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JOHNSON HEALTH TECH. CO., LTD.

PARENT COMPANY ONLY

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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AUDIT REPORT OF INDEPENDENT ACCOUNTANTS

English Translation of a Report Originally Issued in Chinese

To Johnson Health Tech. Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Johnson Health Tech. Co., Ltd. (the "Company") as of 31 December 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2024 and 2023, and notes to the parent company only financial statements, including the summary of significant accounting policies.

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of 31 December 2024 and 2023, and their parent company only financial performance and cash flows for the years ended December 31 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2024 the parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

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

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

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

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

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

Goodwill impairment

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but

is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 the parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Huang, Tzu Ping

Chen, Ming Hung

Ernst & Young, Taiwan

13 March 2025

Notice to Readers

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
JOHNSON HEALTH TECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2024 and 31 December 2023
(Expressed in Thousands of New Taiwan Dollars)

		As of	
Assets	Notes	31 December 2024	31 December 2023
		Amount	Amount
Current assets			
Cash and cash equivalents	4&6(1)	$258,422	$311,840
Financial assets at fair value through profit or loss, current	4,6(2)&12	8,686	14,162
Contract asset, current	4&6(16)	25,947	16,179
Notes receivable, net	4&6(17)	3,443	4,682
Trade receivables, net	4,6(3)&(17)	566,539	677,840
Trade receivables-related parties, net	4,6(3),(17)&7	9,756,517	7,367,940
Other accounts receivable, net	4&8	97,064	93,310
Other accounts receivable-related parties, net	4&7	1,411,709	1,749,436
Inventories, net	4&6(4)	1,556,008	1,198,855
Prepayments	6(5)	492,010	363,527
Other current assets		12,667	10,625
Total current assets		14,189,012	11,808,396
Non-current assets			
Investments accounted for under the equity method	4&6(6)	17,995,807	15,158,369
Property, plant and equipment	4,6(7)&8	1,192,418	1,171,422
Right-of-use assets	4&6(18)	140,953	114,010
Intangible assets	4	28,144	17,755
Deferred tax assets	4&6(22)	29,928	36,613
Other non-current assets		63,849	58,786
Total non-current assets		19,451,099	16,556,955
Total assets		$33,640,111	$28,365,351

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
JOHNSON HEALTH TECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2024 and 31 December 2023
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of 31 December 2024 Amount	As of 31 December 2023 Amount
Current liabilities			
Short-term borrowings	6(8)	$5,100,000	$4,260,000
Commercial paper payable	6(10)	499,572	449,633
Financial liabilities at fair value through profit or loss, current	4,6(11)&12	-	19,050
Contract liabilities, current	4&6(16)	197,578	217,926
Notes payable		119,217	111,220
Accounts payable		981,317	551,999
Accounts payable-related parties	7	5,105,400	3,856,030
Other payables	6(12)	604,367	511,862
Other payables-related parties	7	310,167	251,678
Current tax liabilities	4&6(22)	500,626	384,925
Lease liabilities, current	4&6(18)	90,260	38,434
Current portion of long-term loans	4,6(9)&13	242,531	2,032,531
Other current liabilities		11,025	10,219
Total current liabilities		13,762,060	12,695,507
Non-current liabilities			
Bonds payable	4&6(9)	3,000,000	-
Long-term loans	4&6(13)	4,187,860	5,464,857
Provisions, non-current	4&6(12)	15,779	24,958
Deferred tax liabilities	4&6(22)	83,672	87,223
Lease liabilities, non-current	4&6(18)	53,146	77,904
Net defined benefit obligation, non-current	4&6(14)	58,128	74,304
Credit balance in investment accounted for using equity method	4&6(6)	442,122	298,017
Other non-current liability	4	-	9
Total non-current liabilities		7,840,707	6,027,272
Total liabilities		21,602,767	18,722,779
Equity	4&6(15)		
Capital			
Common stock		3,033,946	3,036,166
Additional paid-in capital		436,067	431,446
Retained earnings			
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			
Exchange differences on translation of foreign operations		(1,750,325)	(1,979,082)
Treasury stock		(5,780)	(53,612)
Total equity		12,037,344	9,642,572
Total liabilities and equity		$33,640,111	$28,365,351

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

JOHNSON HEALTH TECH CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF 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 31 December 2024 Amount	2023 Amount
Operating revenues	4,6(16)&7	$20,498,282	$13,952,940
Operating costs	6(4)&(19)	(15,280,406)	(10,812,339)
Gross profit		5,217,876	3,140,601
Unrealized intercompany profit		(93,744)	(62,040)
Gross profit-net		5,124,132	3,078,561
Operating expenses			
Selling and distribution	6(19)	(2,088,251)	(1,856,020)
General and administrative	6(19)	(585,037)	(399,080)
Research and development	6(19)	(768,826)	(711,694)
Expected credit losses	6(17)	(1,024)	(1,219)
Total operating expenses		(3,443,138)	(2,968,013)
Operating income		1,680,994	110,548
Non-operating income and expenses			
Interest income	4&6(20)	214,952	191,068
Other income	4&6(20)	61,205	61,799
Other gains and losses	6(20)	590,919	157,419
Finance costs	6(20)	(293,823)	(249,854)
Share of profit or loss of subsidiaries,associates and joint ventures	4&6(6)	643,008	550,835
Total non-operating income and expenses		1,216,261	711,267
Income from continuing operations before income tax		2,897,255	821,815
Income tax expense	4&6(22)	(467,075)	(111,987)
Net income		2,430,180	709,828
Other comprehensive (loss)income	6(21)		
Items that may not to be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		4,962	(1,828)
Share of profit or loss of associates & joint ventures accounted for using equity method	6(6)	14,204	24
Income tax relating to items that may not be reclassified subsequently		(992)	365
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	6(6)	214,553	(359,035)
Income tax relating to items that may be reclassified subsequently		-	-
Total other comprehensive (loss)income, net of tax		232,727	(360,474)
Total comprehensive income		$2,662,907	$349,354
Earnings per share(NTD)	6(23)		
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 parent company only financial statements.)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
JOHNSON HEALTH TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings			Other components of equity			
	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stock	Total
Balance as of 1 January 2023	$3,036,166	$431,446	$1,512,422	$1,942,009	$4,226,611	$(1,620,305)	$234	($53,612)	$9,474,971
Distribution of 2021 retained earnings									
Legal reserve			43,277		(43,277)				-
Special reserve				(321,938)	321,938				-
Cash dividends					(181,753)				(181,753)
Net income in 2023					709,828				709,828
Other comprehensive income(loss), net of tax in 2023					(1,463)	(359,035)	24		(360,474)
Total comprehensive income(loss)	-	-	-	-	708,365	(359,035)	24	-	349,354
Capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed									-
Exercise employee stock option to purchase treasury stock									-
Balance as of 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
Balance as of 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
Distribution of 2023 retained earnings									
Legal reserve			70,837		(70,837)				-
Special reserve				359,012	(359,012)				-
Cash dividends					(302,922)				(302,922)
Net income in 2024					2,430,180				2,430,180
Other comprehensive (loss)income, net of tax in 2024					3,970	214,553	14,204		232,727
Total comprehensive income(loss)	-	-	-	-	2,434,150	214,553	14,204	-	2,662,907
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
Balance as of 31 December 2024	$3,033,946	$436,067	$1,626,536	$1,979,083	$6,717,817	$(1,764,787)	$14,462	$(5,780)	$12,037,344

