health Tech. Australia Pty., Ltd | 78 Logis Boulevard,<br>Dandenong South<br>VIC 3175 | Selling cardiovascular and weight training equipment | 573,150<br>(EUR 18,505) | 573,150<br>(EUR 18,505) | 20,715,330 | 100.00% | 453,918 | 58,380 | Not applicable | |

Attachment 6: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2024 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2024: (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. 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<br>(EUR 3,299) | 121,209<br>(EUR 3,299) | 33,840 | 100.00% | 129,923 | 24,713 | 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<br>(USD 19,900) | 657,600<br>(USD 19,900) | - | 100.00% | 890,637 | (253,080) | 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<br>(USD 7,993) | 258,317<br>(USD 7,993) | - | 100.00% | 595,772 | (230,160) | 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<br>(USD 4,650) | 150,278<br>(USD 4,650) | - | 100.00% | 205,580 | (127,599) | 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<br>(USD 11,511) | 351,886<br>(USD 11,511) | 10,000 | 100.00% | 261,007 | 806,686 | 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<br>(USD 12,698) | 394,287<br>(USD 12,698) | - | 100.00% | 93,888 | (12,310) | Not applicable | |

Attachment 6: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2024 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2024: (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<br>(NZD -) | 2<br>(NZD -) | 100 | 100.00% | 67 | 15,071 | 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<br>(DK 50) | 239<br>(DK 50) | 50,000 | 100.00% | 30,236 | (23,912) | 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<br>(EUR 1,496) | 50,699<br>(EUR 1,496) | 14,960 | 99.73% | 65,203 | 32,621 | 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<br>(EUR 120) | 4,058<br>(EUR 120) | 1,732,000 | 99.00% | 111,289 | 38,638 | 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<br>(CKZ 9,900) | 12,853<br>(CKZ 9,900) | 99 | 99.00% | 21,130 | 8,822 | 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 | - | 27,278<br>(JPY 125,000) | - | 100.00% | - | - | Not applicable | |
| Fuji Medical Instruments Mfg. Co., Ltd. | Fuji Wellness (Shanghai) Co.,Ltd | Room1108, 11F, Building18, 2177 Shenkun Road, Minhang District, Shanghai, China | Massage chair research, development, manufacturing and trading | 65,457<br>(JPY 308,601) | 37,172<br>(JPY 174,539) | - | 100.00% | 47,830 | (9,870) | Not applicable | |
| Fuji Medical Instruments Mfg. Co., Ltd. | Fujiryoki, Inc. | c/o Foley & Lardner LLP 150 East Gilman Street,Suite 5000 Madison,WI 53703 | Massage chair trading | 95,385<br>(USD 3,000) | - | 1 | 100.00% | 124,509 | 24,356 | 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 7 : 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 Taiwan | 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) | $9,092 | 100.00% | $9,092 | $1,882,035 | $ - |
| 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) | 533,824 | 100.00% | 533,824 | 3,970,918 | - |
| 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) | (6,501) | 100.00% | (6,501) | 28,562 | - |
| Joyful Trading (Shanghai) Co., Ltd. | Selling food | 29,905 (USD 950) | Indirect investments through JIH (BVI) | 29,905 (USD 950) | - | - | 29,905 (USD 950) | 15 | 100.00% | 15 | 5,818 | - |
| Johnson Health Tech Digital Shanghai Limited | Video transmission and streaming service | 44,352 (USD 1,403) | Indirect investments through JIH (BVI) | - | - | - | 44,352 (USD 1,403) | (33,339) | 100.00% | (33,339) | 11,346 | - |
| Fuji Wellness (Shanghai) Co., Ltd. | Massage chair trading | 22,330 (RMB 1,000) | Indirect investments through JIH (BVI) | 22,330 (RMB 5,000) | - | - | 22,330 (RMB 5,000) | (1,773) | 100.00% | (1,773) | 20,670 | - |

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 2024 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment |
|---|---|---|
| | | The lender’s net accounts value × 60% |
| $958,672 (USD29,203) | $2,516,568 (USD76,950) | $7,222,406 |

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.