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

JOHNSON HEALTH TECH CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2024	2023
Cash flows from operating activities:		
Net income before tax	$2,897,255	$821,815
Adjustments to reconcile net income to net cash provided by operating activities:		
Income and expense:		
Depreciation	139,502	140,113
Amortisation	12,828	10,291
Expected credit losses	1,024	1,219
Net loss of financial assets/liabilities at fair value through profit or loss	(13,574)	12,755
Finance costs	293,823	249,854
Interest income	(214,952)	(191,068)
Share-based payment awards	4,661	-
Share of gain of subsidiaries,associates and joint ventures	(643,008)	(550,835)
Gain on disposal of property,plant and equipment	(391)	(50)
Loss of realized intercompany profit	93,744	62,040
Changes in operating assets and liabilities:		
(Increase) Decrease in contract asset	(9,768)	10,887
Decrease (Increase) in notes receivable, net	1,239	(803)
Decrease (Increase) in trade receivables, net	110,277	(89,768)
(Increase) Decrease in trade receivables- related parties, net	(2,388,577)	2,383,488
Increase in other receivable, net	(3,754)	(3,504)
Decrease (Increase) in other receivable- related parties, net	337,727	(328,105)
(Increase) Decrease in inventories, net	(357,153)	405,249
(Increase) Decrease in prepayments	(128,483)	256,365
(Increase) Decrease in other current assets	(2,042)	4,848
Increase in other non-current assets	(96,936)	(48,200)
(Decrease) Increase in contract liabilities	(20,348)	28,865
Increase (Decrease) in notes payable	7,997	(19,165)
Increase (Decrease) in accounts payable	429,318	(164,928)
Increase in accounts payable-related parties	1,249,370	153,584
Increase (Decrease) in other payables	72,388	(13,132)
Increase (Decrease) in other payables-related parties	58,489	(136,379)
Decrease in provisions	(9,179)	(17,907)
Increase in other current liabilities	806	1,111
Decrease in accrued pension liabilities	(11,214)	(11,017)
Decrease in other non-current liabilities	(9)	-
Cash generated from operations	1,811,060	2,967,623
Interest received	214,952	191,068
Interest paid	(273,767)	(175,536)
Income tax paid	(349,232)	(143,585)
Net cash generated from operating activities	1,403,013	2,839,570

	For the years ended 31 December	
	2024	2023
Cash flows from investing activities:		
Acquisition of investments accounted for under the equity method	(1,915,312)	(1,043,798)
Acquisition of property, plant and equipment	(24,343)	(24,710)
Disposal of property,plant and equipment	468	50
Acquisition of intangible assets	(23,217)	(13,901)
Net cash used in investing activities	(1,962,404)	(1,082,359)
Cash flows from financing activities:		
Increase in short-term loans	40,140,000	43,473,657
Decrease in short-term loans	(39,300,000)	(49,283,657)
Increase in commercial paper payable	4,150,000	1,338,271
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	13,976,693	17,531,423
Decrease in long-term loans	(15,043,690)	(13,190,755)
Cash dividends	(302,922)	(181,753)
Repayment of lease capital	(44,234)	(47,716)
Exercise of employee stock option	30,126	-
Net cash used in financing activities	505,973	(2,110,530)
Net (decrease) increase in cash and cash equivalents	(53,418)	(353,319)
Cash and cash equivalents at beginning of period	311,840	665,159
Cash and cash equivalents at end of period	$258,422	$311,840

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

JOHNSON HEALTH TECH. CO., LTD.

Notes to Parent Company Only Financial Statements

For the years Ended 31 December 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, unless Otherwise Stated)

1. History and organization

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

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

The parent Company only financial statements of the Company for the years ended 31 December 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 recognized by 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 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 are not been endorsed by FSC, and not yet adopted by the Group as of the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	1 January 2023
c	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 been endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. 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 Company.

4. Summary of significant accounting policies

(1) Statement of Compliance

The parent Company only financial statements of the Company for the years ended 31 December 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of Preparation

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

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

(3) Foreign currency transactions

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

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

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

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 “Financial Instruments” are accounted for based on the accounting policy for financial instruments.

C. Exchange differences arising on a monetary item that is part of a reporting entity’s net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of such investment.

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

(4) Translation of financial statements in foreign currency

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

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

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

(5) Current and Non-current Distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as a current when:

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

All other liabilities are classified as non-current.

(6) Cash Equivalents

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

(7) Financial Instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of 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 Company accounts for regular way purchases or sales of financial assets on the trade date.

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

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

<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 are not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

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

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

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

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

Financial asset measured at fair value through profit or loss

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

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

B. Impairment of financial assets

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

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

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

The loss allowance is measured as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since the initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
(d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

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

C. Derecognition of financial assets

A financial asset is derecognized when:

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

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

D. Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

Compound instruments

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

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

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

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

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

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

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

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

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

E. Offsetting of financial instruments

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

(8) Derivative instruments

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

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

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

(9) Fair value measurement

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

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

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

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

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

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

(10) Inventories

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

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

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

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

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

(11) Investments accounted for using the equity method

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

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

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

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

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

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

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

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

B. the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal

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

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

(12) Property, plant and equipment

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

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

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

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

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

(13) Leases

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

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

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

Company as a lessee

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

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

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

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

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

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

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

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

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

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

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

Company as a lessor

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

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

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

(14) Intangible Assets

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

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

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

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

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

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

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

(15) Impairment of Non-financial Assets

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

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

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

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

(16) Provisions

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

Provision for warranties

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

(17) Revenue recognition

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

Sale of goods

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

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

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

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

(18) Borrowing cost

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

(19) Government grants

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

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

(20) Post-employment benefits

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

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

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

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

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

(21) Share-based payment transactions

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

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

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

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

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

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

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

(22) Treasury Stock

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

(23) Income Tax

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

Current income tax

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

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

Deferred tax

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

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

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

5. Significant accounting judgments, estimates and assumptions

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

(1) Estimates and assumptions

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

A. The Fair Value of Financial Instruments

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

B. Impairment of Non-financial Assets

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

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

C. Pension Benefits

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

D. Income Tax

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

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

E. Accounts receivables–estimation of impairment loss

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

F. Inventory valuation

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

G. Share-Based payment

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

6. Contents of significant accounts

(1) Cash and cash equivalents

	As at	
	31 December 2024	31 December 2023
Cash on hand	$4,186	$3,248
Checking and savings accounts	254,236	308,592
Total	$258,422	$311,840

(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
Trade receivables	$411,834	$491,927
Installment accounts receivable	176,732	203,823
Less: unrealized gain on installment sales revenue	(19,400)	(15,929)
Less: loss allowance	(2,627)	(1,981)
Subtotal	566,539	677,840
Trade receivables-related party	9,756,517	7,367,940
Total	$10,323,056	$8,045,780

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	$-	$124,559
2025.01~2025.12	77,625	51,393
2026.01~2026.12	47,427	21,509
2027.01~2027.12	32,709	6,362
2028.01~2028.12	18,971	-
Total	$176,732	$203,823

Accounts receivables were not pledged.

The total carrying amount is NTD10,325,683 thousand, NTD8,047,761 thousand as at 31 December 2024 and 2023. Please refer to Note 6(17) 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
Merchandises	$855,779	$611,676
Finished goods	260,567	200,633
Work in progress	285,418	272,988
Raw materials	154,244	113,558
Total	$1,556,008	$1,198,855

The cost of inventories recognized in expenses for the years ended 31 December 2024 and 2023 were NTD15,280,406 thousand and NTD10,812,339 thousand, respectively. The profit and loss related to the cost of goods sold are as follows:

	For the years ended 31 December	
	2024	2023
Warranty	$278,147	$222,189
Loss on disposal of inventory	598	1,124
Revenue from sale of scraps	(2,282)	(1,631)
Total	$276,463	$221,682

No inventories were pledged.

(5) Prepayments

	As at	
	31 December 2024	31 December 2023
Prepayments to suppliers	$419,094	$313,028
Prepayments	72,916	50,497
Other	-	2
Total	$492,010	$363,527

(6) Investments accounted for using the equity method

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

Investees	As at 31 December 2024 Carrying amount	As at 31 December 2024 Percentage of ownership (%)	As at 31 December 2023 Carrying amount	As at 31 December 2023 Percentage of ownership (%)
Johnson International Holding Co., Ltd.	$9,525,057	100.00%	$9,501,430	100.00%
Fuji Medical Instruments MFG. Co., Ltd.	2,142,550	100.00%	2,517,254	100.00%
Johnson Health Tech. North America, Inc.	2,362,761	100.00%	1,714,288	100.00%
Johnson Health Tech. Retail Inc.	1,355,444	100.00%	130,785	100.00%
Johnson Health Tech. UK Ltd.	108,284	44.43%	95,675	44.43%
Johnson Health Technologies, S.A. de C.V.	302,081	100.00%	298,111	100.00%
Johnson Health Tech SA Proprietary Limited	16,296	100.00%	22,057	100.00%
Johnson Health Tech. Rus Limited Liability Company	231,357	100.00%	139,164	100.00%
Johnson Health Tech Turkey Spor Ve Saglik Malzemeleri Ticaret Anonim Sirketi	38,319	99.99%	38,461	99.99%
Johnson Health Industry (Vietnam) Company Limited.	611,325	100.00%	325,068	100.00%
PT Johnson Health Tech Indonesia	56,825	100.00%	31,793	100.00%
JHT FIT Company Limited	3,990	100.00%	8,111	100.00%
Johnson Health Tech Digital UK Limited	49,308	100.00%	95,055	100.00%
Johnson Health Tech Korea Co., Ltd.	61,364	100.00%	53,350	100.00%
Johnson Health Tech India Pvt Ltd	36,284	100.00%	22,428	100.00%
Johnson Health Tech. HK Ltd.	35,344	100.00%	40,393	100.00%
Johnson Health Tech UAE L.L.C	85,871	100.00%	53,434	100.00%
Johnson Health Tech Japan Co., Ltd.	129,830	42.52%	16,448	42.52%
Johnson Health Tech.(Schweiz) GmbH	21,820	100.00%	50,064	100.00%
DAYA Corporation	7,413	100.00%	5,000	100.00%
Johnson Health Tech Digital Shanghai Limited	11,346	100.00%	-	-%
Synclync Inc.	4,171	100.00%	-	-%
Johnson Health Tech Industry (Thuan Thanh 1) Company Limited	575,112	100.00%	-	-%
Johnson Health Tech Industry (Thuan Thanh 2) Company Limited	223,655	100.00%	-	-%
Subtotal	17,995,807		15,158,369	
Less: Investments accounted for using equity method at credit balance				
Johnson Health Tech (Vietnam) Company Limited	(62,738)	100.00%	(52,273)	100.00%
Johnson Health Tech Canada Inc.	(318,603)	100.00%	(192,198)	100.00%
Johnson Health Tech Philippines, Inc.	(29,942)	100.00%	(33,834)	100.00%
Johnson Fitness (Malaysia) SDN. BHD.	(30,839)	99.38%	(19,712)	99.38%
Subtotal	(442,122)		(298,017)	
Total	$17,553,685		$14,860,352	

On 11 September 2024, the Company set up a fully-owned subsidiary, Johnson Health Tech Industry (Thuan Thanh 1) Company Limited and Johnson Health Tech Industry (Thuan Thanh 2) Company Limited in Vietnam.

A. Share of profit or loss of subsidiaries, associates and joint ventures in 2024 and 2023 are as follows:

	For the years ended 31 December	
	2024	2023
Fuji Medical Instruments MFG. Co., Ltd.	$(351,583)	$(56,747)
Johnson Health Tech Rus Limited Liability Company.	133,495	73,215
Johnson Health Technologies, S.A. de C.V.	46,763	106,722
Johnson Health Care Co., Ltd.	-	(16,078)
PT Johnson Health Tech Indonesia	24,259	13,007
Johnson Health Tech Philippines, Inc.	4,570	(6,832)
JHT FIT Company Limited	(4,424)	(4,351)
Johnson Health Tech SA Proprietary Limited	(6,596)	(14,115)
Johnson Health Tech Turkey Spor Ve Saglik Malzemeleri Tica Ticaret Anonim Sirketi	4,434	8,261
Johnson Health Tech (Vietnam) Company Limited	(9,686)	(38,043)
Johnson Health Tech. UK Ltd.	7,690	(45,449)
Johnson Health Tech Canada Inc.	(133,266)	(71,487)
Johnson International Holding Corp., Ltd.	119,444	(16,333)
Johnson Health Tech. North America, Inc.	532,581	606,406
Johnson Health Industry (Viet Nam) Company Limited	280,547	(54,805)
Johnson Health Tech Retail Inc.	115,371	6,391
Johnson Health Tech Korea Co., Ltd.	13,217	31,425
Johnson Health Tech India Pvt Ltd	13,111	7,916
Johnson Health Tech Digital UK Limited	(50,398)	(27,748)
Johnson Health Tech. HK Ltd.	(7,807)	10,098
Johnson Fitness (Malaysia) SDN. BHD.	(8,848)	(35,533)
Johnson Health Tech UAE L.L.C	28,294	49,281
Johnson Health Tech.(Schweiz) GmbH	(28,058)	25,634
Johnson Health Tech Japan Co., Ltd.	(24,708)	-
DAYA Corporation	(10,087)	-
Johnson Health Tech Digital Shanghai Limited	(33,339)	-
Synclync Inc.	(11,968)	-
Total	$643,008	$550,835

B. Exchange differences in translation of foreign operations in 2024 and 2023 are as follows:

	For the years ended 31 December	
	2024	2023
Johnson Health Tech Canada Inc.	$6,861	$(3,245)
Johnson Health Tech Philippines, Inc.	(678)	(119)
JHT FIT Company Limited	303	111
Johnson Health Tech (Vietnam) Company Limited	(779)	2,009
PT Johnson Health Tech Indonesia	773	(91)
Johnson Health Tech Rus Limited Liability Company.	(41,302)	(18,840)
Johnson Health Care Co., Ltd.	-	(1,125)
Johnson Health Technologies, S.A. de C.V.	(42,793)	27,738
Johnson Health Industry (Viet Nam) Company Limited.	5,710	(19,656)
Johnson Health Tech SA Proprietary Limited	835	(2,624)
Johnson Health Tech. UK Ltd.	4,919	7,105
Johnson Health Tech Turkey Spor Ve Saglik Malzemeleri Tica Ticaret Anonim Sirketi	(4,576)	(15,957)
Johnson Health Tech Retail Inc.	9,148	22
Johnson Health Tech. North America, Inc.	115,892	(7,403)
Fuji Medical Instruments MFG. Co., Ltd.	(37,325)	(56,851)
Johnson International Holding Corp., Ltd.	(2,073)	49,739
Johnson Fitness (Malaysia) SDN. BHD.	(2,279)	105
Johnson Health Tech. HK Ltd.	2,758	(154)
Johnson Health Tech Korea Co., Ltd.	(5,203)	(1,380)
Johnson Health Tech India Pvt Ltd	745	(205)
Johnson Health Tech Digital UK Limited	(27,439)	22,819
Johnson Health Tech UAE L.L.C	4,143	(728)
Johnson Health Tech.(Schweiz) GmbH	(186)	2,224
Johnson Health Tech Japan Co., Ltd.	138,090	-
Johnson Health Tech Digital Shanghai Limited	333	-
Synclync Inc.	(101)	-
Johnson Health Tech Industry (Thuan Thanh 1) Company Limited	59,656	-
Johnson Health Tech Industry (Thuan Thanh 2) Company Limited	29,121	-
Total	$214,553	$(16,506)

C. Unrealized gain(loss) on fair value through other comprehensive income financial assets in 2024 and 2023 are as follows:

	For the years ended 31 December	
	2024	2023
Fuji Medical Instruments MFG. Co., Ltd.	$14,204	$24

D. Investment in subsidiaries

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

(7) Owner-occupied property

	31 December 2024	31 December 2023
Owner-occupied property	$1,192,418	$1,171,422

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	$678,817	$552,635	$217,404	$29,803	$91,181	$216,618	$98,381	$129,100	$10,897	$2,024,836
Additions	-	142	84	-	1,201	-	4,485	210	18,294	24,416
Disposals	-	(133)	(283)	(6,250)	(1,723)	(160)	(6,030)	(162)	-	(14,741)
Transfers	-	7,045	3,381	-	8,708	79,812	935	6,712	(13,441)	93,152
As at 31 December 2024	$678,817	$559,689	$220,586	$23,553	$99,367	$296,270	$97,771	$135,860	$15,750	$2,127,663
Depreciation and impairment:										
As at 1 January 2024	$-	$246,479	$152,305	$29,803	$76,318	$194,060	$84,763	$69,686	$-	$853,414
Depreciation	-	23,199	20,692	-	10,713	15,028	9,355	17,508	-	96,495
Disposals	-	(133)	(283)	(6,250)	(1,723)	(144)	(5,969)	(162)	-	(14,664)
As at 31 December 2024	$-	$269,545	$172,714	$23,553	$85,308	$208,944	$88,149	$87,032	$-	$935,245
Net carrying amount:										
As at 31 December 2024	$678,817	$290,144	$47,872	$-	$14,059	$87,326	$9,622	$48,828	$15,750	$1,192,418
As at 1 January 2024	$678,817	$306,156	$65,099	$-	$14,863	$22,558	$13,618	$59,414	$10,897	$1,171,422

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

(b) 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.

(c) Please refer to Note 8 for property, plant and equipment pledged as collateral.

(d) No capitalization of interest as a result of purchasing property, plant and equipment for the years ended 31 December 2024 and 2023.

(8) Short-term loans

	Interest Rates (%)	As at 31 December 2024	As at 31 December 2023
Unsecured bank loans	1.77%~2.18%	$5,100,000	$4,260,000
Unused short-term lines of credits amount		$6,563,986	$6,240,146

(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 Company issued five-year secured domestic bonds with a face value of NTD3,000,000 thousand for the first time on 13 August 2024, with the remaining amount to be fully settled by the maturity date.

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.

(10) Commercial Paper Payable

Accounting title	Guarantee	As at 31 December 2024	As at 31 December 2023
Commercial paper payable	Mega Bill Finance Corporation	$150,000	$150,000
	International Bills Financial Corporation	150,000	150,000
	China Bills Finance 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	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	31 December 2023
Payroll	$217,903	$192,422
Warranty expense	48,437	55,905
Other expense	338,027	263,535
Total	$604,367	$511,862

	As at	
	31 December 2024	31 December 2023
Product maintenance warranty		
Beginning balance	$80,916	$85,976
Warranty recognized	49,804	34,411
Amount utilized during the year	(66,504)	(39,471)
Ending balance	$64,216	$80,916
Current	$48,437	$56,609
Non-current	15,779	24,307
Total	$64,216	$80,916

(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 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.
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.
Subtotal	1,041,420	
Less: current portion	(242,531)	
Less: syndicated bank loans expense	(2,805)	
Subtotal	796,084	
Commercial paper payable-syndicated bank loans (Note 1)	3,400,000	
Less: Discount on long-term commercial paper payable	(8,224)	
Subtotal	3,391,776	
Total	$4,187,860	

Note: Long-term borrowings interest rate is between 1.60% to 2.335%, 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 (Note 1)	$434,600	The interest is paid monthly from 13 March 2023 to 28 January 2026, and repay the loan in full at maturity.
Taiwan Cooperative Bank, etc. syndicated bank loans (Note 1)	458,503	The interest is paid monthly from 22 February 2023 to 28 January 2026, and repay the loan in full at maturity.
Taipei Fubon Bank credit loan	300,000	From November 30 2023 to November 28 2025, the first installment is 6 months after the first drawdown date, with 3 months being one installment, which is divided into 7 installments. 10% of the principal will be amortized, 40% of the principal will be amortized in the 7th installment (i.e. the credit expiration date). The interest will be paid monthly.
First Commercial Bank credit loan	113,951	Repayable monthly from 6 September 2019 to 30 September 2029. The grace period starts on the first drawdown date until the expiration of 24 months thereafter. The interest is paid monthly.
Subtotal	1,307,054	
Less: current portion	(32,531)	
Less: syndicated bank loans expense	(5,865)	
Subtotal	1,268,658	
Commercial paper payable- syndicated bank loans (Note 1)	4,200,000	
Less: Discount on long-term commercial paper payable	(3,801)	
Subtotal	4,196,199	
Total	$5,464,857	

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

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

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

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

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

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

B. Tranche B: The commercial paper issuance guarantees a revolving credit line of NTD4.5 billion. However, the maximum duration for each commercial paper guarantee issuance shall not exceed 180 days, and the maturity date for each guarantee shall not surpass the expiration date of the credit period.

C. Tranche C: The non-revolving credit line is established at NT$6.75 billion or its equivalent in USD, EUR, or JPY. It must be fully utilized by the borrower within 36 months from the initial utilization date. If the utilization period elapses without full utilization, the remaining portion of the credit line will be automatically canceled and cannot be utilized further.

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

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

Note 1: Current ratio= current assets/ current liabilities
Note 2: Financial liability ratio = (bank loans + domestic secured bonds) / owners' equity
Note 3: Interest coverage ratio = (income before income tax + interest expense + amortization expense) / interest expense

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

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

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

The Company did not violate the above covenants for the years ended 31 December 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 Company will make monthly contributions of no less than 6% of the employees’ monthly wages to the employees’ individual pension accounts. The Company has made monthly contributions of 6% of each individual employee’s salaries or wages to employees’ pension accounts.

Expenses under the defined contribution plan for the years ended 31 December 2024 and 2023 were NTD45,550 thousand and NTD43,583thousand respectively.

Defined benefits plan

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

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NTD2,849 thousand to its defined benefit plan during the 12 months beginning after 31 December 2024.

The average duration of the defined benefits plan obligation as at 31 December 2024 and 2023, are 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):			
Actuarial gains and losses arising from changes in financial assumptions			
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 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 reporting period. The yield of government bonds should be used in countries where the bonds have no market depth. The currency and period of corporate or government bonds should be consistent with the currency and estimated period of post-employment benefits obligation. If there is no deep-market bond with a sufficient long maturity date to coordinate the estimated due date of all benefit payments, the company should use the current market interest rate for an appropriate period to discount the payment of a shorter period. In addition, extrapolating the current market rate along the curve of yield to estimate the discount rate with a longer maturity period.

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

(15) Equity

A. Share capital

As at 1 January 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 NTD303,394,617 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
Difference between consideration and carrying amount of subsidiaries acquired or disposed	371,467	371,467
Gain on sale of assets	42	42
Other	74	74
Total	$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 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 serve which exceeds 25% of the issued capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

D. Special reserve

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

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

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

The Company’s special reserve of NTD64,037 thousand at first-time adoption of IFRS with the absolute value of other equity (deduction) – net as at 1 January 2023. As at the year 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 2023 and 2022 distributable earnings, the Company (reversal) set aside special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, amount equal to other net deductions from shareholders’ equity were 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 employee	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 remaining for distribution. The ratio may be adjusted by the board of directors to between 50% to 100% of stock dividend depending on the actual profit and funding of the year or based on the needs of capital expenditure and business expansion, upon obtaining resolution of the shareholders' meeting.

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

Details of the 2023 earnings distribution and dividends per share as approved by the resolution of the shareholders' meeting held on 28 June 2024 is as follows:

	Appropriation of earnings		Dividend per share (NTD)	
	2024	2023	2024	2023
Legal reserve	(Note 2)	$70,837	(Note 2)	
(Reversal) Special reserve	(Note 2)	359,012	(Note 2)	
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 have not been finalized.

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

(16)Operating revenue

	For the years ended 31 December	
	2024	2023
Revenue from contracts with customers		
Sale of goods	$20,490,446	$13,946,072
Other operating revenues	7,836	6,868
Total	$20,498,282	$13,952,940

The Company recognizes revenues when control of the products is transferred to the customers at a point in time. Information on revenues from contracts with customers during the years ended 31 December 2024 and 2023 are as follows:

A. Contract balance

(a) Contract asset – current

	As at		
	31 December 2024	31 December 2023	1 January 2023
Sales of goods	$25,947	$16,179	$27,066

The significant changes in the Company'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	$(16,179)	$(27,066)
Increase of contract assets	25,947	16,179

Please refer to Note 6(17) 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	$197,578	$217,926	$189,061

During the past period, contract liabilities significantly decreased as performance obligations were partially satisfied and NTD206,785 thousand was recognized as revenue during the period.

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

(c) Transaction price allocated to unsatisfied performance obligations

None.

(d) Assets recognized from costs to fulfill a contract

None.

(17) Expected credit losses

	For the years ended 31 December	
	2024	2023
Operating expenses – Expected credit losses		
Trade receivables	$1,024	$1,219

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

The Company measures the loss allowance of its contract assets and trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company’s loss allowance as at 31 December 2024 is as follows:

A. The gross carrying amount of contract asset is NTD25,947 thousand. There is no need to recognize loss allowance based on individual customer assessment method.

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

Note receivables and trade receivables as at 31 December 2024

	Not yet due (note)	Overdue				Total
		<=60 days	61-90 days	91-180 days	>=181 days	
Gross carrying amount	$361,874	$41,972	$3,644	$5,947	$1,840	$415,277
Loss rate	-%	-%	-%	-%	100%	
Lifetime expected credit losses	-	-	-	-	(1,840)	(1,840)
Per book	$361,874	$41,972	$3,644	$5,947	$-	$413,437

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

Note receivables and trade receivables as at 31 December 2024－related party

	Not yet due (note)	Overdue				Total
		<=60 days	61-90 days	91-180 days	>=181 days	
Gross carrying amount	$6,725,424	$1,627,632	$666,483	$736,978	$-	$9,756,517
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Per book	$6,725,424	$1,627,632	$666,483	$736,978	$-	$9,756,517

Installment accounts receivable as at 31 December 2024

	Not yet due (note)	Overdue				Total
		<=60 days	61-90 days	91-180 days	>=181 days	
Gross carrying amount	$156,184	$285	$286	$-	$577	$157,332
Loss rate	-%	-%	-%	-%	100%	
Lifetime expected credit losses	-	(210)	-	-	(577)	(787)
Per book	$156,184	$75	$286	$-	$-	$156,545

Note receivables and trade receivables as at 31 December 2023

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

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

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

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

Installment accounts receivable as at 31 December 2023

	Not yet due	Overdue				
	(note)	<=60 days	61-90 days	91-180 days	>=181 days	Total
Gross carrying amount	$186,596	$289	$-	$-	$1,009	$187,894
Loss rate	-%	70-80%	-%	-%	100%	
Lifetime expected credit losses	-	(210)	-	-	(1,009)	(1,219)
Per book	$186,596	$79	$-	$-	$-	$186,675

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	$-	$1,981
Write off	-	(378)
Addition for the current period	-	1,024
Reclassification for the current period	-	-
2024.12.31	$-	$2,627
2023.01.01	$-	$762
Write off	-	-
Addition for the current period	-	1,219
Reclassification for the current period	-	-
2023.12.31	$-	$1,981

(18) Leases

A. The Company is a lessee

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

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

(a) Amounts recognized in the balance sheet

(i) Right-of-use asset

The carrying amount of right-of-use assets

	As at 31 December	
	2024	2023
Buildings	$140,953	$114,010

During the years ended 31 December 2024 and 2023, the Company's additions to right-of-use assets amounted to NTD55,225 thousand and NTD73,468 thousand, respectively.

(ii) Lease liabilities

	As at 31 December	
	2024	2023
Current	$90,260	$38,434
Non-Current	53,146	77,904
Total	$143,406	$116,388

Please refer to Note 6(20)(d) for the interest on lease liabilities recognized during the years ended 31 December 2024 and 2023 and refer to Note 12(5) Liquidity risk management for the maturity analysis for lease liabilities as at 31 December 2024 and 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
Buildings	$43,007	$45,514

(c) Income and costs relating to leasing activities

	For the years ended 31 December	
	2024	2023
The expenses relating to short-term leases	$36,286	$32,472

(d) Cash outflow related to lessee and lease activity

During the year ended 31 December 2024 and 2023, the Company's total cash outflows for leases amounted to NTD80,520 thousand and NTD80,188 thousand, respectively.

(19) 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	$292,574	$768,098	$1,060,672	$254,825	$686,453	$941,278
Labor and health insurance	30,734	65,121	95,855	29,594	63,232	92,826
Pension	12,401	34,772	47,173	11,699	33,715	45,414
Director compensation	-	9,230	9,230	-	7,524	7,524
Other employee benefits expense	14,086	25,510	39,596	12,550	23,192	35,742
Depreciation	65,215	74,287	139,502	59,436	80,677	140,113
Amortization	39	12,789	12,828	226	10,065	10,291

As at 31 December 2024 and 31 December 2023, the Company’s employees were 1,267 and 1,268, respectively; the number of directors who were not concurrently employees was 8 and 8.

As at 31 December 2024 and 31 December 2023, the Company’s average employee benefits expenses were NT$980 thousand and NT$885 thousand, respectively.

As at 31 December 2024 and 31 December 2023, the Company’s average employee salaries expenses were NT$842 thousand and NT$747 thousand employees, respectively; the average adjusted employee salaries expense was decreased to 12.7%.

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

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

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

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

Based on the profit of the year ended 31 December 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.

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.

(20) Non-operating income and expenses

A. Interest income

	For the years ended 31 December	
	2024	2023
Financial assets measured at amortized cost	$214,952	$191,068

B. Other income

	For the years ended 31 December	
	2024	2023
Others	$61,205	$61,799

C. Other gains and losses

	For the years ended 31 December	
	2024	2023
Foreign exchange gains, net	$592,086	$187,311
(Losses) Gains on financial assets at fair value through profit or loss(Note 1)	(5,476)	5,416
Gains (Losses) on financial liabilities at fair value through profit or loss (Note 2)	19,050	(18,170)
Losses on disposal of investments	(14,888)	(15,226)
Gains on disposal of property, plant and equipment	391	50
Others	(244)	(1,962)
Total	$590,919	$157,419

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	$292,723	$248,864
Interest on lease liabilities	1,100	990
Total	$293,823	$249,854

(21) 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	214,553	214,553	-	214,553
Total of other comprehensive income	$233,719	$233,719	$(992)	$232,727

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 from equity instruments investments measured at fair value through other comprehensive income	24	24	-	24
To be reclassified to profit or loss in subsequent periods:				
Exchange differences resulting from translating the financial statements of a foreign operation	(359,035)	(359,035)	-	(359,035)
Total of other comprehensive income	$(360,839)	$(360,839)	$365	$(360,474)

(22) Income tax

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

A. Income tax expense recognized in profit or loss

	For the years ended 31 December	
	2024	2023
Current income tax expense:		
Current income tax charge	$466,794	$159,200
Adjustments in respect of current income tax of prior periods	(1,861)	21,014
Deferred tax (income) expense:		
Deferred tax (income) expense relating to origination and reversal of temporary differences	2,142	(68,730)
Other components of deferred tax income	-	503
Total income tax expense	$467,075	$111,987

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)
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	$2,961,758	$821,813
Tax at the domestic rates applicable to profits in the country concerned	592,352	164,363
Tax effect of expenses not deductible for tax purposes	(123,416)	(99,874)
5 % surtax on undistributed retained earnings	-	26,484
Adjustments in respect of current income tax of prior periods	(1,861)	21,014
Total income tax expense recognized in profit or loss	$467,075	$111,987

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	Balance as at 31 December
Temporary difference				
Unrealized foreign exchange gain (loss)	$(39,795)	$5,516	$-	$(34,279)
Provision for allowance to reduce inventories to market value	4,732	613	-	5,345
Gain (losses) on financial assets and liabilities at fair value through profit or loss	978	(2,715)	-	(1,737)
Net defined benefit liability – non-current	2,015	(2,243)	-	(228)
Remeasurement on defined benefit plans	12,845	-	(992)	11,853
Provision-warranties	16,043	(3,313)	-	12,730
Land appreciation tax	(47,428)	-	-	(47,428)
Deferred tax (income)/expense		$(2,142)	$(992)	
Net deferred tax assets/(liabilities)	$(50,610)			$(53,744)
Reflected in balance sheet as follows:				
Deferred tax assets	$36,613			$29,928
Deferred tax liabilities	$(87,223)			$(83,672)

(b) For the year ended 31 December 2023

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

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

The Group did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's overseas subsidiaries, as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As at 31 December 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.

(d) The assessment of income tax returns

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

(23) Earnings per share

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

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

	For the years ended 31 December	
	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

Name and nature of relationship of the related parties

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

Significant transactions with related parties

A. Sales

	For the years ended 31 December	
	2024	2023
Johnson Health Tech North America, Inc.	$5,183,767	$4,282,441
Johnson Health Tech Retail Inc	2,976,250	1,493,320
Johnson Health Tech Netherland B.V.	1,724,113	1,301,031
Johnson Health Tech GmbH	963,284	675,102
Johnson Health Tech UK Ltd.	756,356	284,519
Others	6,662,965	4,043,548
Total	$18,266,735	$12,079,961

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

B. Purchase

	For the years ended 31 December	
	2024	2023
Johnson Industries (Shanghai) Co., Ltd.	$7,700,717	$5,632,191
Johnson Health Industry (Vietnam) Company Limited	3,160,321	1,735,675
Johnson Health Technology (Shanghai) Co., Ltd.	463,150	350,034
Others	177,043	249,217
Total	$11,501,231	$7,967,117

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

C. Accounts receivable, net

	As at	
	31 December 2024	31 December 2023
Johnson Health Tech Retail Inc	$2,922,564	$2,434,824
Johnson Health Tech North America, Inc.	1,032,365	1,283,215
Johnson Health Tech Netherland B.V.	709,381	611,773
Johnson Health Tech UK Ltd.	654,653	558,477
Johnson Industrial do Brasil Ltda.	1,056,354	513,422
Johnson Health Technologies, S.A. de C.V.	600,504	241,925
Johnson Health Technologies Canada Inc.	633,124	163,697
Others	2,147,572	1,560,607
Total	$9,756,517	$7,367,940

D. Other accounts receivable, net

	As at	
	31 December 2024	31 December 2023
Johnson Health Tech Retail Inc	$75,146	$493,423
Johnson Industrial do Brasil Ltda	289,165	438,092
Johnson Health Technologies Canada Inc.	139,279	338,130
Johnson Health Tech UAE LLC	189,978	149,484
Johnson Health Tech Netherland B.V.	239,628	110,025
Johnson Health Technologies, S.A. DE C.V.	267,335	88,933
Johnson Health Tech UK Ltd.	89,658	41,827
Others	121,520	89,522
Total	$1,411,709	$1,749,436

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

E. Accounts payable, net

	As at	
	31 December 2024	31 December 2023
Johnson Industries (Shanghai) Co., Ltd.	$4,736,566	$3,691,389
Johnson Health Technology (Shanghai) Co., Ltd.	241,400	112,871
Others	127,434	51,770
Total	$5,105,400	$3,856,030

F. Other payables, net

	As at	
	31 December 2024	31 December 2023
Johnson Health Tech France	$152,369	$168,197
Johnson Health Tech Retail, Inc.	45,810	27,846
Johnson Health Tech Netherland B.V.	78,541	23,514
Others	33,447	32,121
Total	$310,167	$251,678

G. Expenses

	For the years ended 31 December	
	2024	2023
Johnson Health Tech Retail Inc	$1,192,260	$954,083
Johnson Health Tech North America, Inc.	511,882	470,292
Johnson Health Tech Netherland B.V	211,442	205,492
Others	175,974	118,830
Total	$2,091,558	$1,748,697

H. Other Income

	For the years ended 31 December	
	2024	2023
Johnson Industries (Shanghai) Co., Ltd.	$32,760	$28,656
Johnson Health Tech Retail Inc	33,695	26,229
Johnson Health Tech North America, Inc.	275	20,189
Johnson Industrial do Brasil Ltda.	13,872	18,075
Johnson Health Technologies Canada Inc.	10,053	12,133
Johnson Health Tech UK Ltd.	14,332	11,068
Others	76,593	63,851
Total	$181,580	$180,201

I. Key management personnel compensation

	For the years ended 31 December	
	2024	2023
Short-term employee benefits	$82,770	$79,910

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 / Secured loan
Property, plant and equipment – buildings (carrying value)	40,997	42,320	Syndicated loans / Secured loan
Other receivable - deposit	84,192	78,974	LC loan
Total	$796,460	$792,565	

9. Commitments and contingencies

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

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

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Categories of financial instruments

	As at	
Financial Assets	31 December 2024	31 December 2023
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$8,686	$14,162
Amortized cost of a financial asset:		
Cash and cash equivalents (excluding cash on hand)	254,236	308,592
Notes and trade receivable	10,326,499	8,050,462
Other receivables	1,508,773	1,842,746
Subtotal	12,089,508	10,201,800
Total	$12,098,194	$10,215,962

	As at	
Financial Liabilities	31 December 2024	31 December 2023
Financial liabilities at amortized cost:		
Short-term borrowings	$5,100,000	$4,260,000
Commercial paper payable	499,572	449,633
Notes and accounts payable	6,205,934	4,519,249
Bonds payable (including current portion)	3,000,000	2,000,000
Long-term loans (including current portion)	4,430,391	5,497,388
Lease liability	143,406	116,338
Subtotal	19,379,303	16,842,608
Financial liabilities at fair value through profit or loss:		
Held for trading	-	19,050
Total	$19,379,303	$16,861,658

(2) Financial risk management objectives and policies

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

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

(3) Market risk

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

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

<u>Foreign currency risk</u>

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

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

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

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

	Increase (decrease) in equity	Decrease (increase) in profit or loss
For the year ended 31 December 2024	$-	$43,807
For the year ended 31 December 2023	$-	$40,756

(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	$-	$3,463
For the year ended 31 December 2023	$-	$18

(c) 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	$-	$(1,149)
For the year ended 31 December 2023	$-	$(7,124)

Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period. A change of 10 basis points of interest rate in a reporting period would cause the profit for the years ended 31 December 2024 and 2023 to decrease by NTD10,030 thousand and NTD10,208 thousand, respectively.

(4) Credit risk management

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

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

As at 31 December 2024 and 2023, the credit concentration risk of other accounts receivables is insignificant. The accounts receivable of the top ten customers accounted for 67.41% and 71.65% of the Company’s balance of accounts receivables, respectively.

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

(5) Liquidity risk management

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

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	>= 5 years	Total
As at 31 December 2024					
Short-term borrowings	$5,153,443	$-	$-	$-	$5,153,443
Commercial paper payable	500,000	-	-	-	500,000
Notes and accounts payable	6,205,934	-	-	-	6,205,934
Bonds payable	65,000	1,121,888	2,071,002	-	3,257,890
Long-term loans	255,047	270,000	565,479	3,449,514	4,540,040
Lease liabilities	44,338	69,581	24,028	8,309	146,256
As at 31 December 2023					
Short-term borrowings	$4,273,880	$-	$-	$-	$4,273,880
Commercial paper payable	450,000	-	-	-	450,000
Notes and accounts payable	4,519,249	-	-	-	4,519,249
Bonds payable	2,011,006	-	-	-	2,011,006
Long-term loans	4,236,852	1,265,093	17,985	6,654	5,526,584
Lease liabilities	38,606	50,026	26,189	-	114,821

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2024:

	Short-term borrowings	Commercial paper Payable	Bonds payable	Long-term loans	Lease liabilities	Total
As at 1 January 2024	$4,260,000	$449,633	$2,000,000	$5,497,388	$116,338	$12,323,359
Cash flows	840,000	50,000	1,000,000	(1,066,997)	(44,234)	778,769
Non-cash changes	-	(61)	-	-	71,302	71,241
As at 31 December 2024	$5,100,000	$499,572	$3,000,000	$4,430,391	$143,406	$13,173,369

Reconciliation of liabilities for the year ended 31 December 2023:

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

(7) Fair value of financial instruments

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

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

(a) The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public Company and private Company equity securities) is estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

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

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

B. Fair value measurement hierarchy

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

(8) Derivative financial instruments

The Company's derivative financial instruments include forward currency contracts and embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as at 31 December 2024 and 2023 is as follows:

Forward currency contracts

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

Contract	Contract amount (in thousands)	Maturity
As at 31 December 2024		
Foreign exchange swaps	Sell USD 49,000	2025/1/3~2025/1/7
Foreign exchange swaps	Sell EUR 46,000	2025/1/10-2025/1/14
As at 31 December 2023		
Pre-sale forward exchange contract	Sell USD 10,000	2024/1/30
Foreign exchange swaps	Sell USD 77,800	2024/1/5
Foreign exchange swaps	Sell EUR 15,300	2024/1/4~2024/1/5

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

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

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability

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

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

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

As at 31 December 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Pre-sale forward exchange contract	$-	$8,686	$-	$8,686

As at 31 December 2023

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

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:						
USD	$302,501	32.781	$9,916,272	$260,449	30.735	$8,004,902
EUR	50,573	34.132	1,726,147	47,339	34.011	1,610,062
JPY	66,220	0.2098	13,893	180,778	0.2173	39,283
Financial liabilities						
Monetary item:						
USD	$135,491	32.781	$4,441,544	$94,692	30.735	$2,910,369
EUR	37,890	34.132	1,293,278	47,274	34.011	1,607,824
JPY	750,853	0.2098	157,529	4,277,903	0.2173	929,588

The Company is unable to disclose foreign exchange gains or losses on significant assets and liabilities denominated in foreign currencies because the Company and subsidiaries use a large number of different functional currencies. The exchange gain for the years ended 31 December 2024 and 2023 were NTD592,086 thousand and NTD187,311 thousand, respectively.

(11) Capital management

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

13. Other disclosures

(1) Information at significant transactions

A. Financing provided to others for the year ended 31 December 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 (excluding subsidiaries, associates and joint ventures): None

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock for the year ended 31 December 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 Note 13(1)(j) for detail.

H. Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of capital stock as of 31 December 2024: Please refer to Attachment 3.

I. Transaction of derivative financial instruments: Please refer to Note 12(8).

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

(2) Information on investees

Investee company names, locations, main businesses and products, original investment amount, investment as of 31 December 2024, net income(loss) of the investee company and investment income(loss) recognized as of 31 December 2024: Please refer to Attachment 5.

(3) Information on investments in mainland China

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

Attachment 1: Financing provided 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 (NTD 209,014) EUR 741 (NTD 25,303) JPY 33,760 (NTD 7,083) Non-trade receivable USD USD 0 (NTD 7) CNY 7 (NTD 30)	2.61	-	-	65,098	-
Johnson Health Technology (Shanghai) Co., Ltd.	Johnson Industries (Shanghai) Co., Ltd.	Investee company	Account receivable USD 11,892 (NTD 381,830) CNY 69 (NTD 306)	3.98	-	-	231,253	-
Johnson Industries (Shanghai) Co., Ltd.	Johnson Health Technology (Shanghai) Co., Ltd.	Investee company	Account receivable USD 2,882 (NTD 92,552) Non-trade receivable USD 5 (NTD 151) CNY 28 (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 (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 28850 - Torrejón de Ardoz (Madrid) España	Selling cardiovascular and weight training equipment	770,787 (USD 23,992)	770,787 (USD 23,992)	446,175	99.99%	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 (USD 7,262)	235,752 (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 (USD 1,217)	39,363 (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 (USD 15,683)	505,995 (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 (USD 17,177)	539,077 (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 (USD 26,363)	826,035 (USD 26,363)	-	99.99%	381,082	93,372	Not applicable	
Johnson International Holding Corp., Ltd.	World of Leasing GmbH	Gänseberg 5 22926 Ahrensburg	Selling cardiovascular and weight training equipment	46,442 (USD 1,503)	46,442 (USD 1,503)	-	100.00%	194,891	15,037	Not applicable	
Johnson International Holding Corp., Ltd.	Johnson Health Tech. Australia Pty., Ltd	78 Logis Boulevard, Dandenong South VIC 3175	Selling cardiovascular and weight training equipment	573,150 (EUR 18,505)	573,150 (EUR 18,505)	20,715,330	100.00%	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 (EUR 3,299)	121,209 (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 (USD 19,900)	657,600 (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 (USD 7,993)	258,317 (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 (USD 4,650)	150,278 (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 (USD 11,511)	351,886 (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 (USD 12,698)	394,287 (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 (NZD -)	2 (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 (DK 50)	239 (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 (EUR 1,496)	50,699 (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 (EUR 120)	4,058 (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-Holeš ovice	Selling cardiovascular and weight training equipment	12,853 (CKZ 9,900)	12,853 (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 (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 (JPY 308,601)	37,172 (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 (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.